

## **Calculating Farm or Self-Employment Income**

Persons engaged in farming or who operate other types of private business where cash flow varies throughout the year, making it impossible to predict income with any accuracy, may use their income tax records for the preceding calendar year and adjust for the current year.

Any adjustments made for the current year must be substantiated with documents for verification purposes. The income to be reported is income derived from the business venture less operating costs incurred in the generation of that income.

**If you have additional income from other sources, this income must be treated as separate and apart from the income generated from your business or farm venture.**

The information for arriving at allowable income from a private business operation may be taken from the Income Tax Return - 1040 Form.

**Tax Form 1040:   Line 7a**

**Supporting Documents for form 1040**

Business:       Schedule C, using Line 31.

Farm:            Schedule F, using Line 34.

Schedule 1:   Shows same totals as the pertinent Schedule C or F, transferred to form 1040.

**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 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	Last name	Your social security number
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.
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).		<b>Presidential Election Campaign</b> 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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Foreign country name	foreign province/state/country	foreign postal code
If more than four dependents, see instructions and ✓ here ▶ <input type="checkbox"/>		

**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, 1955 ☐ Are blind ☐ **Spouse:** Was born before January 2, 1955 ☐ Is blind ☐

**Dependents** (see instructions):

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

**Standard Deduction for—**

- Single or Married filing separately, \$12,200
- Married filing

jointly or Qualifying widow(er), \$24,400

- Head of household, \$18,350

• If you checked any box under Standard Deduction, see instructions.

**1** Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .

**2a** Tax-exempt interest . . . . .

**3a** Qualified dividends . . . . .

**4a** IRA distributions . . . . .

**c** Pensions and annuities . . . . .

**5a** Social security benefits . . . . .

**2a**

**3a**

**4a**

**4c**

**5a**

**b** Taxable interest. Attach Sch. B if required . . . . .

**b** Ordinary dividends. Attach Sch. B if required . . . . .

**d** Taxable amount . . . . .

**d** Taxable amount . . . . .

**b** Taxable amount . . . . .

**6** Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . .

**7a** Other income from Schedule 1, line 9 . . . . .

**b** Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your **total income** . . . . .

**8a** Adjustments to income from Schedule 1, line 22 . . . . .

**8a b** Subtract line 8a from line 7b. This is your **adjusted gross income** . . . . .

**9** **Standard deduction or itemized deductions** (from Schedule A) . . . . .

**10** Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . .

**11a** Add lines 9 and 10 . . . . .

**b** **Taxable income.** Subtract line 11a from line 8b. If zero or less, enter -0- . . . . .

**1**

**2b**

**3b**

**4b**

**4d**

**5b**

**6**

**7a**

**7b**

**8b**

**8b**

**9**

**10**

**11a**

**11b**

**Use**

**Do Not Use**

<b>12a</b>	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	<b>12a</b>	
<b>b</b>	Add Schedule 2, line 3, and line 12a and enter the total	<b>12b</b>	
<b>13a</b>	Child tax credit or credit for other dependents	<b>13a</b>	
<b>b</b>	Add Schedule 3, line 7, and line 13a and enter the total	<b>13b</b>	
<b>14</b>	Subtract line 13b from line 12b. If zero or less, enter -0-	<b>14</b>	
<b>15</b>	Other taxes, including self-employment tax, from Schedule 2, line 10	<b>15</b>	
<b>16</b>	Add lines 14 and 15. This is your <b>total tax</b>	<b>16</b>	
<b>17</b>	Federal income tax withheld from Forms W-2 and 1099	<b>17</b>	
<b>18</b>	Other payments and refundable credits:		

• If you have a qualifying child, attach Sch. EIC.

• If you have nontaxable combat pay, see instructions.

<b>a</b>	Earned income credit (EIC)	<b>18a</b>	
<b>b</b>	Additional child tax credit. Attach Schedule 8812	<b>18b</b>	
<b>c</b>	American opportunity credit from Form 8863, line 8	<b>18c</b>	
<b>d</b>	Schedule 3, line 14	<b>18d</b>	
<b>e</b>	Add lines 18a through 18d. These are your <b>total other payments and refundable credits</b>	<b>18e</b>	

**Refund**

Direct deposit?  
See instructions.

<b>19</b>	Add lines 17 and 18e. These are your <b>total payments</b>	<b>19</b>	
<b>20</b>	If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you <b>overpaid</b>	<b>20</b>	
<b>21a</b>	Amount of line 20 you want <b>refunded to you</b> . If Form 8888 is attached, check here	<b>21a</b>	
<b>b</b>	Routing number	<b>c Type:</b>	Checking Savings
<b>d</b>	Account number		
<b>22</b>	Amount of line 20 you want <b>applied to your 2020 estimated tax</b>	<b>22</b>	

**Amount You Owe**  
**Third Party Designee**

<b>23</b>	<b>Amount you owe.</b> Subtract line 19 from line 16. For details on how to pay, see instructions	<b>23</b>	
<b>24</b>	Estimated tax penalty (see instructions)	<b>24</b>	
Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions.		<input type="checkbox"/> <b>Yes. Complete below.</b> <input type="checkbox"/> <b>No</b>	

(Other than paid preparer)

**Sign Here**

Joint return?  
See instructions.  
Keep a copy for your records.

Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
Your signature	Date	Your occupation
If the IRS sent you an Identity Protection PIN, enter it here (see inst.)		
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation
If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)		
Phone no.	Email address	

**Paid****Preparer Use Only**

Preparer's name	Preparer's signature	Date	PTIN	Check if: 3rd Party Designee
Firm's name ▶	Phone no.			Self-employed
Firm's address ▶				Firm's EIN ▶

**SCHEDULE 1**  
(Form 1040 or 1040-SR)

Department of the Treasury  
Internal Revenue Service

**Additional Income and Adjustments to Income**

► **Attach to Form 1040 or 1040-SR.**  
► **Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.**

OMB No. 1545-0074

**2019**

Attachment  
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☐ No

**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) ► . . . . .		Use line 3
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	Use line 6
7	Unemployment compensation . . . . .	7	
8	Other income. List type and amount ► . . . . .	8	
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a . . . . .	9	

**Part II Adjustments to Income**

10	Educator expenses . . . . .	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 . . . . .	11	
12	Health savings account deduction. Attach Form 8889 . . . . .	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903 . . . . .	13	
14	Deductible part of self-employment tax. Attach Schedule SE . . . . .	14	
15	Self-employed SEP, SIMPLE, and qualified plans . . . . .	15	
16	Self-employed health insurance deduction . . . . .	16	
17	Penalty on early withdrawal of savings . . . . .	17	
18a	Alimony paid . . . . .	18a	
b	Recipient's SSN . . . . .		
c	Date of original divorce or separation agreement (see instructions) ► . . . . .		
19	IRA deduction . . . . .	19	
20	Student loan interest deduction . . . . .	20	
21	Tuition and fees. Attach Form 8917 . . . . .	21	
22	Add lines 10 through 21. These are your <b>adjustments to income</b> . Enter here and on Form 1040 or 1040-SR, line 8a . . . . .	22	

For Paperwork Reduction Act Notice, see your tax return instructions.

Cat. No. 71479F

Schedule 1 (Form 1040 or 1040-SR) 2019

**SCHEDULE C**  
**(Form 1040 or 1040-SR)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**

(Sole Proprietorship)

► Go to [www.irs.gov/ScheduleC](http://www.irs.gov/ScheduleC) for instructions and the latest information.

► Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

**2019**

Attachment  
Sequence No. **09**

Name of proprietor		Social security number (SSN)	
<b>A</b> Principal business or profession, including product or service (see instructions)		<b>B</b> Enter code from instructions <div style="border: 1px solid black; width: 100px; height: 15px; margin-top: 5px;"></div>	
<b>C</b> Business name. If no separate business name, leave blank.		<b>D</b> Employer ID number (EIN) (see instr.) <div style="border: 1px solid black; width: 100px; height: 15px; margin-top: 5px;"></div>	
<b>E</b> Business address (including suite or room no.) ► City, town or post office, state, and ZIP code			
<b>F</b> Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►			
<b>G</b> Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on losses <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
<b>H</b> If you started or acquired this business during 2019, check here <span style="float:right"><input type="checkbox"/></span>			
<b>I</b> Did you make any payments in 2019 that would require you to file Form(s) 1099? (see instructions) <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			
<b>J</b> If "Yes," did you or will you file required Forms 1099? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>			

**Part I Income**

<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <span style="float:right"><input type="checkbox"/></span>	<b>1</b>	
<b>2</b> Returns and allowances	<b>2</b>	
<b>3</b> Subtract line 2 from line 1	<b>3</b>	
<b>4</b> Cost of goods sold (from line 42)	<b>4</b>	
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b>	
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	
<b>7</b> <b>Gross income.</b> Add lines 5 and 6	<b>7</b>	

**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.

<b>8</b> Advertising	<b>8</b>	<b>18</b> Office expense (see instructions)	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions).	<b>9</b>	<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees	<b>10</b>	<b>20</b> Rent or lease (see instructions):	<b>20a</b>	
<b>11</b> Contract labor (see instructions)	<b>11</b>	<b>a</b> Vehicles, machinery, and equipment	<b>20b</b>	
<b>12</b> Depletion	<b>12</b>	<b>b</b> Other business property	<b>21</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	<b>13</b>	<b>21</b> Repairs and maintenance	<b>22</b>	
<b>14</b> Employee benefit programs (other than on line 19).	<b>14</b>	<b>22</b> Supplies (not included in Part III)	<b>23</b>	
<b>15</b> Insurance (other than health)	<b>15</b>	<b>23</b> Taxes and licenses	<b>24a</b>	
<b>16</b> Interest (see instructions):		<b>24</b> Travel and meals:	<b>24b</b>	
<b>a</b> Mortgage (paid to banks, etc.)	<b>16a</b>	<b>a</b> Travel	<b>25</b>	
<b>b</b> Other	<b>16b</b>	<b>b</b> Deductible meals (see instructions)	<b>26</b>	
<b>17</b> Legal and professional services	<b>17</b>	<b>25</b> Utilities	<b>27a</b>	
		<b>26</b> Wages (less employment credits)	<b>27b</b>	
		<b>27a</b> Other expenses (from line 48)		
		<b>b</b> <b>Reserved for future use</b>		

<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a	<b>28</b>	
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7	<b>29</b>	

<b>30</b> Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). <b>Simplified method filers only:</b> enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	<b>30</b>	
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<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29. <ul style="list-style-type: none"> <li>• If a profit, enter on both <b>Schedule 1 (Form 1040 or 1040-SR), line 3</b> (or <b>Form 1040-NR, line 13</b>) and on <b>Schedule SE, line 2</b>. (If you checked the box on line 1, see instructions). Estates and trusts, enter on <b>Form 1041, line 3</b>.</li> <li>• If a loss, you <b>must</b> go to line 32.</li> </ul>	<b>31</b>	Use this line
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<b>32</b> If you have a loss, check the box that describes your investment in this activity (see instructions). <ul style="list-style-type: none"> <li>• If you checked 32a, enter the loss on both <b>Schedule 1 (Form 1040 or 1040-SR), line 3</b> (or <b>Form 1040-NR, line 13</b>) and on <b>Schedule SE, line 2</b>. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on <b>Form 1041, line 3</b>.</li> <li>• If you checked 32b, you <b>must</b> attach <b>Form 6198</b>. Your loss may be limited.</li> </ul>	<b>32a</b>	<input type="checkbox"/> All investment is at risk. <input type="checkbox"/> Some investment is not at risk.
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<b>Part III</b>	<b>Cost of Goods Sold</b> (see instructions)
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33 Method(s) used to value closing inventory:      a ☐ Cost      b ☐ Lower of cost or market      c ☐ Other (attach explanation)

**34** Was there any change in determining quantities, costs, or valuations between opening and closing inventory?  
If "Yes," attach explanation ☐ Yes ☐ No

<b>35</b>	Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . . . .	<b>35</b>	
<b>36</b>	Purchases less cost of items withdrawn for personal use . . . . .	<b>36</b>	
<b>37</b>	Cost of labor. Do not include any amounts paid to yourself . . . . . <b>38</b>	<b>37</b>	
	Materials and supplies . . . . . <b>39</b>	<b>38</b>	
	Other costs . . . . . <b>40</b>	<b>39</b>	
	Add lines 35 through 39 . . . . . <b>41</b>	<b>40</b>	
	Inventory at end of year . . . . .	<b>41</b>	
<b>42</b>	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on line 4 . . . . .	<b>42</b>	

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

**43** When did you place your vehicle in service for business purposes? (month, day, year)    ▶    /    /

**44** Of the total number of miles you drove your vehicle during 2019, enter the number of miles you used your vehicle for:

**a** Business \_\_\_\_\_ **b** Commuting (see instructions) \_\_\_\_\_ **c** Other \_\_\_\_\_

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

**46** Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

**47a** Do you have evidence to support your deduction? ☐ Yes ☐ No

**b** If "Yes," is the evidence written? ☐ Yes ☐ No

**Part V Other Expenses.** List below business expenses not included on lines 8–26 or line 30.

<b>48 Total other expenses.</b> Enter here and on line 27a . . . . .	<b>48</b>

**SCHEDULE F**  
**(Form 1040 or 1040-SR)**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](http://www.irs.gov/ScheduleF) for instructions and the latest information.**

OMB No. 1545-0074

**2019**  
Attachment  
Sequence No. **14**

Name of proprietor		Social security number (SSN)	
<b>A</b> Principal crop or activity	<b>B</b> Enter code from Part IV ▶	<b>C</b> Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	<b>D</b> Employer ID number (EIN) (see instr.)
<b>E</b> Did you "materially participate" in the operation of this business during 2019? If "No," see instructions for limit on passive losses		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>F</b> Did you make any payments in 2019 that would require you to file Form(s) 1099? See instructions		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>G</b> If "Yes," did you or will you file required Form(s) 1099?		<input type="checkbox"/> Yes <input 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.)

<b>1a</b> Sales of livestock and other resale items (see instructions)	<b>1a</b>		
<b>b</b> Cost or other basis of livestock or other items reported on line 1a	<b>1b</b>		
<b>c</b> Subtract line 1b from line 1a			<b>1c</b>
<b>2</b> Sales of livestock, produce, grains, and other products you raised			<b>2</b>
<b>3a</b> Cooperative distributions (Form(s) 1099-PATR)	<b>3a</b>	<b>3b</b> Taxable amount	<b>3b</b>
<b>4a</b> Agricultural program payments (see instructions)	<b>4a</b>	<b>4b</b> Taxable amount	<b>4b</b>
<b>5a</b> Commodity Credit Corporation (CCC) loans reported under election			<b>5a</b>
<b>b</b> CCC loans forfeited	<b>5b</b>	<b>5c</b> Taxable amount	<b>5c</b>
<b>6</b> Crop insurance proceeds and federal crop disaster payments (see instructions):			
<b>a</b> Amount received in 2019	<b>6a</b>	<b>6b</b> Taxable amount	<b>6b</b>
<b>c</b> If election to defer to 2020 is attached, check here <input type="checkbox"/>		<b>6d</b> Amount deferred from 2018	<b>6d</b>
<b>7</b> Custom hire (machine work) income			<b>7</b>
<b>8</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)			<b>8</b>
<b>9</b> <b>Gross income.</b> 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			<b>9</b>

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

<b>10</b> Car and truck expenses (see instructions). Also attach Form 4562	<b>10</b>	<b>23</b> Pension and profit-sharing plans	<b>23</b>
<b>11</b> Chemicals	<b>11</b>	<b>24</b> Rent or lease (see instructions):	
<b>12</b> Conservation expenses (see instructions)	<b>12</b>	<b>a</b> Vehicles, machinery, equipment	<b>24a</b>
<b>13</b> Custom hire (machine work)	<b>13</b>	<b>b</b> Other (land, animals, etc.)	<b>24b</b>
<b>14</b> Depreciation and section 179 expense (see instructions)	<b>14</b>	<b>25</b> Repairs and maintenance	<b>25</b>
<b>15</b> Employee benefit programs other than on line 23	<b>15</b>	<b>26</b> Seeds and plants	<b>26</b>
<b>16</b> Feed	<b>16</b>	<b>27</b> Storage and warehousing	<b>27</b>
<b>17</b> Fertilizers and lime	<b>17</b>	<b>28</b> Supplies	<b>28</b>
<b>18</b> Freight and trucking	<b>18</b>	<b>29</b> Taxes	<b>29</b>
<b>19</b> Gasoline, fuel, and oil	<b>19</b>	<b>30</b> Utilities	<b>30</b>
<b>20</b> Insurance (other than health)	<b>20</b>	<b>31</b> Veterinary, breeding, and medicine	<b>31</b>
<b>21</b> Interest (see instructions):		<b>32</b> Other expenses (specify):	
<b>a</b> Mortgage (paid to banks, etc.)	<b>21a</b>	<b>a</b>	<b>32a</b>
<b>b</b> Other	<b>21b</b>	<b>b</b>	<b>32b</b>
<b>22</b> Labor hired (less employment credits)	<b>22</b>	<b>c</b>	<b>32c</b>
		<b>d</b>	<b>32d</b>
		<b>e</b>	<b>32e</b>
		<b>f</b>	<b>32f</b>
<b>33</b> <b>Total expenses.</b> Add lines 10 through 32f. If line 32f is negative, see instructions			<b>33</b>
<b>34</b> <b>Net farm profit or (loss).</b> Subtract line 33 from line 9			<b>34</b>

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**
- ☐
- All investment is at risk.
- b**
- ☐
- Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 11346H

Schedule F (Form 1040 or 1040-SR) 2019

**Part III Farm Income—Accrual Method** (see instructions).

37	Sales of livestock, produce, grains, and other products (see instructions)	37	
38a	Cooperative distributions (Form(s) 1099-PATR)	38a	
38b	Taxable amount	38b	
39a	Agricultural program payments	39a	
39b	Taxable amount	39b	
40	Commodity Credit Corporation (CCC) loans:		
a	CCC loans reported under election	40a	
b	CCC loans forfeited	40b	
40c	Taxable amount	40c	
41	Crop insurance proceeds	41	
42	Custom hire (machine work) income	42	
43	Other income (see instructions)	43	
44	Add amounts in the right column for lines 37 through 43 (lines 37, 38b, 39b, 40a, 40c, 41, 42, and 43)	44	
45	Inventory of livestock, produce, grains, and other products at beginning of the year. Do not include sales reported on Form 4797	45	
46	Cost of livestock, produce, grains, and other products purchased during the year	46	
47	Add lines 45 and 46	47	
48	Inventory of livestock, produce, grains, and other products at end of year	48	
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*	49	
50	Gross income. Subtract line 49 from line 44. Enter the result here and on Part I, line 9	50	

\*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

**Part IV Principal Agricultural Activity Codes**

**Do not file Schedule F (Form 1040 or 1040-SR) to report the following:**

- Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead, file Schedule C (Form 1040 or 1040-SR).

- Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead, file Schedule C (Form 1040 or 1040-SR).

- Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead, file Form 4797.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six-digit number on line B.

**Crop Production**

- 111100 Oilseed and grain farming
- 111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

**Animal Production**

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

**Forestry and Logging**

- 113000 Forestry and logging (including forest nurseries and timber tracts)