

## 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)	
<b>Taxable Gain, Marketable Securities (a - b)</b>	<u><b>0</b></u>	(c)	
Market Value of Other Current Assets (Inventories, accounts receivable, prepaid expenses, investment in growing crops, non-farm assets)	<u>336,236</u>	(d)	
Tax Basis of Other Current Assets	<u>143,286</u>	(e)	
Deductible Expenses (Accounts payable, accrued interest, state taxes payable, other)	<u>12,273</u>	(f)	
<b>Deferred Taxable Income (c + d - e - f)</b>	<u><b>180,677</b></u>	(g)	
Average Federal Tax Rate	<u>.20</u>	(h)	
Deferred Federal Income Taxes (g x h)			<u>36,135</u> (i)
Average State Tax Rate	<u>.04</u>	(j)	
Deferred State Taxes (g x j)			<u>7,227</u> (k)
Earned Income (g - c)	<u>180,677</u>	(l)	
Taxable Limit, Social Security Portion <sup>1</sup>	<u>132,900</u>	(m)	
Enter the smaller amount of (l) or (m)	<u>132,900</u>	(n)	
Social Security Tax Rate	<u>.124</u>	(o)	
Deferred Social Security Tax (n x o)			<u>16,480</u> (p)
Medicare Tax Rate	<u>.029</u>	(q)	
Deferred Medicare Tax (l x q)			<u>3,854</u> (r)
<b>TOTAL DEFERRED TAXES, CURRENT (i + k + p + r)</b>			<u><b>63,696</b></u>
Non-Current Portion of Deferred Taxes			
Market Value of Non-Current Assets <sup>2</sup> (Breeding livestock, machinery & vehicles, real estate & improvements, other)	<u>2,884,096</u>	(s)	
Tax Basis of Non-Current Assets	<u>1,042,258</u>	(t)	
Deferred Taxable Income (s - t)	<u>1,841,838</u>	(u)	
Deferred Federal Taxes (h x u)			<u>368,368</u> (v)
Deferred State Taxes (j x u)			<u>73,674</u> (w)
<b>TOTAL DEFERRED TAXES, NON-CURRENT (v + w)</b>			<u><b>442,042</b></u>

<sup>1</sup> 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.

<sup>2</sup> Excluding investments in cooperatives, cash value of life insurance.