

Sample article for organizations to use to reach customers (358 word count)

Provide the following article on your website or other communications vehicles to alert your readers about an extended period of time to replace their livestock and defer the tax on any gains from forced sales.

Drought-stricken farmers and ranchers have more time to replace livestock

If you're a farmer or rancher forced to sell livestock due to drought, such as the one currently affecting much of the nation, you have an extended period of time to replace the livestock and defer tax on any gains from forced sales.

If a drought caused you to sell more livestock than you normally would, you may defer tax on the extra gains from those sales. To qualify, you generally must replace your livestock within a four-year period. The IRS is authorized to extend this period if the drought continues.

The one-year extension of the replacement period generally applies to capital gains realized by eligible farmers and ranchers on sales of livestock held for draft, dairy or breeding purposes due to drought. *Sales of poultry and other livestock, such as those raised for slaughter or held for sporting purposes are **not** eligible.*

The IRS is providing this relief to any farm located in a county, parish, city, borough, census area or district, listed as suffering exceptional, extreme or severe drought conditions by the National Drought Mitigation Center, during any weekly period between Sept. 1, 2012, and Aug. 31, 2013. All or part of 38 states are listed. Any county next to a county listed by the NDMC also qualifies for this relief.

As a result, if you're a farmer or rancher in these areas — and your drought sale replacement period was scheduled to expire at the end of this tax year, Dec. 31, 2013 — you have, in most cases, until the end of the next tax year.

Because the normal drought sale replacement period is four years, this extension immediately impacts drought sales that occurred during 2009. But because of previous drought-related extensions affecting some of these localities, the replacement periods for some drought sales before 2009 are also affected. You will be granted additional extensions if severe drought conditions persist.

You can find details on this relief, including a list of NDMC-designated counties, in [Notice 2013-62](#), posted on [IRS.gov](#). You can also find information about reporting drought sales and other farm-related tax issues in [Publication 225](#), Farmer's Tax Guide, also available on the IRS web site.