



Farm Vehicles and Fuels

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Farmers can deduct expenses of operating a car or truck used in a farming operation. You can use the standard mileage rate or the actual expense method to compute the deduction.

Standard Mileage Rate

For 2023, the business standard mileage rate is 65.5¢. When choosing the standard mileage rate, there is no additional deduction for depreciation, rent or lease payments, or actual operating expenses. You can use the standard mileage rate for 2023 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle into service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period.

Actual Expense Method

You can deduct the actual cost of operating a car or truck for farm business. Only expenses for business use are deductible. Actual expenses include:

- Business portion of expenses for gasoline, oil, repairs, insurance, tires, and license plates.
- Depreciation.
- Rent or lease payments.

Five or More Farm Vehicles

You must use actual expenses if five or more vehicles were simultaneously used in the farming operation. You are not considered to be using five or more vehicles at the same time if you alternate using those vehicles for business.

Business Use Percentage

You can claim 75% of the use of a car or light truck as business use without any records if the vehicle is used during most of the normal business day directly in connection with the business of farming. This method of substantiating business use is selected the first year the vehicle is placed in service. Once this choice is made, you may not change to another method later. The following are uses directly connected with the business of farming.

- Cultivating land.
- Raising or harvesting any agricultural or horticultural commodity.
- Raising, shearing, feeding, caring for, training, and managing animals.
- Driving to the feed or supply store.

Record of Fuels Used for Farming

Date Purchased	Gallons Purchased	Gallons Used On Farm					Type of Alternative Fuel
		Gas	Aviation	Undyed Diesel Fuel	Undyed Kerosene	Alternative Fuel	
Totals							