



GIFTS FROM THE HARVEST

(Grain, Corn, Beans, Cattle, Etc.)

SHARING YOUR HARVEST - *more effectively*

Cash basis farmers who harvest their crops in the fall and make their plans for spring planting often find that making charitable gifts is a great way to do tax planning. As with all charity and tax planning, one should first consult his/her financial and legal advisers. The example below, illustrates for many farmers, at least considering a “*gift from the harvest*” might be the most effective way to “*share your harvest.*”

The reasons such a gift might be advantageous are several, but the primary are:

- **Reduction of income** to the extent of the value of the commodity.
- Deduction of **production costs** from the past growing season.
- In many cases, elimination of the **self-employment tax** attributed to the commodity.
- Effective **reduction of adjusted gross income**, helping reduce the income on which tax is assessed, and allowing larger giving not limited to 50% of adjusted gross income.

PROCEDURE in the Diocese of Fargo

To accomplish a “*gift from the harvest*”, be sure to **contact our office at (701) 356-7926 or (701) 361-9757**. We can provide the forms and information by which your elevator may transfer ownership to the Diocese, your parish, school or other ministry directly prior to sale, thereby ensuring the favorable tax treatment desired by such a gift.

When you decide to make a “*gift from the harvest*”, make sure you give our contact information to the elevator, so we can take responsibility for the sale.

Donate “*Gifts from the Harvest*” to Charity

SPECIFIC ADVANTAGES to the Cash Basis Farmer

Crop Value		\$10,000
Bypass:	Self-Employment Tax	- 1,530
	Federal Income Tax (24% tax bracket)	- 2,400
	State Income Tax	- <u>212</u>
Net Cost of Gift		\$ 5,858

The full value of production costs can still be deducted on Schedule F. Please consult with your own tax advisor for your unique situation. This illustration is not to be considered legal or tax advice.

**We have developed a “Deed of Gift” form to accomplish a Gift of Grain.
Please contact us at the number included above or on the Deed of Gift form.**

“And some seed fell on rich soil and produced fruit. It came up and grew and yielded thirty, sixty, and a hundredfold.” Mark 4:8

Diocese of Fargo

“Gift from the Harvest” – Deed of Gift Form

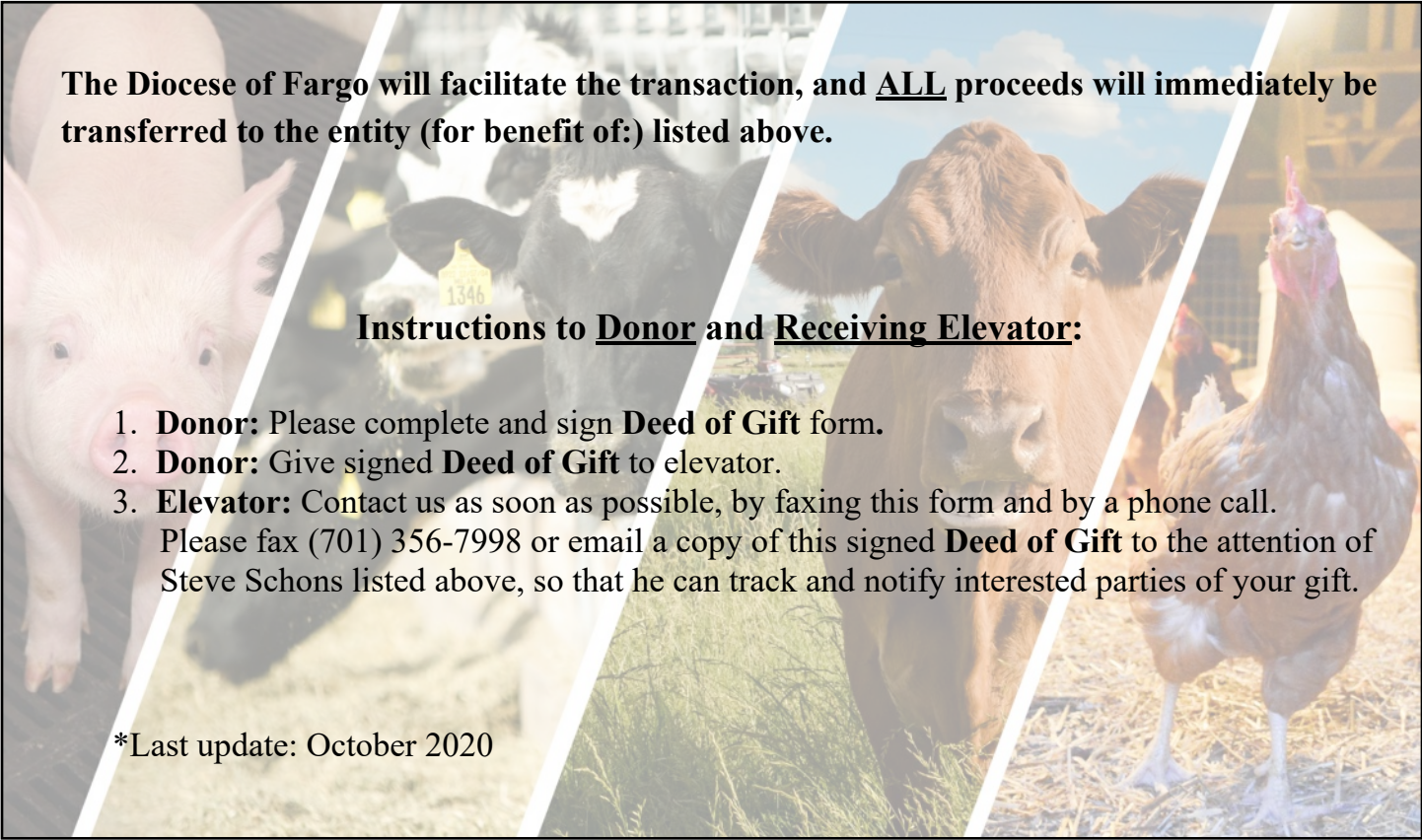
Please transfer _____ of _____
(Number of Bushels/Units)

To: Diocese of Fargo
Tax ID: 45-0255543
5201 Bishops Blvd. S, Suite A
Fargo, ND 58104-7605

Contact Information: Steve Schons, Director of Stewardship & Development
701.356.7926 (direct)
701.356-7998 (fax)
steve.schons@fargodiocese.org

For benefit of: _____
(Please be specific: Your parish, school, Diocese of Fargo, other program)

Signature: _____



The Diocese of Fargo will facilitate the transaction, and **ALL** proceeds will immediately be transferred to the entity (for benefit of:) listed above.

Instructions to Donor and Receiving Elevator:

1. **Donor:** Please complete and sign **Deed of Gift** form.
2. **Donor:** Give signed **Deed of Gift** to elevator.
3. **Elevator:** Contact us as soon as possible, by faxing this form and by a phone call. Please fax (701) 356-7998 or email a copy of this signed **Deed of Gift** to the attention of Steve Schons listed above, so that he can track and notify interested parties of your gift.

*Last update: October 2020