

2001 FEDERAL INCOME TAX WORKSHEET

Line #	Name:	Amounts To Date	Amounts Rest of Year	Total For Year	Line #
(1)	Total Sch F Farm Sales				(1)
(2)	Less: Cost of Resale Items included above				(2)
(3)	Schedule F Gross Income [L1-L2] (A)				(3)
(4)	Depreciation & Section 179 Deduction				(4)
(5)	Farm Operating Expenses (B)				(5)
(6)	Net Farm Profit (Loss) [L3-L4-L5]				(6)
(7)	Other Business Profit (Loss) Sch C				(7)
(8)	Business Cap. Gains (Losses) Form 4797				(8)
(9)	Capital Gains or (Losses) Sch D (C)				(9)
(10)	Other Taxable Income (Wages, Int., Rents)				(10)
(11)	Total Income [L6+L7+L8+L9+L10]				(11)
(12)	Adjustments to Income (D)				(12)
(13)	Adjusted Gross Income [L11-L12]				(13)
(14)	Standard or Itemized Deductions (E)				(14)
(15)	Personal Exemptions @ \$2,900				(15)
(16)	Taxable Income [L13-L14-L15]				(16)
(17)	Federal Income Tax (F)				(17)
(18)	Tax Credits				(18)
(19)	Self-employment Tax (G)				(19)
(20)	Total Federal Tax [L17-L18+L19]				(20)

Footnotes: ()

(A) Worksheet line numbers are referenced as "L".

(B) Do not include capital asset purchases and cost of cattle or items which were purchased or redeemed for resale.

(C) While business capital losses (line 8) are not limited, the yearly deductible limit on net capital losses is limited to lesser of 1) \$3,000 (\$1,500 if you are married filing separately) or 2) your net capital loss.
The maximum tax rate on long-term capital gains is generally 10% or 20% dependent on the whether the regular tax rate is 15% or higher, respectively. A lower rate of 8% replaces the 10% rate if the asset was held for 5 years or longer.
Higher rates apply to gains related to collectibles and unrecaptured Section 1250 gains.

(D) Adjustments to income includes items such as: 1) IRA, SEP, or keogh deductions, 2) self-employed health insurance 60% deduction, 3) one-half of self-employment tax calculated on L19.

(E) You should deduct the larger of your itemized deductions or the standard deduction (\$4,550 single; \$7,600 married filing joint or qualifying widow(er); \$6,650 head of household; \$3,800 married filing a separate return).

(F) Determine the federal income tax by calculating the tax using the appropriate tax rate schedule (per your filing status) on the reverse side. See footnote (C) for tax rates on long-term capital gains. If your calculations for income tax includes a substantial amount of tax preference items or adjustments such as: accelerated depreciation, installment sales, passive activity losses, etc. - you should calculate your tax liability using the alternative minimum tax (AMT) rules. Your federal income tax liability will be the greater of regular tax or the AMT.

(G) Self-employment (SE) tax equals [(L6+L7+any other SE earnings) x .9235 x 15.3%]. The maximum earnings base for the Social Security portion (12.4%) of the self-employment tax is \$80,400, however, the Medicare portion (2.9%) has no earnings cap.

Worksheet is believed correct as of October 12, 2001. Consult a tax professional for answers to specific questions or issues.

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