

## Table 2. Deferred Tax Worksheet

### Current Portion of Deferred Taxes

Value of Marketable Securities	_____	(a)	
Tax Basis of Marketable Securities	_____	(b)	
<b>Taxable Gain, Marketable Securities (a - b)</b>	_____	<b>(c)</b>	
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)	
<b>Deferred Taxable Income (c + d - e - f)</b>	_____	<b>(g)</b>	
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 <sup>1</sup>	_____	(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)
<b>TOTAL DEFERRED TAXES, CURRENT (i + k + p + r)</b>	_____		
Non-Current Portion of Deferred Taxes			
Market Value of Non-Current Assets <sup>2</sup> (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)	
<b>TOTAL DEFERRED TAXES, NON-CURRENT (v + w)</b>			_____

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.