



Deferred Taxes

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Financial statements are prepared to provide the user with information which is useful in making decisions. Anyone who makes decisions based on financial statements should understand the significance of deferred taxes and know what regulations and accounting procedures create a deferred tax liability. They should know what effect deferred taxes have on risk, cash flow, and owner equity. Financial statement preparers should know when the deferred taxes must be recognized as due and payable.

This OSU Fact Sheet explains why deferred taxes are included as a liability on the balance sheet and examines the methods recommended by the Farm Financial Standards Council (FFSC) for estimating deferred taxes. Two worksheets are included to assist in calculating deferred taxes. Examples will be used to demonstrate the classification of deferred taxes as current or non-current. It is important to classify deferred taxes correctly as they affect the integrity of the balance sheet and income statement. In this example, deferred taxes are calculated on both farm and non-farm business assets (the house is excluded).

Definitions

Deferred Tax Liability: A debt which is controlled by some future act or occurrence that will result in taxes being owed for income which has already been earned but presently is not taxable. Differences in timing between accrual income and cash basis income for tax reporting are responsible for much of the deferred tax liability.

Marginal Tax Rate: The percentage rate at which income taxes are assessed on the last dollar of taxable income. A progressive tax rate schedule sets the lowest rate for taxable income up to a specified level. Taxable income above that level is taxed at a higher rate while the income up to that change-over point remains taxed at the lower rate. This holds true as successive income tax brackets are reached except that some exemptions are also progressively lost as income reaches higher levels.

Average Tax Rate: The mean percentage rate for income taxes which may be calculated by dividing the total amount of tax owed by taxable income. An applicable average tax rate for use in estimating deferred taxes may be determined by referring to IRS and state tax tables.

Taxable Income: Gross income (not including tax exempt income) less adjustments, exemptions, and deductions.

Since various tax attributes may be used to reduce gross income to taxable income, it is impossible to establish a common guideline which will fit each situation.

Earned Income: Social Security taxes are collected on earned income only and the amount of earned income subject to this tax is limited. Earned income includes net farm income (IRS definition—Schedule F), wages, salaries. Interest income, capital gains, retirement income, and social benefits are generally exempt as these do not fit the social security definition of earned income. Historically, the limit on earned income subject to social security taxes has frequently been raised. Refer to SSA publications to determine the current limits.

Calculating Deferred Taxes

Deferred Taxes on Current Assets

Farm producers are generally allowed to report income for tax purposes on a cash basis. That means revenues are reported in the year when received and expenses are deducted in the year when paid. Most producers report income on a cash basis in order to avoid the additional effort and expense of calculating income on an accrual basis. Cash basis reporting also allows income and expenses to be shifted into different years. The tax basis for most current assets (growing crops, raised market livestock and feed, purchased feed, supplies) will be zero, since the costs of producing the current assets are deducted in the year that the expense is paid. Livestock or commodities purchased for resale are an exception. The cost of acquiring these assets is not reported as an expense for tax purposes until the year of sale.

The sales proceeds from current assets in excess of the deductible expenses is taxable income if sold in the year that the expenses are incurred. The current value in excess of the tax basis of assets on the balance sheet represents taxable income although the tax on this income is deferred until such time that the cash is actually received. A tax worksheet to facilitate tax basis calculations for assets (Table 1) is included in this publication along with a worksheet to calculate deferred taxes (Table 2).

Deferred Taxes on Non-Current Assets

The non-current portion of deferred taxes is similar to the current portion in that a difference often exists between

market value and the tax basis on non-current assets. The value of land, which is never depreciated, may have increased over time relative to its cost. In general, the cost of the land is the tax basis and the difference between cost and market is a taxable gain. The tax is deferred until the land is sold.

Depreciable non-current assets may also show a market value increase over cost. The Modified Accelerated Cost Recovery System (MACRS) used for tax depreciation specifies a recovery period which is often shorter than the economical useful life of non-current assets. Under MACRS, there are two different depreciation recovery periods that may be used. The General Depreciation System (GDS) allows for a shorter depreciable life compared to the Alternative Depreciation System life. These depreciable lives vary depending upon the asset being depreciated. Both systems reduce the tax basis to zero over this recovery period. The difference between the market value of an asset at the balance sheet date and the tax basis represents a taxable gain on which tax is deferred until the asset is sold. Examples follow to demonstrate calculation of deferred taxes on non-current assets.

Consider an 11-year-old tractor which was purchased for \$80,000. It has a current market value of \$30,000. The tax basis is zero under the MACRS recovery rules using either the GDS or the ADS lives. If the 11-year-old tractor is sold today for \$30,000, the entire amount is taxable as regular income. If the owner is in a 28 percent tax bracket, the amount of tax due would be \$8,400 ($\$30,000 \times .28$). The market value of the asset entered in the Balance Sheet is, in effect, overstated by \$8,400 because the amount which the owner would retain net of taxes is \$21,600. If the tractor is traded for a different one (like-kind exchange) of equal or higher value, the tax would continue to be deferred. The tax basis of the new tractor would be its fair market value reduced by the deferred gain on the "trade-in."

Dairy farmers as well as ranchers frequently raise heifers to replace cows culled from the herd. If the original herd was purchased more than six years previously and since the original purchase, all replacements were raised, the tax basis of the cow herd would be zero. If all of the original cows were still owned, the federal deferred tax on 100 cows valued at \$1,200 each would amount to 28 percent of \$120,000 or \$33,600, based on an estimated average tax rate for this level of income. For raised breeding animals, state and local taxes would be in addition to federal taxes. Expected proceeds from herd liquidation might be grossly overstated if the owner ignores deferred taxes. The owner should also be aware of tax attributes which could reduce the amount of taxes owed, such as a current operating loss, loss carry-forward, or insolvency.

Land which was purchased in 1950 for \$20,000 could now be worth \$100,000. If no major improvements were made to the land, the tax basis would be \$20,000 and the taxable gain if the land is sold for \$100,000 amounts to \$80,000. If the seller's marginal federal tax rate is 28 percent and the associated capital gain tax rate is 20 percent, the taxes due would amount to \$16,000, leaving net cash from the sale of only \$84,000. State income taxes, if applicable, could further reduce the amount realized by the seller.

Why are deferred taxes so important? Because liquidation of assets can result in a significant tax liability, producers and lenders should be aware of the tax consequences before assets are liquidated. Although the owner is responsible for payment of deferred taxes, lenders must recognize that their

risk may also be increased because cash available to make payments on other outstanding loans will be diminished.

Example Farm

A completed example tax worksheet is labeled Table 3. On March 1, 2014, the Madisons have inventories in raised livestock, purchased livestock, raised feed, purchased feed, and supplies. Only the purchased livestock has a tax basis greater than zero. The cost of the raised livestock is deducted in the year the expense is incurred, therefore the basis is zero. The cost of the purchased market livestock of \$83,500 is subtracted from the market value of the purchased livestock, \$126,793, to find the potential taxable income of \$43,293. The cash invested in growing crops, \$33,932, was expensed so this amount would be taxable if the growing crops were sold with the farm. Accrued expenses (accounts payable, interest, state income tax, and ad valorem taxes) which are deductible for federal tax purposes total \$12,273. Subtracting this amount from the value of the current assets' taxable gain of \$119,474 leaves \$107,201 in deferred taxable income on current assets (Table 4). The Madisons estimate that the average federal income tax rate will be about 20 percent and the average state income tax rate will be about 4 percent. In addition, the first \$106,800 of earned income is taxable as self-employment income at 12.4 percent. Earned income is deferred taxable income excluding deferred income on marketable securities. All earned income is taxed at 2.9 percent for medicare. Thus, the Madisons estimated current deferred taxes are \$42,080 (Table 4). This is an estimate of taxes the Madisons would be required to pay on current assets if they liquidated these assets.

The current deferred tax liability is entered in the current liabilities section of the Balance Sheet on line 37. The change in the liability from the beginning to the end of the year is entered in the Income Statement (line 76) as an adjustment to net income which is used to calculate the change in retained earnings, a Balance Sheet entry.

The Madisons have taxable gains on non-current assets of \$1,109,108 which is subject to federal and state income taxes but not self employment taxes. This deferred tax is estimated to be 25 percent of that amount, or \$266,186 (Table 4). The amount by which the market value of non-current assets is effectively overstated. The amount is entered in the non-current liabilities section of the Balance Sheet on line 46 and adjusts valuation equity downward (Balance Sheet, line 55). The division of owner equity is discussed in OSU Extension Fact Sheet AGEC-938.

Problems in Estimating Deferred Taxes

Measuring income which is subject to deferred taxes requires additional expenses for record keeping. For those who are not accustomed to recording market values, cost values and tax basis for assets, the initial attempt may prove to be trying. A professional appraiser could be hired to appraise the assets but this would add a cash expense. Most farmers and lenders are able to estimate the value of assets within a reasonable range. Ascertaining original cost may require extensive record searching or the farmer may have to rely on memory if the amounts have not been recorded in a single document. Tax records should provide original cost, purchase date, and tax basis. Once a set of detailed schedules of assets have been prepared, yearly updates are easier to complete.

The FFSC has suggested that an average tax rate be used to estimate deferred taxes. This is complicated by the progressive tax rate schedule, exemptions based on size of the family, alternative minimum tax rules, limits on long-term capital gains rates, and frequent changes in tax laws. However an estimated rate may be used to get a “ball-park” figure for deferred taxes based on liquidation of all assets. The average tax rate would be less if only part of the assets were liquidated. A person who is anticipating liquidation of a sizeable portion of assets should calculate the taxes using IRS and state tax publications and seek the advice of a tax expert.

The following table gives average tax rates which may be used to estimate deferred federal income taxes based on 2014 tables. Gross income includes taxable current income, farm and non-farm. Applicable state and local tax rates should be added. Social Security and Medicare taxes would also be applied to current asset amounts which represent earned income. An example would be the increase in market value of purchased livestock over their cost.

Gross Income Up To:	Average Federal Tax (Without Social Security)
\$ 50,000	11.5%
75,000	15.5%
100,000	17.6%
300,000	25%
500,000	38.5%
1,000,000	31%
More than 1,000,000	33%

To estimate gross income for use with this table, include current operating receipts less expenses, current assets less tax basis and non-current assets less tax basis. Certain large tax attributes such as previous losses may lower the applicable gross income amount. If a large amount of the gross income over \$300,000 consists of taxable gains on non-current assets, the percentage rate may be reduced somewhat because the long-term capital gain rate is generally limited to 15 percent.

Deferred taxes for an individual cannot be accurately determined by this method, but the estimated amount may indicate whether it is necessary to have a more accurate assessment made. This is often determined by the immediacy of intended liquidation and by the degree of liquidation intended, complete or partial. Usually, a partial liquidation will result in an average tax rate that is lower than the rate which would apply in a complete liquidation.

Summary

Deferred taxes can easily be overlooked. Persons who prepare financial statements and those who use financial statements to make decisions should be aware of potential tax liabilities which could arise if assets are sold. The net worth (owner equity) of farm owners could be seriously degraded if deferred taxes are overlooked. The risk to agricultural lenders may also be increased by deferred taxes. A simple estimate using the average tax rate as recommended by the FFSC will probably not result in a very accurate calculation of deferred taxes, but will alert the user of financial statements to a need for a more detailed analysis of taxes if a liquidation is planned.

Table 3. Tax Worksheet

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Accounts Receivable								
Cash Investment Growing Crops								
Wheat								
Subtotal - Growing Crops								
Marketable Livestock								
Steers								
Raised Steers								
Raised Heifers								
Subtotal - Marketable Lvstk.								
Stored Crops and Feed								
Prairie Hay								
Alfalfa Hay								
Subtotal - Stored Crops and Feed								
Supplies								
Other Non-Farm Assets								
Total Current Assets								

¹ For straight line depreciation, annual depreciation = (Total cost - Salvage value)/(Years of life). When the asset is first purchased, the amount of depreciation taken the first year is the annual depreciation amount multiplied by the proportion of the year remaining. For example, if the accounting year begins January 1 and the asset is purchased March 1, 10/12 of the year remains so the annual depreciation amount is multiplied by 10/12 to arrive at the depreciation amount for that year.

² Depreciation schedules should be attached to your tax return and will list tax basis in depreciable assets.

³ May also record death losses here.

Table 1. (continued)

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Years of useful life	Salvage value	Depreciation method	Accumulated depreciation (total)	Annual depreciation expense ¹	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Non-Current Assets													
Purchased Breeding Livestock													
Subtotal - Purch. Brdg. Lvstk.													
Raised Breeding Livestock													
Subtotal - Raised Brdg. Lvstk.													
Machinery & Equipment													
Subtotal - Mach. & Equip.													

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Table 1. (continued)

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Farm Vehicles													
Subtotal - Vehicles													
Investment in Cooperatives													
Real Estate (Land)													
Subtotal - Real Estate													

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Buildings & Improvements													
Subtotal - Bldg. & Imprv.													
Non-farm Assets													
Cash Value of Life Insurance													

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Table 2. Deferred Tax Worksheet

Current Portion of Deferred Taxes

Value of Marketable Securities	_____	(a)	
Tax Basis of Marketable Securities	_____	(b)	
Taxable Gain, Marketable Securities (a - b)	_____	(c)	
Market Value of Other Current Assets (Inventories, accounts receivable, prepaid expenses, investment in growing crops, non-farm assets)	_____	(d)	
Tax Basis of Other Current Assets	_____	(e)	
Deductible Expenses (Accounts payable, accrued interest, state taxes payable, other)	_____	(f)	
Deferred Taxable Income (c + d - e - f)	_____	(g)	
Average Federal Tax Rate	_____	(h)	
Deferred Federal Income Taxes (g x h)	_____		_____ (i)
Average State Tax Rate	_____	(j)	
Deferred State Taxes (g x j)	_____		_____ (k)
Earned Income (g - c)	_____	(l)	
Taxable Limit, Social Security Portion ¹	_____	(m)	
Enter the smaller amount of (l) or (m)	_____	(n)	
Social Security Tax Rate	_____	(o)	
Deferred Social Security Tax (n x o)	_____		_____ (p)
Medicare Tax Rate	_____	(q)	
Deferred Medicare Tax (l x q)	_____		_____ (r)
TOTAL DEFERRED TAXES, CURRENT (i + k + p + r)	_____		
Non-Current Portion of Deferred Taxes			
Market Value of Non-Current Assets ² (Breeding livestock, machinery & vehicles, real estate & improvements, other)	_____	(s)	
Tax Basis of Non-Current Assets	_____	(t)	
Deferred Taxable Income (s - t)	_____	(u)	
Deferred Federal Taxes (h x u)	_____	(v)	
Deferred State Taxes (j x u)	_____	(w)	
TOTAL DEFERRED TAXES, NON-CURRENT (v + w)			_____

1 Earned income includes net farm income (IRS definition), wages, salaries, etc. Interest income, capital gains, retirement income, etc. are generally exempt as these do not fit the social security definition of earned income.

2 Excluding investments in cooperatives, cash value of life insurance.

Table 3. Tax Worksheet

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Accounts Receivable					0		900	900
Cash Investment Growing Crops								
Wheat		499	68	33,932	0		33,932	33,932
Subtotal - Growing Crops				33,932	0		33,932	33,932
Marketable Livestock								
Purchased Steers		167	500	83,500	83,500	759.24	126,793	43,293
Raised Steers		34	---	---	0	137.50	4,675	4,675
Raised Heifers		24	---	---	0	120	2,880	2,880
Subtotal - Marketable Lvstck.				83,500	83,500		134,348	50,848
Stored Crops and Feed								
Prairie Hay		20	---	---	0	60	1,200	1,200
Alfalfa Hay		20	---	---	0	110	2,200	2,200
Subtotal - Stored Crops and Feed							3,400	3,400
Supplies					0		2,000	2,000
Other Non-Farm Assets					0		28,394	28,394
Total Current Assets							202,974	119,474

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Table 3. (continued)

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Years of useful life	Salvage value	Depreciation method	Accumulated depreciation (total)	Annual depreciation expense ¹	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Non-Current Assets													
Purchased Breeding Livestock													
Bull 7-yr. old	1/06	2	1,500	3,000	5	2,000	SL	800	200	250	1,750	3,500	3,250
Bull 4-yr. old	1/10	2	1,800	3,600	5	2,400	SL	40	240	3,060	1,950	3,900	840
Subtotal - Purch. Brdg. Lvstk.									440	3,310		7,400	4,090
Raised Breeding Livestock													
Replacement heifers		10	450	4,500			SL				600	6,000	6,000
Bred heifers		10	550	5,500			SL				900	9,000	9,000
Cows		80	650	52,000			SL				1,000	80,000	80,000
Subtotal - Raised Brdg. Lvstk.				62,000						0		95,000	95,000
Machinery & Equipment													
JS5410	7/03	1	38,500	38,500	15	15,000	SL	10,186	1,567	0	24,000	24,000	24,000
JD 9200	5/07	1	96,000	96,000	15	24,000	SL	12,800	4,800	39,984	90,000	90,000	50,016
Krause 36' disk	5/07	1	27,500	27,500	15	2,000	SL	4,533	1,700	11,454	17,500	17,500	6,046
CIH 2366 combine	5/01	1	105,450	105,450	12	20,000	SL	61,715	7,121	0	85,000	85,000	85,000
Kent 30' springtooth	7/03	1	9,250	9,250	20	1,000	SL	2,681	413	0	5,000	5,000	5,000
Sunflower 35' chisel	3/04	1	23,850	23,850	16	3,500	SL	7,420	1,272	0	15,000	15,000	15,000
JD 9400 Hoe drill-40'	4/08	1	31,750	31,750	12	6,000	SL	3,756	2,146	18,891	28,000	28,000	9,109
NH 688 baler	1/04	1	29,650	29,650	12	5,000	SL	14,378	2,054	0	17,000	17,000	17,000
JD 4990 swather	3/05	1	62,500	62,500	15	7,000	SL	17,883	3,700	5,206	48,000	48,000	42,794
Subtotal - Mach. & Equip.							SL		24,773	75,535		329,500	253,965

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Table 3. (continued)

Asset Description	Month/year purchased	Number (A)	Cost per unit (B)	Total Cost (A x B)	Years of useful life	Salvage value	Depreciation method	Accumulated depreciation (total)	Annual depreciation expense ¹	Tax basis ² (C)	Market value per unit (D)	Total market value (A x D) ³	Taxable Gain/Loss (A x D) - C
Farm Vehicles													
IH 4900	10/96	1	56,765	56,765	25	3,500	SL	28,236	2,131	0	35,000	35,000	6,471
GMC C-8500	4/04	1	62,500	62,500	13	4,500	SL	25,657	4,462	0	33,000	33,000	(3,843)
Dodge Pickup	12/08	1	23,800	23,800	5	5,000	SL	4,073	3,760	14,161	18,000	18,000	(1,727)
Subtotal - Vehicles									10,353	14,161		86,000	71,839
Investment in Cooperatives													
Klondike Farmers Coop.		1									18,000	18,000	
Subtotal - Investment in Coops											18,000	18,000	
Real Estate (Land)													
NE 1/4 Sec 21	6/86	160	350	56,000						56,000	1,186	189,750	133,750
NW 1/4 Sec 21	8/86	160	519	83,000						83,000	1,330	212,800	129,800
E 1/2 Sec 16	4/89	320	566	181,000						181,000	1,240	396,800	215,800
NW 1/4 Sec 15	5/00	160	700	112,000						112,000	1,268	202,870	90,870
NW 1/4 Sec 36	8/04	160	773	117,280						117,280	1,219	195,100	77,820
Subtotal - Real Estate										549,280		1,197,320	648,640

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Buildings & Improvements													
Hay Barn	9/00	1	15,000	15,000	30	0	SL	9,167	500	0	7,000	7,000	7,000
Farm Shop	7/05	1	19,760	19,760	40	5,000	SL	2,829	369	2,904	15,000	15,000	12,096
Machine Shed	5/07	1	29,800	29,800	40	5,000	SL	3,462	620	7,922	25,000	25,000	17,078
Subtotal - Bldg. & Imprv.													
Total Non-current Farm Assets													
Non-farm Assets													
Cash Value of Life Insurance										0		14,056	
Investment in Other Entities													
Farm House	6/02	1	78,000	78,000	40	30,000	SL	15,100	1,200	0	65,000	65,000	65,000
Total Non-current Assets													
1,874,276													

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Table 4. Deferred Tax Worksheet

Current Portion of Deferred Taxes

Value of Marketable Securities	<u>0</u>	(a)	
Tax Basis of Marketable Securities	<u>0</u>	(b)	
Taxable Gain, Marketable Securities (a - b)	<u>0</u>	(c)	
Market Value of Other Current Assets (Inventories, accounts receivable, prepaid expenses, investment in growing crops, non-farm assets)	<u>202,974</u>	(d)	
Tax Basis of Other Current Assets	<u>83,500</u>	(e)	
Deductible Expenses (Accounts payable, accrued interest, state taxes payable, other)	<u>12,273</u>	(f)	
Deferred Taxable Income (c + d - e - f)	<u>107,201</u>	(g)	
Average Federal Tax Rate	<u>.20</u>	(h)	
Deferred Federal Income Taxes (g x h)			<u>21,440</u> (i)
Average State Tax Rate	<u>.04</u>	(j)	
Deferred State Taxes (g x j)			<u>4,288</u> (k)
Earned Income (g - c)	<u>107,201</u>	(l)	
Taxable Limit, Social Security Portion ¹	<u>106,800</u>	(m)	
Enter the smaller amount of (l) or (m)	<u>106,800</u>	(n)	
Social Security Tax Rate	<u>.124</u>	(o)	
Deferred Social Security Tax (n x o)			<u>13,243</u> (p)
Medicare Tax Rate	<u>.029</u>	(q)	
Deferred Medicare Tax (l x q)			<u>3,109</u> (r)
TOTAL DEFERRED TAXES, CURRENT (i + k + p + r)			<u>42,080</u>
Non-Current Portion of Deferred Taxes			
Market Value of Non-Current Assets ² (Breeding livestock, machinery & vehicles, real estate & improvements, other)	<u>1,762,220</u>	(s)	
Tax Basis of Non-Current Assets	<u>653,112</u>	(t)	
Deferred Taxable Income (s - t)	<u>1,109,108</u>	(u)	
Deferred Federal Taxes (h x u)			<u>221,822</u> (v)
Deferred State Taxes (j x u)			<u>44,364</u> (w)
TOTAL DEFERRED TAXES, NON-CURRENT (v + w)			<u>266,186</u>

¹ Earned income includes net farm income (IRS definition), wages, salaries, etc. Interest income, capital gains, retirement income, etc. are generally exempt as these do not fit the social security definition of earned income.

² Excluding investments in cooperatives, cash value of life insurance.

The Oklahoma Cooperative Extension Service Bringing the University to You!

The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and research-based information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

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