



2019 West Virginia Farmer Tax Education Outreach Program

Financial risks pertaining to agricultural taxes and how to optimize expense tracking can be a challenge for some small farm producers. By gaining a better understanding of farm taxes and tax liability, farmers can better manage their financial risks and develop a management plan for the future.

A survey conducted by the **West Virginia University Extension Service** at the Federal Income Tax School, gauged small farm producers' knowledge of farm taxes and asked professional tax preparers their opinion of their clients' understanding of farm taxes. The survey revealed that 56% of producers reported paying for in-person tax preparation services and the professionals reported that their farm client's poor understanding of taxes denied them farm savings due to improper planning and not reporting accurately.

This project, under the supervision of **Lisa Jones**, helped small farm producers manage financial risks through the understanding of agricultural taxes by offering four-regional in-person comprehensive training workshops; two in the North and two in the South of **West Virginia**,

covering agricultural exemptions, expense tracking, completing a Schedule F, the IRS Farmers Tax Guide, and other tax topics selected by agricultural tax law experts. Additionally, educational content was delivered via four regional in-person classes, two webinar sessions, four YouTube videos, and one in-person class at the annual West Virginia Small Farm Conference in February 2020. As a result, small farmers reported 100% had a better understanding of how taxes relate to end-of-life care, 80% had a better understanding of agricultural taxes, how taxes relate to estate planning, improved skills to manage tax liability, and implanted expense tracking. Additionally, 60% of small farmers reported a better understanding of how taxes relate to farm transfers, implemented skills to claim prepaid expenses on taxes, implemented at least five tax tips to reduce financial risk, and implemented hiring an accountant. One other important achievement of this project is that 58 farmers out of the 102 total participants reported that they will implement expense tracking as part of their regular farm operation record keeping system.



"This session gave me immediate knowledge and resources to help organize my paperwork to meet with my accountant the following week. Extremely valuable!" – West Virginia Producer





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USDA National Institute of Food and Agriculture
U.S. DEPARTMENT OF AGRICULTURE

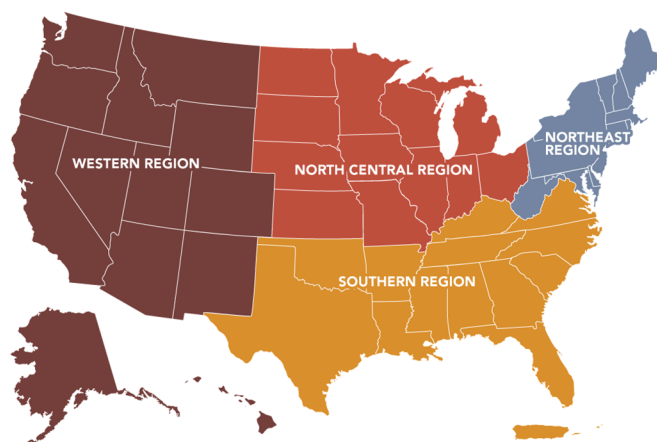
Extension Risk Management Education is supported by
the USDA National Institute of Food and Agriculture.

“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative education projects that have generated tangible results for agricultural producers in 56 US states and territories. Beginning in 2020, the Centers initiated a new funding opportunity for the delivery of risk management education to agricultural producers underserved by the Federal crop insurance program. Priorities for both of these programs include commitments to funding results, providing transparent accountability, and encouraging collaboration. The accomplishments of all funded projects are available for public viewing on the ERME website:
<http://ExtensionRME.org>



ERME REGIONAL CENTERS



**NORTH CENTRAL
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