BIRDDOG RESIDUAL FERTILITY ASSESSMENT

ABOUT BIRDDOG

BirdDog was founded to help landowners maximize and monetize the value of their land. We partner with landowners to unlock their property's full potential, offering tailored solutions to optimize land use, increase profitability, and simplify management. From leveraging opportunities like hunting and farming to navigating tax strategies and government programs, the BirdDog team ensures your land works for you while preserving its value for generations to come.

At BirdDog, we're committed to making the Residual Fertility deduction process as straightforward as possible. Our team handles soil sampling, data collection, analysis, and reporting, ensuring that you have the information you need to take full advantage of this valuable tax deduction. While BirdDog does not provide legal, tax, or accounting advice itself, we do work closely with exceptional tax and legal professionals who can offer expert guidance at no additional cost to you. By partnering with these trusted advisors, you'll have the confidence and clarity to apply our Residual Fertility analysis to your unique situation, all while enjoying the peace of mind that comes from relying on true experts in the field.

SECTION 180 SUMMARY

Section 180 of the U.S. Internal Revenue Code allows landowners to deduct the value of extra nutrients that were already in the soil when they acquired the property. BirdDog provides the authority you need to measure and value your residual fertility. We compile the standard nutrient levels needed for your desired agriculture activities. Next, we identify any nutrients above these baseline levels and assign those surplus nutrients an asset value.

Common deductible materials include standard fertilizer ingredients, lime, ground limestone, marl, and any other substances that tend to produce crops and forage for livestock.

OUR PROCESS

Residual Fertility Values typically range from $300 to $1,600 per acre. The total residual value is typically utilized as a tax deduction. There are various options to allocate the deduction which should be explored by the landowner and their tax preparer.

Step 1: Soil Sample

If a comprehensive soil sample is not already available for the property in question, BirdDog facilitates the collection of a thorough soil sample. Ideally, samples should be collected shortly after the land is acquired and prior to any new fertilizer application.

Step 2: Prepare Report

The BirdDog team leverages our internal processes and accredited third-party vendors to produce a comprehensive and detailed residual fertility report, including a residual fertility asset value.

Step 3: Apply Deduction

BirdDog provides the professional report which enables the landowner with the information needed to take advantage of the tax opportunity. The decision to apply the deduction is at the discretion of the landowner.

DOES MY LAND QUALIFY?

QUALIFYING LAND

The land must have changed basis within the last ~10 years and be actively used for agricultural production:

Cropland: Land actively used to grow crops, such as row crops, grains, vegetables, etc.

Rangeland: Land used for grazing livestock, such as cattle, sheep, or other animals.

Timberland: The land used for growing timber, assuming that activities like active harvesting, pine straw collection, or livestock grazing are happening on the land.

Undeveloped Land with Agricultural Potential: Raw or unimproved land that has clear potential for agricultural use, such as farming, grazing, etc. If excess soil fertility is present and measurable at the time of purchase, it may qualify for the deduction once the land is put to agricultural use.

LAND EXCLUSIONS

Land Received as a Gift: If land is transferred as a gift and the basis remains unchanged, it generally does not qualify for the Section 180 deduction—particularly if the previous owner did not acquire the land within the last 3 to 5 years.

Land Enrolled in Government Programs: Land currently enrolled in programs such as the Crop Conservation Reserve Program (CRP) is not eligible for the Section 180 deduction.

Land Acquired Prior to 2016: While agricultural land dating back to the 1960s is technically eligible, the cost and limited accuracy of soil testing before 2016 often make claiming the residual fertility deduction economically impractical.

Land Previously Rented: If the new owner of the land previously rented or operated as the rancher or farmer on the land, the residual fertility deduction does not apply.

Land Used for Non-Agricultural Purposes: Properties used for commercial, residential, or recreational purposes are not eligible for the Section 180 deduction.


GENERAL INFORMATION

DETERMINING VALUATIONS

The process of calculating residual excess fertility starts with a comprehensive soil test collected by professionals and conducted by a qualified laboratory. The nutrient levels identified are then compared to established baselines, which are derived from years of data and insights from accredited industry experts. Next, the excess nutrients are assigned a value using reliable data on current fertilizer prices, supplemented by quotes from local fertilizer distributors. Proper documentation and credible resources are essential to support and substantiate the deduction under Section 180.

INTERESTED?

If you are interested in taking advantage of our Residual Excess Fertility Analysis on your property, please reach out. You will find contact information below. A team member will respond to you shortly!

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