

Self-Employed Borrower: Personal 1040 with Schedule F -Farm

April 2021

Customer Education

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Mortgage Insurance

Objective

Understand the meaning of “Self Employed”

Discuss Who Would Complete a Schedule F

Learn to use Fannie Mae’s 1084 Cash Flow Analysis Form to calculate supportable income using tax returns.

Complete Section 6 of the 1084

– Review Schedule F

Schedule F - Profit or Loss From Farming

3 Major Types of Income Reported on a Schedule F

- Crops
- Animal Production
- Forestry & Logging

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial: **Fred F** Last name: **Farmer, III** Your social security number: **XXX-XX-XXXX**
If joint return, spouse's first name and middle initial: Last name: Spouse's social security number:

Home address (number and street). If you have a P.O. box, see instructions. **8962 Thomas Street** Apt. no.:
City, town, or post office. If you have a foreign address, also complete spaces below. **Hale** State: **MI** ZIP code: **48739**
Foreign country name: Foreign province/state/country: Foreign postal code:

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
☐ You ☐ Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind Spouse: ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

If more than four dependents, see instructions and check here ☐


1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRA distributions	4a	
5a	Pensions and annuities	5a	
6a	Social security benefits	6a	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8	Other income from Schedule 1, line 9	8	17,195
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	18,182
10	Adjustments to income:		
a	From Schedule 1, line 22	10a	3,692
b	Charitable contributions if you take the standard deduction. See instructions	10b	
c	Add lines 10a and 10b. These are your total adjustments to income	10c	3,692
11	Subtract line 10c from line 9. This is your adjusted gross income	11	14,490
12	Standard deduction or itemized deductions (from Schedule A)	12	22,377
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	0
14	Add lines 12 and 13	14	22,377
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	0

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2020)

The Tax Return...

Fred Farmer III runs Little Bo Peep Sheep and Goat Farm.

His sole business income is reported on a Schedule F.



Schedule F- Fred Farmer

Analysis of the Self Employment Income

Genworth Mortgage Insurance

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Genworth Mortgage Insurance underwriters include: Genworth Mortgage Insurance Corporation and Genworth Mortgage Insurance Corporation of North Carolina

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2020** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box.
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial: **Fred F** Last name: **Farmer, III** Your social security number: **XXX-XX-XXXX**

If joint return, spouse's first name and middle initial: Last name: Spouse's social security number:

Home address (number and street), if you have a P.O. box, see instructions. Apt. no.:
8962 Thomas Street

City, town, or post office. If you have a foreign address, also complete spaces below. State: **MI** ZIP code: **48739**

Foreign country name: Foreign province/state/country: Foreign postal code:

Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
☐ Yes ☒ No

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction ☐ Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind ☐ Spouse: ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions): ☐ (i) First name Last name (ii) Social security number (iii) Relationship to you (iv) ☒ If qualifies for (see instructions): Child tax credit Credit for other dependents

If more than four dependents, see instructions and check here ☐

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	
2a	Tax-exempt interest	2a	987
3a	Qualified dividends	3a	
4a	IRA distributions	4a	
5a	Pensions and annuities	5a	
6a	Social security benefits	6a	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7	
8	Other income from Schedule 1, line 9	8	17,195
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	18,182
10	Adjustments to income:	10a	3,692
a	From Schedule 1, line 22	10b	
b	Charitable contributions if you take the standard deduction. See instructions	10c	3,692
c	Add lines 10a and 10b. These are your total adjustments to income	10c	
11	Subtract line 10c from line 9. This is your adjusted gross income	11	14,490
12	Standard deduction or itemized deductions (from Schedule A)	12	22,377
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	0
14	Add lines 12 and 13	14	22,377
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	0

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form **1040** (2020)

The Tax Return...

Always review the Tax Return or the 4506C for any activity reported online #7a.

Form 1040 Department of the Treasury—Internal Revenue Service (99) **2020** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

U.S. Individual Income Tax Return

Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial: **Fred F** Last name: **Farmer, III** Your social security number: **XXX-XX-XXXX**
If joint return, spouse's first name and middle initial: Last name: Spouse's social security number:

Home address (number and street). If you have a P.O. box, see instructions. **8962 Thomas Street** Apt. no.:
City, town, or post office. If you have a foreign address, also complete spaces below. **Hale** State: **MI** ZIP code: **48739**
Foreign country name: Foreign province/state/country: Foreign postal code:

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
☐ You ☐ Spouse

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind Spouse: ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):
If more than four dependents, see instructions and check here ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1
2a	Tax-exempt interest	2b
3a	Qualified dividends	3b
8	Other income from Schedule 1, line 9	17,195.

6a	Social security benefits	6a	6b	Taxable amount	6b
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7			
8	Other income from Schedule 1, line 9	8		17,195.	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9		18,182.	
10	Adjustments to income:	10a	3,692.		
a	From Schedule 1, line 22	10b			
b	Charitable contributions if you take the standard deduction. See instructions	10c		3,692.	
c	Add lines 10a and 10b. These are your total adjustments to income				
				14,490.	
				22,377.	
				0.	
				22,377.	
				0.	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form **1040** (2020)

Review Line 8 to determine if a Schedule 1 has been filed

The Tax Return...

Always review the Tax Return or the 4506C for any activity reported on Schedule 1

SCHEDULE 1 (Form 1040)		Additional Income and Adjustments to Income		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040, 1040-SR, or 1040-NR. ▶ Go to www.irs.gov/Form1040 for instructions and the latest information.		2020 Attachment Sequence No. 01
Name(s) shown on Form 1040, 1040-SR, or 1040-NR Fred F Farmer, III			Your social security number XXX-XX-XXXX	
Part I Additional Income				
1	Taxable refunds, credits, or offsets of state and local income taxes	1		
2a	Alimony received	2a		
b	Date of original divorce or separation agreement (see instructions) ▶			
3	Business income or (loss). Attach Schedule C	3		
4	Other gains or (losses). Attach Form 4797	4		
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5		
6	Farm income or (loss). Attach Schedule F	6	17,195.	
7	Unemployment compensation	7		
8	Other income. List type and amount ▶	8		
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	9	17,195.	

6	Farm income or (loss). Attach Schedule F	6	17,195.
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Review Line 6 to determine if a Schedule F has been filed

The Tax Return...

Always review the Tax Return or the 4506C for any activity reported on Schedule F

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.		2020 Attachment Sequence No. 14	
Name of proprietor Fred F Farmer, III		B Enter code from Part IV ▶ 1 1 2 4 0 0		Social security number (SSN) XXX-XX-XXXX	
A Principal crop or activity Sheep & goats		C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual		D Employer ID number (EIN) (see instr.)	
E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses <input type="checkbox"/> Yes <input type="checkbox"/> No					
F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
G If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)					
1a Sales of livestock and other resale items (see instructions)		1a 54,800.		1c 34,123.	
b Cost or other basis of livestock or other items reported on line 1a		1b 20,677.		2 37,222.	
c Subtract line 1b from line 1a				3b 3,000.	
2 Sales of livestock, produce, grains, and other products you raised		3a 8,000.		4b 4,000.	
3a Cooperative distributions (Form(s) 1099-PATR)		4a 4,000.		5a	
4a Agricultural program payments (see instructions)		5b		5c	
5a Commodity Credit Corporation (CCC) loans reported under election		6a		6b	
b CCC loans forfeited		6b		6d	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		7		8	
a Amount received in 2020		8		9	
c If election to defer to 2021 is attached, check here <input type="checkbox"/>		9 78,345.			
Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.					
10 Car and truck expenses (see instructions). Also attach Form 4562		10 2,880.		23 Pension and profit-sharing plans	
11 Chemicals		11 301.		24 Rent or lease (see instructions):	
12 Conservation expenses (see instructions)		12		a Vehicles, machinery, equipment	
13 Custom hire (machine work)		13 8,977.		b Other (land, animals, etc.)	
14 Depreciation and section 179 expense (see instructions)		14 1,351.		25 Repairs and maintenance	
15 Employee benefit programs other than				26 Seeds and plants	
				27 Storage and warehousing	
				28 Supplies	
				29	
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				100	

6 Farm income or (loss). Attach Schedule F 6 17,195.

34 Net farm profit or (loss). Subtract line 33 from line 9 34 17,195.

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

Review Line 34 to determine if just 1 Schedule F has been filed

Income Worksheets/Calculator



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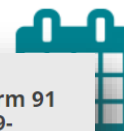
OUR BLOG

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Self-Employed Borrower Tools

We offer a valuable collection of downloadable calculators and reference guides to help you with calculating and analyzing the average monthly income of self-employed borrowers. They provide suggested guidance only and do not replace Fannie Mae or Freddie M

LIVE WEBINAR
CALENDAR



Fannie Mae Form 1084 Calculator (2019-2020)

Calculate and analyze cash flow to help you complete Fannie Mae form 1084. **UPDATED**



Fannie Mae Form 1084 Calculator XLS (2019-2020)

Calculate and analyze cash flow to help you complete Fannie Mae form 1084. **UPDATED**



Freddie Mac Form 91 Calculator (2019-2020)

Quick reference guide and income analysis for Freddie Mac Form 91 **UPDATED**



Freddie Mac Form 92 Calculator (2019-2020)

Form 92 Net Rental Income Calculations – Schedule E **UPDATED**



Schedule Analysis Method (SAM) Calculator (2019-2020)


Calculate qualifying income from tax returns. **UPDATED**






Rental Income Calculator (2019-2020)

Assists in calculating rental income from IRS form 1040 Schedule E. **UPDATED**

Income Worksheets/Calculator



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Self-Employed Borrower Tools


We offer a valuable collection of downloadable calculators and reference guides to help you with calculating and analyzing the average monthly income of self-employed borrowers. They provide suggested guidance only and do not replace Fannie Mae or Freddie Mac instructions or applicable guidelines.




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Training in your Inbox
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Learn more about self-employed borrowers through our **Self-Employed Borrower courses** 



Calculator and Quick Reference Guide: Fannie Mae Cash Flow Analysis

Please use the following quick reference guide to assist you in completing Fannie Mae Form 1084. It provides suggested guidance only and does not replace Fannie Mae instructions or applicable guidelines.
Note: For entries with the marker "(N/A)" type "N/A" for entering a negative amount. Example: -12,345.67

IRS Form 1040 - Individual Income Tax Return	2020	2019	NOTES
1 W-2 Income from Self-Employment	+		
2 Schedule B - Interest and Ordinary Dividends	+		
a. Interest Income from Self-Employment (Line 1)	+		
b. Dividends from Self-Employment (Line 3)	+		
3 Schedule C - Profit or Loss from Business: Sole Proprietorship			
a. Net Profit or Loss (Line 31)	+/-		
b. Nonrecurring Other (Income) Loss/Expenses (Line 4)	+/-		
c. Depreciation (Line 12)	+		
d. Depreciation (Line 13)	+		
e. Non-deductible Meals and Entertainment Expenses (Line 24b)	-		
f. Business Use of Home (Line 30, Check applicable guidelines)	+		
g. Amortization/Casualty Loss (Only add back Amort/CL - Review Schedule C Page 2, Part IV)	+		
Business Miles (Page 2, Part II, Line 4b (if below 41a), Line 38)			
h. Depreciation Rate (2020 - 25%; 2019 - 26%)		0.27	0.26
i. Total Mortgage Depreciation	+	0.00	0.00
Subtotal Schedule C	=	0.00	0.00
4 Schedule D - Capital Gains and Losses			
a. Recurring Capital Gains (from Self-Employment)	+		
5 Schedule E - Supplemental Income and Loss			
Note: A lender may use Fannie Mae Rental Income Worksheets (Form 1037 or Form 1038) or a comparable form to calculate individual rental income (loss) reported on Schedule E.			
a. Royalties Received (Line 4)	+		
b. Total Expenses (Line 20)	-		
c. Depreciation (Line 18)	+		
Subtotal Schedule E	=	0.00	0.00
6 Schedule F - Profit or Loss from Farming			
a. Net Farm Profit or Loss (Line 34)	+/-		
b. Non-Tax Portion Ongoing Comp and CCC Payments (Line 3, 4, 4b, 4c)	+/-		
c. Nonrecurring Other (Income) or Loss (Lines 5c & 6)	+/-		
d. Depreciation (Line 14)	+		
e. Amortization/Casualty Loss/Depreciation (Line 32)	+		
f. Business Use of Home (Line 32, Check applicable guidelines)	+		
Subtotal Schedule F	=	0.00	0.00

Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.

This calculator can be found at <https://www.mtggenworth.com/self-employed-borrower-calculator>

Page 1 of 4



Fannie Mae Form 1084 Calculator (2019-2020)

Calculate and analyze cash flow to help you complete Fannie Mae form 1084. **UPDATED**

Fannie Mae's Form 1084 Or Freddie Mac's Form 91

6 Schedule F - Profit or Loss from Farming				
a. Net Farm Profit or Loss (Line 34)	+/–			
b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a-b))	+/–			
c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/–			
d. Depreciation (Line 14)	+			
e. Amortization/Casualty Loss/Depletion (Line 32*)	+			
f. Business Use of Home (Line 32, Check applicable guidelines)	+			
Subtotal Schedule F	=		0.00	0.00
Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.				
This calculator can be found at https://new.mi.genworth.com/self-employed-borrower-calculators .				

7	Schedule F – Profit or Loss from Farming (Chapter 5304)		2020	2019	NOTES
	Net Farm Profit of Loss (Line 34)	+/–			
	Non-taxable portion of recurring cooperative & CCC payments (Lines 3, 4, 6a-b)	+			
	Non-recurring other income or loss (Lines 5c and 8)	+/–			
	Depreciation (Line 14)	+			
	Amortization/Casualty loss/Depletion only if listed (Line 32)	+			
	Business use of home only if listed (Line 32)	+			
	Subtotal from Schedule F, Farming		\$0.00	\$0.00	

Fannie Mae Selling Guide

Selling Guide

Published March 03, 2021

schedule f



B3-3.3-06, Income or Loss Reported on IRS Form 1040, Schedule F (04/01/2009)



Guide

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Guide

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Introduction

This topic contains information on income or loss reported on IRS Form 1040, Schedule F.

Income or Loss Reported on IRS Form 1040, Schedule F

Income received from farming is calculated on IRS Form 1040, Schedule F, and transferred to IRS Form 1040.

<https://selling-guide.fanniemae.com>

Schedule F

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.		2020 Attachment Sequence No. 14	
Name of proprietor Fred F Farmer, III				Social security number (SSN) XXX-XX-XXXX	
A Principal crop or activity Sheep & goats		B Enter code from Part IV ▶ 1 1 2 4 0 0		C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
D Employer ID number (EIN) (see instr.)					
E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
G If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)					
1a Sales of livestock and other resale items (see instructions)		1a 54,800.			
b Cost or other basis of livestock or other items reported on line 1a		1b 20,677.			
c Subtract line 1b from line 1a		1c 34,123.			
2 Sales of livestock, produce, grains, and other products you raised		2 37,222.			
3a Cooperative distributions (Form(s) 1099-PATR)		3a 8,000.		3b Taxable amount 3,000.	
4a Agricultural program payments (see instructions)		4a 4,000.		4b Taxable amount 4,000.	
5a Commodity Credit Corporation (CCC) loans reported under election		5a		5a Taxable amount	
b CCC loans forfeited		5b		5c Taxable amount	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6a		6b Taxable amount	
a Amount received in 2020		6a		6d Amount deferred from 2019	
c If election to defer to 2021 is attached, check here <input type="checkbox"/>		6d		7	
7 Custom hire (machine work) income		7		8	
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8		9	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9 78,345.			
Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.					
10 Car and truck expenses (see instructions). Also attach Form 4562		10 2,880.		23 Pension and profit-sharing plans 23	
11 Chemicals		11 301.		24 Rent or lease (see instructions):	
12 Conservation expenses (see instructions)		12		a Vehicles, machinery, equipment 24a	
13 Custom hire (machine work)		13 8,977.		b Other (land, animals, etc.) 24b	
14 Depreciation and section 179 expense (see instructions)		14 1,351.		25 Repairs and maintenance 25 7,114.	
15 Employee benefit programs other than on line 23		15		26 Seeds and plants 26	
16 Feed		16 8,555.		27 Storage and warehousing 27	
17 Fertilizers and lime		17		28 Supplies 28 8,144.	
				29 Taxes 29 2,476.	
				30 Utilities 30 5,008.	
				31 Veterinary, breeding, and medicine 31 3,988.	
34 Net farm profit or (loss). Subtract line 33 from line 9		34 17,195.			
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.					
a mortgage (paid to banks, etc.)		a 21a		32d	
b Other		b 21b		32e	
22 Labor hired (less employment credits)		22		32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions		33 61,150.			
34 Net farm profit or (loss). Subtract line 33 from line 9		34 17,195.			
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.					
35 Reserved for future use.					
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:					
a <input type="checkbox"/> All investment is at risk. b <input type="checkbox"/> Some investment is not at risk.					

Line 34 represents the profit or loss for the business activity. This taxable income or loss is our starting point in calculating qualifying income.

Net Farm Profit of Loss (Line 34)

+/-

34 17,195.

Income Analysis Form 1084

6	Schedule F - Profit or Loss from Farming		
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-	
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-	
	d. Depreciation (Line 14)	+	
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+	
	f. Business Use of Home (Line 32, Check applicable guidelines)	+	
	Subtotal Schedule F	=	17,195.00

Schedule F

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.		2020 Attachment Sequence No. 14
Name of proprietor Fred F Farmer, III		Social security n XXX-XX-XX		
A Principal crop or activity Sheep & goats		B Enter code from Part IV 1 1 2 4 0 0		
		C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual		
		D Employer ID n		
E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses				
F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions				
G If "Yes," did you or will you file required Form(s) 1099?				
Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)				
1a Sales of livestock and other resale items (see instructions)		1a 54,800.		
b Cost or other basis of livestock or other items reported on line 1a		1b 20,677.		
c Subtract line 1b from line 1a		1c 34,123.		
2 Sales of livestock, produce, grains, and other products you raised		2 37,222.		
3a Cooperative distributions (Form(s) 1099-PATR)		3a 8,000.		
4a Agricultural program payments (see instructions)		4a 4,000.		
5a Commodity Credit Corporation (CCC) loans forfeited		5a		
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		6		
a Amount received in 2020		6a		
c If election to defer to 2021 is attached, check here		c <input type="checkbox"/>		
b CCC loans forfeited		5b		
5c Taxable amount		5c		
6b Taxable amount		6b		
6d Amount deferred from 2019		6d		
Part II Farm Expenses—Cash Method. Complete Parts II and III. (Accrual method. Complete Parts II and III, and Part I, line 9.)				
10 Car and truck expenses (see instructions). Also attach Form		10 301.		
11 Chemicals		11 301.		
12 Conservation expenses (see instructions)		12		
13 Custom hire (machine work)		13 8,977.		
14 Depreciation and section 179 expense (see instructions)		14 1,351.		
15 Employee benefit programs other than on line 23		15		
16 Feed		16 8,555.		
17 Fertilizers and lime		17		
18 Freight and trucking		18 1,889.		
19 Gasoline, fuel, and oil		19 2,002.		
20 Insurance (other than health)		20 2,999.		
21 Interest (see instructions):		21		
a Mortgage (paid to banks, etc.)		21a		
b Other		21b		
22 Labor hired (less employment credits)		22		
23a Vehicles, machinery, equipment		23a 4,766.		
23b Other (land, animals, etc.)		23b 700.		
23c		23c		
23d		23d		
23e		23e		
23f		23f		
24a Repairs and maintenance		24a 7,114.		
24b Seeds and plants		24b		
24c Storage and warehousing		24c		
24d Supplies		24d 8,144.		
24e Taxes		24e 2,476.		
24f Utilities		24f 5,008.		
24g Veterinary, breeding, and medicine		24g 3,988.		
24h Other expenses (specify):		24h		
a Legal Fees		32a 4,766.		
b 4-H Membership		32b 700.		
c		32c		
d		32d		
e		32e		
f		32f		
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions		33 61,150.		
34 Net farm profit or (loss). Subtract line 33 from line 9		34 17,195.		
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.				
35 Reserved for future use.				
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:				
a <input type="checkbox"/> All investment is at risk. b <input type="checkbox"/> Some investment is not at risk.				
For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 02/15/21 TFW Schedule F (Form 1040) 2020				

b. Non-Tax Portion Ongoing Coop and CCC Payments
(Line 3, 4, 6(a - b))

+/-

$$\$8,000 - \$3,000 = \$5,000$$

$$\$4,000 - \$4,000 = \$0$$

$$\$5,000 + \$0 = \$5,000 \text{ of non-taxable income}$$

$$*\$5,000 \times 125\% = \$6,250$$

*Non-taxable income can typically be grossed-up using a calculation of 125%

Income Analysis Form 1084

6	Schedule F - Profit or Loss from Farming				
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00		
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a-b))	+/-	5,000.00		
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-			*\$5,000 x 125% = \$6,250
	d. Depreciation (Line 14)	+			
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+			
	f. Business Use of Home (Line 32, Check applicable guidelines)	+			
	Subtotal Schedule F	=	22,195.00	0.00	

Schedule F

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.		2020	
Name of proprietor Fred F Farmer, III		Social security number XXX-XX-XX		c. Nonrecurring Other (Income) or Loss (Lines 5c & 8) +/-	
A Principal crop or activity Sheep & goats		B Enter code from Part IV ▶ 1 1 2 4 0 0		C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
D Employer ID number (EIN) (see instr.)					
<p>E Did you "materially participate" in the operation of the farm? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F Did you make any payments in 2020 that would require you to file Form(s) 1099-PATR, 1099-CCC, or 1099-INT? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G If "Yes," did you or will you file required Form(s) 1099-PATR, 1099-CCC, or 1099-INT? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>					
Part I Farm Income—Cash Method. Do not include personal or living expenses. See instructions.					
1a Sales of livestock and other resale items (see instructions)		3a Cooperative distributions (Form(s) 1099-PATR)		3b Taxable amount	
1b Cost or other basis of livestock or other item		4a Agricultural program payments (see instructions)		4b Taxable amount	
2 Sales of livestock, produce, grains, and other		5a Commodity Credit Corporation (CCC) loans reported under election		5a	
3a Cooperative distributions (Form(s) 1099-PATR)		b CCC loans forfeited		5c Taxable amount	
4a Agricultural program payments (see instructions)		6 Crop insurance proceeds and federal crop disaster payments (see instructions):			
5a Commodity Credit Corporation (CCC) loans reported under election		a Amount received in 2020		6b Taxable amount	
b CCC loans forfeited		c If election to defer to 2021 is attached, check here <input type="checkbox"/>		6d Amount deferred from 2019	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		a Amount received in 2020		6a	
a Amount received in 2020		b Taxable amount		6b	
c If election to defer to 2021 is attached, check here <input type="checkbox"/>		d Amount deferred from 2019		6d	
7 Custom hire		8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9		78,345.	
Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.					
10 Car and truck expenses (see instructions). Also attach Form 4562		23 Pension and profit-sharing plans		23	
11 Chemicals		24 Rent or lease (see instructions):		24	
12 Conservation expenses (see instructions)		a Vehicles, machinery, equipment		24a	
13 Custom hire (machine work)		b Other (land, animals, etc.)		24b	
14 Depreciation and section 179 expense (see instructions)		25 Repairs and maintenance		25 7,114.	
15 Employee benefit programs other than on line 23		26 Seeds and plants		26	
16 Feed		27 Storage and warehousing		27	
17 Fertilizers and lime		28 Supplies		28 8,144.	
18 Freight and trucking		29 Taxes		29 2,476.	
19 Gasoline, fuel, and oil		30 Utilities		30 5,008.	
20 Insurance (other than health)		31 Veterinary, breeding, and medicine		31 3,988.	
21 Interest (see instructions):		32 Other expenses (specify):		32	
a Mortgage (paid to banks, etc.)		a Legal fees		32a 4,766.	
b Other		b 4-H Membership		32b 700.	
22 Labor hired (less employment credits)		c		32c	
		d		32d	
		e		32e	
		f		32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions.		33		61,150.	
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.		34		17,195.	
35 Reserved for future use.					
36 Check the box that describes your investment in this activity and see instructions for where to report your loss: <input type="checkbox"/> All investment is at risk. <input type="checkbox"/> Some investment is not at risk.					
For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 02/15/21 TTW Schedule F (Form 1040) 2020					

Income Analysis Form 1084

6	Schedule F - Profit or Loss from Farming		
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-	5,000.00
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-	0.00
	d. Depreciation (Line 14)	+	
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+	
	f. Business Use of Home (Line 32, Check applicable guidelines)	+	
	Subtotal Schedule F	=	22,195.00

Schedule F

d. Depreciation (Line 14)

+

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074

2020
Attachment
Sequence No. **14**

Name of proprietor
Fred F Farmer, III

A Principal crop or activity
Sheep & goats

B Enter code from Part IV
1 1 2 4 0 0

C Accounting method:
☒ Cash ☐ Accrual

D Employer ID number (EIN) (see instr.)

E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses ☐ Yes ☐ No

F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions ☐ Yes ☒ No

G If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☒ No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of livestock and other resale items (see instructions) **1a** **54,800.**

b Cost or other basis of livestock or other items reported on line 1a **1b** **20,677.**

c Subtract line 1b from line 1a **1c** **34,123.**

2 Sales of livestock, produce, grains, and other products you raised **2** **37,222.**

3a Cooperative distributions (Form(s) 1099-PATR) **3a** **8,000.** **3b** Taxable amount **3b** **3,000.**

4a Agricultural program payments (see instructions) **4a** **4,000.** **4b** Taxable amount **4b** **4,000.**

5a Commodity Credit Corporation (CCC) loans reported under election **5a**

6 Crop **14 Depreciation and section 179 expense (see instructions)**

7 Custodial

8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) **8**

9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions **9** **78,345.**

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562 **10** **2,880.**

11 Chemicals **11** **301.**

12 Conservation expenses (see instructions) **12**

13 Custom hire (machine work) **13** **8,977.**

14 Depreciation and section 179 expense (see instructions) **14** **1,351.**

15 Employee benefit programs other than on line 23 **15**

16 Feed **16** **8,555.**

17 Fertilizers and lime **17**

18 Freight and trucking **18** **1,889.**

19 Gasoline, fuel, and oil **19** **2,002.**

20 Insurance (other than health) **20** **2,999.**

21 Interest (see instructions):
a Mortgage (paid to banks, etc.) **21a**
b Other **21b**

22 Labor hired (less employment credits) **22**

23 Pension and profit-sharing plans **23**

24 Rent or lease (see instructions):
a Vehicles, machinery, equipment **24a**
b Other (land, animals, etc.) **24b**

25 Repairs and maintenance **25** **7,114.**

26 Seeds and plants **26**

27 Storage and warehousing **27**

28 Supplies **28** **8,144.**

29 Taxes **29** **2,476.**

30 Utilities **30** **5,008.**

31 Veterinary, breeding, and medicine **31** **3,988.**

32 Other expenses (specify):
a Legal fees **32a** **4,766.**
b 4-H Membership **32b** **700.**
c **32c**
d **32d**
e **32e**
f **32f**

33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions **33** **61,150.**

34 Net farm profit or (loss). Subtract line 33 from line 9 **34** **17,195.**

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:
☐ All investment is at risk. ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 02/15/21 TTW Schedule F (Form 1040) 2020

Form 4562

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach to your tax return.
▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

OMB No. 1545-0172

2020
Attachment
Sequence No. **179**

Name(s) shown on return
Fred F Farmer, III

Business or activity to which this form relates
Sch F Little Bo Peep's Sheep & Goat Farm

Identifying number
XXX-XX-XXXX

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions) **1** **1,040,000.**

2 Total cost of section 179 property placed in service (see instructions) **2**

3 Threshold cost of section 179 property before reduction in limitation (see instructions) **3** **2,590,000.**

4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- **4**

5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions **5**

6 (a) Description of property (b) Cost (business use only) (c) Elected cost

7 Listed property. Enter the amount from line 29 **7**

8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 **8**

9 deduction. Enter the smaller of line 5 or line 8 **9**

10 of disallowed deduction from line 13 of your 2019 Form 4562 **10**

11 income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions **11**

12 79 expense deduction. Add lines 9 and 10, but don't enter more than line 11 **12**

13 of disallowed deduction to 2021. Add lines 9 and 10, less line 12 **13**

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions **14**

15 Property subject to section 168(f)(1) election **15**

16 Other depreciation (including ACRS) **16**

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2020 **17** **1,351.**

18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐

Section B—Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property (b) Month and year placed in service (c) Basis for depreciation (cost/investment; use see instructions) (d) Recovery period (e) Convention (f) Method (g) Depreciation deduction

19a 3-year property **19a**

b 5-year property **b**

c 7-year property **c**

d 10-year property **d**

e 15-year property **e**

f 20-year property **f**

g 25-year property **g** **25 yrs.** **MM** **S/L**

h Residential rental property **h** **27.5 yrs.** **MM** **S/L**

i Nonresidential real property **i** **39 yrs.** **MM** **S/L**

Section C—Assets Placed in Service During 2020

20a Class life **20a**

b 12-year **b**

c 30-year **c**

d 40-year **d**

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28 **21**

22 Total. Add amounts from line 12, lines 14 through 17, line 18, and on the appropriate lines of your return. Partnership **22** **1,351.**

23 For assets shown above and placed in service during the portion of the basis attributable to section 263A costs **23**

For Paperwork Reduction Act Notice, see separate instructions. BAA REV 02/15/21 TTW Form 4562 (2020)

Income Analysis Form 1084

6	Schedule F - Profit or Loss from Farming		
	a. Net Farm Profit or Loss <i>(Line 34)</i>	+/-	17,195.00
	b. Non-Tax Portion Ongoing Coop and CCC Payments <i>(Line 3, 4, 6(a - b))</i>	+/-	5,000.00
	c. Nonrecurring Other (Income) or Loss <i>(Lines 5c & 8)</i>	+/-	0.00
	d. Depreciation <i>(Line 14)</i>	+	1,351.00
	e. Amortization/Casualty Loss/Depletion <i>(Line 32*)</i>	+	
	f. Business Use of Home <i>(Line 32, Check applicable guidelines)</i>	+	
	Subtotal Schedule F	=	23,546.00

Schedule F

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

OMB No. 1545-0074

2020
Attachment
Sequence No. **14**

▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

Name of proprietor
Fred F Farmer, III

Social security number (SSN)
XXX-XX-XXXX

A Principal crop or activity
Sheep & goats

B Enter code from Part IV
1 1 2 4 0 0

C Accounting method:
☒ Cash ☐ Accrual

D Employer ID number (EIN) (see instr.)

E Did you "materially participate" in the operation of this business during 2020? If "No," see instruction

F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions

G If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No

Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of livestock and other resale items (see instructions)	1a	54,800.
b Cost or other basis of livestock or other items reported on line 1a	1b	20,677.
c Subtract line 1b from line 1a	1c	34,123.
2 Sales of livestock, produce, grains, and other products you raised	2	37,222.
3a Cooperative distributions (Form(s) 1099-PATR)	3a	8,000.
3b Taxable amount	3b	3,000.
4a Agricultural program payments (see instructions)	4a	4,000.
4b Taxable amount	4b	4,000.
5a Commodity Credit Corporation (CCC) loans reported under election	5a	
5b CCC loans forfeited	5b	
5c Taxable amount	5c	
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		
a Amount received in 2020	6a	
b Taxable amount	6b	
c If election to defer to 2021 is attached, check here <input type="checkbox"/>	6d Amount deferred	
7 Custom hire (machine work) income		
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If accrual method, enter the amount from Part III, line 50. See instructions.		

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living exp

10 Car and truck expenses (see instructions). Also attach Form 4562	10	2,880.	23 Pension and profit-sharing	23	
11 Chemicals	11	301.	24 Rent or lease (see instructions)	24	
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	a	
13 Custom hire (machine work)	13	8,977.	b Other (land, animals, etc.)	b	
14 Depreciation and section 179 expense (see instructions)	14	1,351.	25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16	8,555.	27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	8,144.
18 Freight and trucking	18	1,889.	29 Taxes	29	2,476.
19 Gasoline, fuel, and oil	19	2,002.	30 Utilities	30	5,008.
20 Insurance (other than health)	20	2,999.	31 Veterinary, breeding, and medicine	31	3,988.
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a Legal Fees	32a	4,766.
b Other	21b		b 4-H Membership	32b	700.
22 Labor hired (less employment credits)	22		c	32c	
			d	32d	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33	61,150.			
34 Net farm profit or (loss). Subtract line 33 from line 9	34	17,195.			

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:

☐ All investment is at risk. ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions. BAA REV 02/15/21 TTW Schedule F (Form 1040) 2020

e. Amortization/Casualty Loss/Depletion (Line 32*)

f. Business Use of Home (Line 32, Check applicable guidelines)

+

32 Other expenses (specify):

a Legal Fees

32a 4,766.

b 4-H Membership

32b 700.

c

32c

d

32d

Income Analysis Form 1084

6	Schedule F – Profit or Loss from Farming				
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00		
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-	5,000.00		
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-	0.00		*\$5,000 x 125%= \$6,250
	d. Depreciation (Line 14)	+	1,351.00		
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+	0.00		
	f. Business Use of Home (Line 32, Check applicable guidelines)	+	0.00		
	Subtotal Schedule F	=	23,546.00		0.00
Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.					
This calculator can be found at https://new.mi.genworth.com/self-employed-borrower-calculators .					

Page 1 of 4

Schedule F

6	Schedule F – Profit or Loss from Farming			
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00	
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-	5,000.00	
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-	0.00	
	d. Depreciation (Line 14)	+	1,351.00	
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+	0.00	
	f. Business Use of Home (Line 32, Check applicable guidelines)	+	0.00	
	Subtotal Schedule F	=	23,546.00	0.00
Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.				
This calculator can be found at https://new.mi.genworth.com/self-employed-borrower-calculators .				Page 1 of 4

**Taxable
Income**

**Qualifying
Income**

23,546.00 x 125% = \$6,250

Is this enough income to qualify?

Are there any additional cash flow adjustments that can be made?

Schedule F

SCHEDULE F (Form 1040)		Profit or Loss From Farming		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service (99)		▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065. ▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.		2020 Attachment Sequence No. 14
Name of proprietor Fred F Farmer, III		Social security number (SSN) XXX-XX-XXXX		
A Principal crop or activity Sheep & goats	B Enter code from Part IV ▶ 1 1 2 4 0 0	C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	D Employer ID number (EIN) (see instr.)	
<p>E Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on passive losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>G If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
Part I Farm Income—Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)				
1a Sales of livestock and other resale items (see instructions)	1a	54,800.		
b Cost or other basis of livestock or other items reported on line 1a	1b	20,677.		
c Subtract line 1b from line 1a	1c	34,123.		
2 Sales of livestock, produce, grains, and other products you raised	2	37,222.		
3a Cooperative distributions (Form(s) 1099-PATR)	3a	8,000.	3b Taxable amount	3b 3,000.
4a Agricultural program payments (see instructions)	4a	4,000.	4b Taxable amount	4b 4,000.
5a Commodity Credit Corporation (CCC) loans reported under election	5a		5c Taxable amount	5c
b CCC loans forfeited	5b		6b Taxable amount	6b
6 Crop insurance proceeds and federal crop disaster payments (see instructions):	6a		6d Amount deferred from 2020	6d
a Amount received in 2020				
c If election to defer to 2021 is attached, check here <input type="checkbox"/>				
7 Custom hire (machine work) income	7			
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8			
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If accrual method, enter the amount from Part III, line 50. See instructions.	9			
Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living exp				
10 Car and truck expenses (see instructions). Also attach Form 4562	10	2,880.		
11 Chemicals	11	301.		
12 Conservation expenses (see instructions)	12			
13 Custom hire (machine work)	13	8,977.		
14 Depreciation and section 179 expense (see instructions)	14	1,351.		
15 Employee benefit programs other than on line 23	15			
16 Feed	16	8,555.		
17 Fertilizers and lime	17			
18 Freight and trucking	18	1,889.		
19 Gasoline, fuel, and oil	19	2,002.		
20 Insurance (other than health)	20	2,999.		
21 Interest (see instructions):	21a			
a Mortgage (paid to banks, etc.)	21b			
b Other	22			
22 Labor hired (less employment credits)	22			
23 Pension and profit-sharing plans	23			
24 Rent or lease (see instructions):	24a			
a Vehicles, machinery, equipment	24b			
b Other (land, animals, etc.)	25	7,114.		
25 Repairs and maintenance	26			
26 Seeds and plants	27			
27 Storage and warehousing	28	8,144.		
28 Supplies	29	2,476.		
29 Taxes	30	5,008.		
30 Utilities	31	3,988.		
31 Veterinary, breeding, and medicine	32			
32 Other expenses (specify):	32a	4,766.		
a Legal fees	32b	700.		
b 4-H Membership	32c			
c	32d			
d	32e			
e	32f			
f	33	61,150.		
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	34	17,195.		
34 Net farm profit or (loss). Subtract line 33 from line 9				
If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.				
35 Reserved for future use.				
36 Check the box that describes your investment in this activity and see instructions for where to report your loss:				
a <input type="checkbox"/> All investment is at risk. b <input type="checkbox"/> Some investment is not at risk.				

Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		
X Depreciation Rate (2020 - 27%; 2019 - 26%)		0.27
= Total Mileage Depreciation	+	0.00

10 Car and truck expenses (see instructions). Also attach Form 4562	10	2,880.
---	----	--------

Where can I find the itemized miles on Schedule F?

Is there a 4562?

Itemized Miles On Schedule F

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No 24b If "Yes," is the evidence written? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Conversion	(h) Depreciation deduction	(i) Elected section 179 cost
---	-------------------------------	---	----------------------------	--	------------------------	--------------------------	-------------------------------	---------------------------------

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions . 25

26 Property used more than 50% in a qualified business use:

John Deere	01/01/2014	100.00%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

Section B—Information on Use

Complete this section for vehicles used by a sole proprietor, partner, or other "more" to your employees, first answer the questions in Section C to see if you meet an exception.

	(a) Vehicle 1	(b) Vehicle 2
30 Total business/investment miles driven during the year (don't include commuting miles)	5,008	
31 Total commuting miles driven during the year		
32 Total other personal (noncommuting) miles driven	0	
33 Total miles driven during the year. Add lines 30 through 32	5,008	

	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?	X											
35 Was the vehicle used primarily by a more than 5% owner or related person?	X											
36 Is another vehicle available for personal use?	X											

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who aren't more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobiles, depreciation, and use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," you must complete Section B.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins
-----------------------------	---------------------------------

42 Amortization of costs that begins during your tax year

--	--

43 Amortization of costs that began before your tax year

--	--

44 Total. Add amounts in column (b). See the instructions

30 Total business/investment miles driven during the year (don't include commuting miles) .

(a)
Vehicle 1
5,008

Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)

5,008.00

X Depreciation Rate (2020 - 27¢; 2019 - 26¢)

0.27

= Total Mileage Depreciation

1,352.16

Subtotal Schedule C

1,352.16

Schedule F

6	Schedule F – Profit or Loss from Farming				*\$5,000 x 125%= \$6,250
	a. Net Farm Profit or Loss (Line 34)	+/-	17,195.00		
	b. Non-Tax Portion Ongoing Coop and CCC Payments (Line 3, 4, 6(a -b))	+/-	5,000.00		
	c. Nonrecurring Other (Income) or Loss (Lines 5c & 8)	+/-	0.00		
	d. Depreciation (Line 14)	+	1,351.00		
	e. Amortization/Casualty Loss/Depletion (Line 32*)	+	0.00		
	f. Business Use of Home (Line 32, Check applicable guidelines)	+	0.00		
	Subtotal Schedule F	=	23,546.00	0.00	
Note: IRS Form 4797 (Sales of Business Property) is not included on this worksheet due to its infrequent use. If applicable, a lender may include analysis of the sale and related recurring capital gains.					
This calculator can be found at https://new.mi.genworth.com/self-employed-borrower-calculators .					
Page 1 of 4					

Business Miles (Page 2, Part IV, Line 44a OR Related 4562, Line 30)		5,008.00
X Depreciation Rate (2020 - 27¢; 2019 - 26¢)		0.27
= Total Mileage Depreciation	+	1,352.16
Subtotal Schedule C	=	1,352.16

\$24,898 or \$26,148

Please check to determine if COVID 19 guidelines are still in place.

If a two-year average must be considered, you must complete both years.



Income Trending

- After the monthly year-to-date income amount is calculated, it must be compared to prior years' earnings using the borrower's W-2's or signed federal income tax returns (or a standard Verification of Employment completed by the lender or third-party employment verification vendor)
 - If the trend in the amount of income is stable or increasing, the income amount should be averaged
 - If the trend was declining, but has since stabilized and there is no reason to believe that the borrower will not continue to be employed at the current level, the current, lower amount of variable income must be used
 - If the trend is declining, the income may not be stable. Additional analysis must be conducted to determine if any variable income should be used, but in no instance may it be averaged over the period when the declination occurred

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