

**Occupant information**

First name and initial	Last name
If married, spouse's first name and initial	Last name

Address of farm residence
City, state, ZIP

**Item 3--Farm income test**

**Net profit or (loss) from farming - From Schedule F (Form 1040)**

1. Net farm profit (loss) from Schedule F, line 34. If a loss, enter as negative number.....		<b>1</b>	
2. a. Depreciation and section 179 expense from Schedule F, line 14.....	<b>2a</b>		
b. Interest expense from Schedule F, lines 21a and 21b.....	<b>2b</b>		
c. Depreciation and interest expense adjustment. Add lines 2a and 2b.....		<b>2c</b>	0
3. Add lines 1 and 2c.....		<b>3</b>	0
4. a. Non-farm income less related expenses included on Schedule F. <i>If loss, enter as negative number</i> .....	<b>4a</b>		
b. Non-farm depreciation, section 179, and interest expenses included on line 2c .....	<b>4b</b>		
c. Non-farm income adjustment. Add lines 4a and 4b.....		<b>4c</b>	0
5. Farm income from Schedule F, as adjusted. Subtract line 4c from line 3.....		<b>5</b>	0

**Capital gain - From Schedule D (Form 1040)**

6. a. Capital gain from Schedule D, line 11.....	<b>6a</b>		
b. Non-farm capital gain(s) included on line 6a.....	<b>6b</b>		
c. Farm capital gain. Subtract line 6b from line 6a.....		<b>6c</b>	0
d. Adjusted basis of the property generating the farm capital gain on line 6c.....		<b>6d</b>	
7. Farm income from Schedule D, as adjusted. Add lines 6c and 6d.....		<b>7</b>	0

**Ordinary gain or (loss) - From Form 4797 (Form 1040)**

8. a. Ordinary gain or (loss) from Form 1040, line 14. <i>If loss, enter as a negative number</i> .....	<b>8a</b>		
b. Non-farm gains and (losses) included on line 8a. <i>If a loss, enter as a negative number</i> .....	<b>8b</b>		
c. Farm gain or (loss). Subtract line 8b from line 8a.....		<b>8c</b>	0
d. Adjusted basis of the property generating the farm ordinary gain or (loss) on line 8c.....		<b>8d</b>	
9. Farm income from Form 4797, as adjusted. Add lines 8c and 8d.....		<b>9</b>	0

**Income or (loss) from partnerships and S corporations - From Schedule E (Form 1040)**

10. Income or (loss) from Schedule E, line 32. If a loss, enter as a negative number.....		<b>10</b>	
11. a. Depreciation and section 179 expense included in amount on line 10.....	<b>11a</b>		
b. Interest expense included in amount on line 10.....	<b>11b</b>		
c. Depreciation and interest expense adjustment. Add lines 11a and 11b.....		<b>11c</b>	0
d. Add lines 10 and 11c.....		<b>11d</b>	0
12. a. Non-farm income less related expenses included on line 10. <i>If loss, enter as a negative number</i> .....	<b>12a</b>		
b. Non-farm depreciation, section 179, and interest expenses included in amount on line 11c.....	<b>12b</b>		
c. Non-farm income adjustment. Add lines 12a and 12b.....		<b>12c</b>	0
13. Farm income from partnerships and S corporations, as adjusted. Subtract line 12c from 11d.....		<b>13</b>	0

**Income or (loss) from estates and trusts - From Schedule E (Form 1040)**

14.	Income or (loss) from Schedule E, line 37. If a loss, enter as a negative number.....			<b>14</b>	
15.	a.	Depreciation and section 179 expense included in amount on line 14.....	<b>15a</b>		
	b.	Interest expense included in amount on line 14.....	<b>15b</b>		
	c.	Depreciation and interest expense adjustment. Add lines 15a and 15b.....		<b>15c</b>	0
	d.	Add lines 14 and 15c.....		<b>15d</b>	0
16.	a.	Non-farm income less related expenses included on line 14. <i>If loss, enter as a negative number</i> .....	<b>16a</b>		
	b.	Non-farm depreciation, section 179, and interest expenses included in amount on line 15c.....	<b>16b</b>		
	c.	Non-farm income adjustment. Add lines 16a and 16b.....		<b>16c</b>	0
17.	Farm income from partnerships and S corporations, as adjusted. Subtract line 16c from 15d.....			<b>17</b>	0

**Net farm rental income or (loss) - From Form 4835 (Form 1040)**

18.	Net farm rental income or (loss) from Form 4835, line 32. If loss, enter as negative number.....			<b>18</b>	
19.	a.	Depreciation and section 179 expense from Form 4835, line 12.....	<b>19a</b>		
	b.	Interest expense from Form 4835, lines 19a and 19b.....	<b>19b</b>		
	c.	Depreciation and interest expense adjustment. Add lines 19a and 19b.....		<b>19c</b>	0
20.	Add lines 18 and 19c.....			<b>20</b>	0
21.	a.	Non-farm income and related expenses included on 18. <i>If loss, enter as negative number</i> .....	<b>21a</b>		
	b.	Non-farm depreciation, section 179, and interest expenses included on line 19c.....	<b>21b</b>		
	c.	Non-farm income adjustment. Add lines 21a and 21b.....		<b>21c</b>	0
22.	Farm income from Form 4835, as adjusted. Subtract line 21c from line 20.....			<b>22</b>	0

**Dividend income from C corporation engaged in farming activity**

23.	Dividend income from Form 1040, line 9a, that is <i>attributable to a C corporation engaged in farming</i> .....			<b>23</b>	
24.	a.	Taxable income from Form 1120, page 1, line 28.....	<b>24a</b>		
	b.	Depreciation and section 179 expense claimed on Form 1120.....	<b>24b</b>		
	c.	Interest expense claimed on Form 1120.....	<b>24c</b>		
	d.	Depreciation and interest expense adjustment. Add lines 24b and 24c.....		<b>24d</b>	0
	e.	Add lines 24a and 24d.....		<b>24e</b>	0
25.	a.	Non-farm income less related expenses included on line 24a.....	<b>25a</b>		
	b.	Non-farm depreciation, section 179, and interest expenses included on line 24d.....	<b>25b</b>		
	c.	Non-farm income adjustment. Add lines 25a and 25b.....		<b>25c</b>	0
26.	a.	Farm income on Form 1120, as adjusted. Subtract line 25c from line 24e.....	<b>26a</b>		0
	b.	Farm income ratio: Divide line 26a by line 24e.....		<b>26b</b>	0%
27.	Farm income from C corporation engaged in farming activity. Multiply line 23 by line 26b.....			<b>27</b>	0

28.	<b>Total farm income, as adjusted.</b> Add lines 5, 7, 9, 13, 17, 22, and 27. If result is less than zero, skip lines 29 through 35, and enter 0% on line 36; otherwise, go to line 29.....	<b>28</b>		0
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29. Total income from Form 1040, line 22. If loss, enter as a negative number.....	29	
30. If Form 1040, line 22, includes a net operating loss deduction carried over from another tax year, enter that amount as a <b>positive number</b> on this line.....	30	
31. Add lines 29 and 30.....	31	0
32. a. Total depreciation and section 179 expense adjustment. Add lines 2a, 11a, 15a, and 19a.... b. Total interest expense adjustment. Add lines 2b, 11b, 15b, and 19b..... c. Add lines 32a and 32b..... d. Non-farm depreciation, section 179, and interest expense adjustment. Add lines 4b, 12b, 16b, and 21b..... e. Farm depreciation, section 179, and interest expense adjustment. Subtract line 32d from line 32c.....	32a	0
	32b	0
	32c	0
	32d	0
	32e	0
33. Farm adjusted basis adjustment. Add lines 6d and 8d.....	33	0
34. Total farm adjustments. Add lines 32e and 33.....	34	0
35. Total income, as adjusted. Add lines 31 and 34.....	35	0
36. <b>Farm income ratio</b> (Item 3 of Active Farmer Category on application form). Divide line 28 by line 35. (Note: If line 28 is equal to or less than zero, enter 0%. If line 28 is greater than zero and line 35 is equal to or less than zero, enter 100%.).....	36	0%

- The ratio on line 36 must be 50% or more to meet the farm income test for the year.
- The 50% farm income test needs to be met in only one of the three years preceding the year for which the farm residence property tax exemption is requested.
- The farm income test and the non-farm income test (see lines 37 through 39 below) do not have to be met in the same year.

**Item 4--Non-Farm income test**

37. Total income (excluding adjustments for depreciation, section 179, and interest expenses, and adjusted basis). Enter amount from line 31.....	37	0
38. a. Farm income, as adjusted. Enter amount from line 28..... b. Total farm adjustments. Enter amount from line 34..... c. Farm income (excluding adjustments for depreciation, section 179, and interest expenses, and adjusted basis). Subtract line 38b from line 38a.....	38a	0
	38b	0
	38c	0
39. <b>Non-farm income</b> (Item 4 of Active Farmer Category on application form). Subtract line 38c from line 37. <b>If a loss, enter 0.</b> The result on this line must be <b>\$40,000 or less</b> to meet the non-farm income test for the 2015 tax year.....	39	0

- The amount on line 39 must be \$40,000 or less to meet the non-farm income test for the year.
- The \$40,000 non-farm income test needs to be met in only one of the three years preceding the year for which the exemption is requested.
- The non-farm income test and the farm income test (see lines 1 through 36 above) do not have to be met in the same year.