

4.Entities.Evaluation

4. Test for issues related to partnerships and S-corporations

	Question	Answer	Conclusion/Training Recommendation	Answer	Conclusion/Training Recommendation
1.	How many people own the farm/ranch business?	One person only or a legally married couple.	Skip to question #1.c		
		Two or more people who are not married.	Go to question #1.a		
1.a	If the farm/ranch business is owned by two or more people who are not married - do they (do you) file a partnership tax return (Form 1065) or do you file taxes as an S-Corporation (Form 1120-S)?	Yes.	This is correct, Training #4 may still be helpful. Continue to 1.b	No.	This is a potentially serious problem, Training #4 is highly recommended.
1.b	If you file taxes as a partnership, have you created a limited liability company (LLC) or limited partnership to operate your business?	Yes.	Great! Continue to 1.c	No.	Training #4 is recommended.
1.c	If your business is consistently profitable and you consistently pay self -employment taxes on close to \$100,000 of net farm/ranch income, have you asked a CPA to help you determine if you might benefit from filing taxes as an S-Corporation?	Yes.	That is great. Training 4 may be useful, but it probably covers things you already know.	No.	Training #4 is recommended if you are at or near this level of income.

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2.	Are you interested in creating a separate entity for your farming/ranching/fishing operation to limit personal liability?	No.	No training recommendation.	Yes.	Training #4 will be helpful.
3.	Are you interested in bringing the next generation, or another unrelated person into your farming/ranching/fishing business?	No.	No training recommendation.	Yes.	Training #4 may be helpful.

