

**FARM RESIDENCE EXEMPTION WORKSHEET - updated March 2013  
N.D.C.C. § 57-02-08(15)**

Name: \_\_\_\_\_ SS#: \_\_\_\_\_ Year: \_\_\_\_\_  
 Address: \_\_\_\_\_

**FARM INCOME: (Number 3 on application - Active Farmer Category)**

From Form 1040, Schedule F:

- 1. Line 34 (net farm profit or loss) \_\_\_\_\_
- 2. Minus: Line 7 (custom hire - machine work) \_\_\_\_\_
- 3. Minus: Any other nonfarm income included on Line 34 \_\_\_\_\_
- 4. Deduction for nonfarm income (sum of No. 2 and No. 3) \_\_\_\_\_
- 5. Adjusted farm income (No. 1 minus No. 4) \_\_\_\_\_
- 6. Plus: Line 14 (depreciation expense) \_\_\_\_\_
- 7. Minus: Depreciation expense attributable to No. 2 \_\_\_\_\_
- 8. " " " " No. 3 \_\_\_\_\_
- 9. Depreciation expense - agricultural (No. 6 minus No. 7 and minus No. 8) \_\_\_\_\_
- 10. Plus: Line 21a (mortgage interest) \_\_\_\_\_
- 11. Plus: Line 21b (other interest) \_\_\_\_\_
- 12. Schedule F Total (No. 5 plus No. 9 plus No. 10 plus No. 11) \_\_\_\_\_

From Form 1040, Schedule D - Capital Gains

- 13. Plus Sched. D Line 11 - gain from AGRICULTURAL PRODUCTS ONLY \_\_\_\_\_
- 14. Plus adjusted basis for No. 13 (this is the difference between gross sales price less expenses of sale and the amount reported for sales of agricultural products for which the farmer reported a capital gain) \_\_\_\_\_
- 15. Plus Sched. D Line 12 - Net long-term gain or (loss) from partnerships, S corps, estates, and trusts from Schedules K-1 (AGRICULTURAL PRODUCTS ONLY) \_\_\_\_\_

From Form 4797 - Part II - Ordinary Gains and Losses

- 16. Plus Form 4797 Line 18b (AGRICULTURAL PRODUCTS ONLY) \_\_\_\_\_

From Form 1040, Schedule E - Parts II, III, and V

- 17. Plus Sched. E Line 32 - income or (loss) (AGRICULTURAL ONLY) \_\_\_\_\_
- 17a. Plus Sched. E Line 37 - income or (loss) (AGRICULTURAL ONLY) \_\_\_\_\_
- 17b. Plus Sched. E Line 40 - net farm rental income or loss from Form 4835 \_\_\_\_\_

18. **NET FARM INCOME OR LOSS** (total of No.12 through No.17b) \_\_\_\_\_

19. **Net Farm Income (No. 18) divided by Adjusted Total Income (No. 25) equals Farm Income Percentage (this figure must be 50% or more in any one of the three preceding years to qualify for No. 3 - Active Farmer Category)** \_\_\_\_\_

**NON-FARM INCOME: (Number 4 on application - Active Farmer Category)**

- 20. Schedule 1040, Line 22 - Total Income (exclude any amounts carried forward or carried back) **(Must enter this figure to calculate No. 19)** \_\_\_\_\_
- 21. Plus No. 9 above (depreciation expense - agricultural) \_\_\_\_\_
- 22. Plus No. 10 above (mortgage interest - agricultural) \_\_\_\_\_
- 23. Plus No. 11 above (other interest - agricultural) \_\_\_\_\_
- 24. Plus No. 14 above (adjusted basis - agricultural) \_\_\_\_\_

25. **ADJUSTED TOTAL INCOME** (total of No. 20 through No. 24) \_\_\_\_\_

26. **NON-FARM INCOME (No. 20 minus Nos. 5, 13, 15, 16,17,17a,17b) \*** \_\_\_\_\_  
**If NON-FARM INCOME is more than \$40,000 in EACH of the three preceding years, you do not qualify for the exemption.**

\* To subtract a negative number (loss) from a positive number, change the sign from minus - to plus + and add.