



Schedule F – Best Practices for Assembling Data

Schedule F is used to report farm income and expenses. Keeping detailed, organized farm records ensures accurate reporting and helps maximize deductions.

Filing Dos and Don'ts

- DON'T give individual receipts or bank statements to your tax team
- DO tally up receipts & provide totals by expense category
- DO keep records and receipts for each year in case you are audited

Farm Income

- Crop and livestock sales by type and date
- 1099 forms received from co-ops or processors
- Government program payments (Form 1099-G)
- Crop insurance and disaster payments
- Custom hire or machine work income
- Other farm-related income such as boarding or breeding fees

Tip: Keep income categorized by crop, herd, or activity for easier reporting and analysis.

Farm Expenses

- Car and Truck Expenses (mileage logs or actual expenses)
- Chemicals, fertilizers, seed, and plants
- Conservation expenses
- Custom hire including machine work or contract labor
- Feed purchased
- Freight and trucking
- Gasoline, fuel, and oil
- Insurance including farm property, liability, and crop
- Interest on operating loans and mortgages
- Labor hired with W-2, W-3, and payroll records
- Pension and profit-sharing plans
- Rent or lease of vehicles, machinery, or land
- Repairs and maintenance of equipment and buildings
- Supplies such as fencing and small tools
- Taxes including real estate and personal property taxes
- Utilities such as electricity, water, and phone
- Veterinary, breeding, and medicine

Reminder: Repairs are deductible, but new barns, tractors, or major improvements must be capitalized and depreciated.

Livestock Records

- Inventory at beginning and end of year
- Purchases and sales records
- Births and deaths during the year
- Feed and veterinary expenses by herd or group

Government Programs

- Form 1099-G for agricultural payments
- Conservation Reserve Program payments
- Disaster relief and crop insurance claims

General Best Practices

- Keep income and expenses organized by category
- Maintain separate farm bank accounts
- Track personal versus business use of vehicles and assets
- Retain digital and paper receipts
- Use farm accounting software or spreadsheets for tracking
- Update records monthly to stay current

Organized farm records help maximize deductions, simplify tax preparation, and provide better insight into your farm's financial health.