

# Farm Tax Deduction Checklist

## A quick-reference guide for U.S. farm owners and operators (2025 edition).

Use this checklist to keep your books tight throughout the year. Clean records mean cleaner returns — and fewer headaches in March.

### Farm operations & supplies

- Seed, fertilizer, lime, and soil amendments
- Herbicides, pesticides, and crop protection products
- Feed — hay, grain, minerals, supplements
- Bedding and livestock supplies
- Fencing materials and repairs
- Water, irrigation, and field utilities
- Small tools under the capitalization threshold (IRS safe harbor rules still apply in 2025)

### Livestock & veterinary costs

- Livestock purchases
- Breeding fees and artificial insemination
- Veterinary care, medications, and routine treatments
- Livestock hauling and processing
- Tagging, branding, and registration fees

### Fuel, vehicles & equipment

- Gas, diesel, and off-road fuel
- Repairs and maintenance on tractors, ATVs, trucks, and implements
- Equipment rentals
- Oil changes, tires, and replacement parts
- Fuel storage tank repairs
- Mileage tracking for farm-related truck use (IRS standard mileage still applies for 2025)
- Depreciable equipment — tractors, wagons, balers, sprayers, trailers, and similar assets
- (Section 179 and bonus depreciation remain available for 2025 under current federal rules)

### Labor & payroll

- Wages for farmworkers
- Seasonal and temporary labor
- Employer payroll taxes
- Contract labor (with W-9s collected)
- Employee housing or stipends when part of compensation

### Insurance, utilities & overhead

- Farm property insurance
- Crop insurance
- General liability insurance
- Electricity, water, propane, and irrigation power
- Repairs to barns, sheds, and other structures
- Office supplies, postage, and printing

- Farm management or bookkeeping software

## Marketing, sales & business expenses

- Farmers' market stall fees
- CSA packaging, delivery, and distribution costs
- Website, online store, and digital advertising
- Customer service tools or subscriptions
- Accounting and legal fees
- Bank fees and merchant processing fees

## Capital improvements

- These affect depreciation – don't mix them with regular repairs.
- New buildings or major additions
- Barn or facility upgrades
- Permanent fencing installations
- Drainage tile and field improvements
- Land improvements that increase long-term value
- Major equipment overhauls or rebuilds

## Loans & interest

- Mortgage interest on farm property
- Equipment loan interest
- Operating loan interest
- Credit line interest used for farm operations

## Government programs & miscellaneous

- Costs tied to USDA or FSA programs
- Conservation program expenses
- Organic certification or GAP certification fees
- Storage, warehousing, and cold storage
- Safety training and protective gear
- Dues and industry association memberships

## Personal vs. farm reminder

Keep personal spending out of the farm account. When it happens, flag it immediately instead of leaving it buried in your transactions.

## Final reminder

Farm deductions can work in your favor, but only when your categories stay clean and your records match IRS requirements. When repairs get mixed with improvements or personal charges roll through the farm account, your tax bill shifts fast – and usually not in a good way. Treat your bookkeeping like part of the daily workflow, not a seasonal chore.

If you need clarity on deductions, depreciation in 2025, or what to track month-to-month, our team supports farm owners nationwide with accurate bookkeeping and tax prep built around real farm operations.

## **Questions?**

We help businesses nationwide assess pricing, plan income goals, and build sustainable practices.

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