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

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 mutiplied 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.