

Wondering what to do with your last load of grain?



Now could be a great time to turn bushels of corn or soybeans into a charitable contribution to your parish. Depending on your circumstances, farmers who make a gift of grain can save on taxes and still deduct the cost of production.

Wondering how it works?

The farmer notifies the elevator that the corn or soybeans being delivered or stored is to be given to the parish. The elevator will contact the parish and the parish will then sell the grain at market rate to the elevator. The elevator will send a check to the parish. The farmer who donated the commodity will receive a gift letter and acknowledgement from the parish.

Here are some helpful tips.

1. Gifts of grain can be donated from the current or previous year's harvest.
2. The gift should be from unsold crop inventory with no prior sale commitment. A farmer should gift their grain directly to the parish or Catholic school.
3. Be sure that the gift is farm commodities, not warehouse receipts, which could be considered a cash equivalent. The parish must be able to demonstrate 'control and dominion' over the gifted grain.
4. The farmer cannot offer any guidance in the transfer agreement as to the retention or sale of the gifted commodity.
5. For documentation, the parish needs a properly executed warehouse receipt in the name of the parish or a notarized letter of transfer for crops stored on the farm. The original sales invoice needs to list the parish as the seller.
6. As stated above, after the transfer, the parish assumes all costs associated with the storage and sale of the grain.
7. To make a gift of grain, the donor needs to be a farm operator/owner. Crop share landlords are not eligible, as shares of crop are considered rental income that must be included in reportable income by the landlord.
8. Use Professional Advisors: This is not intended to be legal or tax advice. Tax law changes frequently. All taxpayers should consult with a tax advisor for specific information.

Here's how to learn more about it.

To learn more about making a gift of grain, talk to Toni at St. Edward Parish at (319) 233-8060.

Make your last load count!