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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Farm Rental Income and Expenses**  
(Crop and Livestock Shares (Not Cash) Received by Landowner (or Sub-Lessor))  
(Income not subject to self-employment tax)

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions on back.

Name(s) shown on tax return

Your social security number

Employer ID number (EIN), if any

**A** Did you actively participate in the operation of this farm during 2006 (see instructions)?  Yes  No

**Part I Gross Farm Rental Income—Based on Production.** Include amounts converted to cash or the equivalent.

1	Income from production of livestock, produce, grains, and other crops . . . . .			<b>1</b>	
2a	Cooperative distributions (Form(s) 1099-PATR) . . . . .	<b>2a</b>		<b>2b</b>	Taxable amount
3a	Agricultural program payments (see instructions) . . . . .	<b>3a</b>		<b>3b</b>	Taxable amount
4	Commodity Credit Corporation (CCC) loans (see instructions):				
a	CCC loans reported under election . . . . .			<b>4a</b>	
b	CCC loans forfeited . . . . .	<b>4b</b>		<b>4c</b>	Taxable amount
5	Crop insurance proceeds and federal crop disaster payments (see instructions):				
a	Amount received in 2006 . . . . .	<b>5a</b>		<b>5b</b>	Taxable amount
c	If election to defer to 2007 is attached, check here <input type="checkbox"/> <b>5d</b> Amount deferred from 2005 . . . . .			<b>5d</b>	
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)			<b>6</b>	
7	<b>Gross farm rental income.</b> Add amounts in the right column for lines 1 through 6. Enter the total here and on Schedule E (Form 1040), line 42. . . . . ▶			<b>7</b>	

**Part II Expenses—Farm Rental Property.** Do not include personal or living expenses.

8	Car and truck expenses (see Schedule F instructions). Also attach <b>Form 4562</b> . . . . .	<b>8</b>			
9	Chemicals . . . . .	<b>9</b>			
10	Conservation expenses (see instructions) . . . . .	<b>10</b>			
11	Custom hire (machine work) . . . . .	<b>11</b>			
12	Depreciation and section 179 expense deduction not claimed elsewhere . . . . .	<b>12</b>			
13	Employee benefit programs other than on line 21 (see Schedule F instructions) . . . . .	<b>13</b>			
14	Feed . . . . .	<b>14</b>			
15	Fertilizers and lime . . . . .	<b>15</b>			
16	Freight and trucking . . . . .	<b>16</b>			
17	Gasoline, fuel, and oil . . . . .	<b>17</b>			
18	Insurance (other than health) . . . . .	<b>18</b>			
19	Interest:				
a	Mortgage (paid to banks, etc.) . . . . .	<b>19a</b>			
b	Other . . . . .	<b>19b</b>			
20	Labor hired (less employment credits) (see Schedule F instructions). . . . .	<b>20</b>			
21	Pension and profit-sharing plans . . . . .			<b>21</b>	
22	Rent or lease:				
a	Vehicles, machinery, and equipment (see instructions) . . . . .			<b>22a</b>	
b	Other (land, animals, etc.) . . . . .			<b>22b</b>	
23	Repairs and maintenance . . . . .			<b>23</b>	
24	Seeds and plants . . . . .			<b>24</b>	
25	Storage and warehousing . . . . .			<b>25</b>	
26	Supplies . . . . .			<b>26</b>	
27	Taxes . . . . .			<b>27</b>	
28	Utilities . . . . .			<b>28</b>	
29	Veterinary, breeding, and medicine . . . . .			<b>29</b>	
30	Other expenses (specify):				
a	.....			<b>30a</b>	
b	.....			<b>30b</b>	
c	.....			<b>30c</b>	
d	.....			<b>30d</b>	
e	.....			<b>30e</b>	
f	.....			<b>30f</b>	
g	.....			<b>30g</b>	
31	<b>Total expenses.</b> Add lines 8 through 30g (see instructions) . . . . . ▶			<b>31</b>	
32	<b>Net farm rental income or (loss).</b> Subtract line 31 from line 7. If the result is income, enter it here and on Schedule E, line 40. If the result is a loss, you <b>must</b> go to line 33 . . . . .			<b>32</b>	
33	If line 32 is a loss, check the box that describes your investment in this activity (see instructions) . . . . .				
				<b>33a</b>	<input type="checkbox"/> All investment is at risk.
				<b>33b</b>	<input type="checkbox"/> Some investment is not at risk.
	You may have to complete <b>Form 8582</b> to determine your deductible loss, regardless of which box you checked (see instructions). If you checked box 33b, you <b>must</b> complete <b>Form 6198</b> before going to Form 8582. In either case, enter the <b>deductible loss</b> here and on Schedule E, line 40 . . . . .			<b>33c</b>	