

TRIBAL FOOD PRODUCER INFO SESSION: PREPARING FARM TAXES

A RESOURCE TO SUPPORT FOOD PRODUCERS AND
HARVESTERS IN TRIBAL NATIONS

The Great Lakes Midwest Regional Food Business Center, in partnership with partners including the Great Lakes Intertribal Food Coalition, will distribute over \$10 million in Business Builder Subawards and assistance to eligible food and farm business owners in Illinois, Indiana, Michigan, and Wisconsin. This resource sheet is designed to assist entrepreneurs in preparing to apply for grants and funding opportunities from various sources, including the forthcoming Business Builder program. This resource follows the Tribal Food Producer Info Session hosted on March 12, 2025 that outlined ideas for preparing taxes in preparation for financing. [Find the info session recording here.](#)

FIVE STEPS TO PREPARING FARM BUSINESS TAXES

STEP 1 Access previous tax information

- Visit the IRS at www.irs.gov/payments/online-account-for-individuals and access previous tax holdings information.
- The website for Partnerships, S-Corps and C-Corps is <https://www.irs.gov/businesses/business-tax-account>.

STEP 2 Recognize that business entity type will determine the type of tax return to file

- A business can elect to change its entity type at any time as long as they qualify to do so.
- Many businesses elect S-Corp status at a later date for potential tax advantages.

STEP 3 Determine the forms needed for filing

- Tax forms due on March 15th include
 - Partnerships, which should file the 1065 tax return, and
 - S-Corps, which should file the 1120S tax return.
- Tax forms due on April 15th include
 - Single member Limited Liability Company (LLC) which should file the Schedule F form in the 1040 tax return to report income or losses for farm businesses, and
 - C-Corps, which should file the 1120 tax return.
- Use the [IRS search option](#) to find the forms you need for your farm.

STEP 4 Consider recordkeeping tools to prepare for filing taxes

- Prepare a Profit and Loss Statement as well as a Balance Sheet.*
 - These financial statements are critical to preparing your return.
- Use recordkeeping and reporting software such as QuickBooks, Wave, or others.

STEP 5

Consider deductions that are taken solely for tax purposes

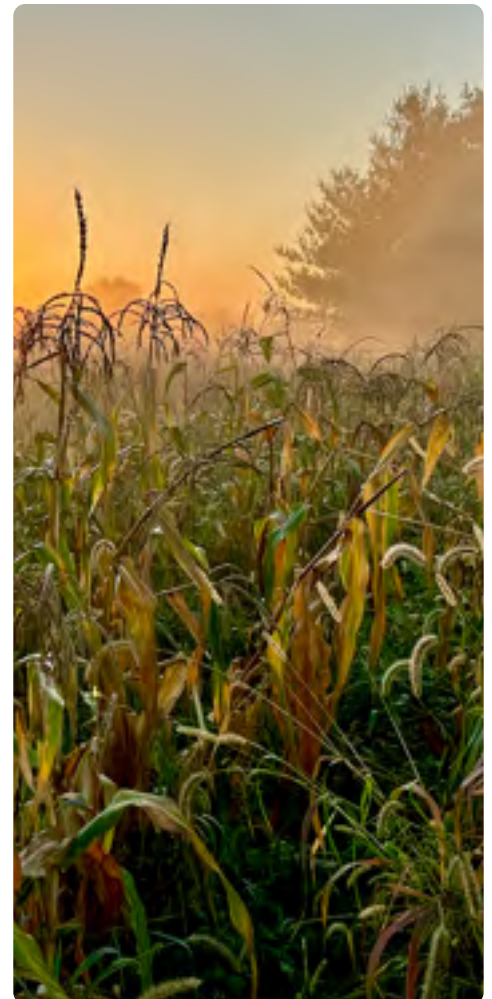
- Some deductions, e.g., Section 179 Deduction, allow you to write off the entire purchase price of an asset in the first year of purchase. For instance, if a \$40,000 piece of equipment is purchased, rather than depreciating it over five years, the IRS allows you to write off the entire purchase price in year one.
- Mileage can be used as a deduction. Track your miles throughout the year so you can claim them as a tax deduction for miles driven.
- If you have a dedicated space in your home to operate your business, a portion of your home expenses can be deducted.

KEY TAKEAWAYS

- Be sure you have the correct forms before starting to prepare your documentation.
- Consider what expenses to include in your tax filings.
- Keep receipts for expenses in case the farm business is audited.
- Use an accounting software system that provides you with a profit and loss statement.
- If you have questions, talk to an accountant.

RESOURCES

- *Need templates for financial documents? Look for templates for profit/loss statements and others in these two resources:
 - MSU Center for Regional Food Systems [Loan Readiness Toolbox for Food and Farm Businesses](#).
 - Apiktan loan preparation templates at <https://www.akiptan.org/application materials>.
- The [Farmer's Tax Guide from the IRS](#) provides information for filing tax returns.
- Farmers.gov provides:
 - A presentation for farmers to better understand [preparing their farm's tax records here](#). The presentation describes more about how to include income, utilities, government payments, etc. on farm tax documents.
 - [Educational materials on topics related to tax planning for farmers and ranchers](#). Some topics to note include Reporting Sales and Purchases of Farm Assets and Tax Issues for Grants.
- [California FarmLink's Tax Toolshed](#) offers recorded presentations, diagnostic tools, and guides to help prepare for tax season. Resources are available in English and Spanish.
- [FarmRaise](#) further explains how to use the Schedule F form for filing taxes in [this article](#).
- Find a recordkeeping program that works for farmers in [this article from the University of Wisconsin-Madison](#).
- Robert (Rob) Holcomb, University of Minnesota Extension, offers [a webinar recording specific to Managing Farmer Tax Liability](#).
- Want to learn more about managing your taxes for your business? [Watch these no-cost recordings](#) featuring Dale Grant, CPA, [Ashton Business Consulting](#).





BUSINESS BUILDER GRANTS –

How can my business get ready for Business Builder Subawards?

- Watch for updates from [Great Lakes Midwest Regional Food Business Center](#) or your [Regional Food Business Center](#).
- Connect with your [state or regional network](#) coordinator.
- Review your incorporation status and business plan.
- Consider your business values and how you would articulate them through your business story.
- Consider these questions:
 - Is your business entity registered with your state regulatory agency?
 - Do you have an Employer Identification Number (EIN)?
 - Do you have a Unique Entity Identifier (UEI) from [Sam.gov](#)?

Follow the Great Lakes Midwest Regional Food Business Center and its partners for updates.

ABOUT THE GREAT LAKES MIDWEST REGIONAL FOOD BUSINESS CENTER

The Great Lakes Midwest Regional Food Business Center is dedicated to offering coordination, technical assistance, and capacity building opportunities for farmers, producers, and other food business owners, in support of a more resilient and competitive food system.

Michigan State University Center for Regional Food Systems (MI) coordinates the [Great Lakes Midwest Regional Food Business Center](#) that is comprised of network coordinators – [Chicago Food Policy Action Council](#) (IL), [Northwest Indiana Food Council](#) (IN), [Food Finance Institute of the University of Wisconsin System](#) (WI), and the [Menominee Indian Tribe of Wisconsin Department of Agriculture and Food Systems](#) – who seek to take a transformational, rather than transactional, approach. Learn more at [glm-rfbc.msu.edu](#) or contact glm-rfbc@msu.edu

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