



Date: June 13, 2025
To: Alan Rappelyea, Hearings Officer
From: Scott & Stacy Reed, Property Owners
12424 NW Springville Road, Portland, OR 97229
Re: Hearing Memorandum
Public Hearing on Appeal of Case File T2-2021-14981, COA-2025-0004

Attached are the requested 2014-2019 Federal Schedule F for Springwood Acres that were filed with the IRS. Years 2014-2015 and 2020 are typical years for farm income from livestock and eggs (range from \$31,323 to \$44,511). Year 2017 was a slow time as were transitioning our operation to focus more chicken eggs and meat goats from raw milk cow dairy, beef and hog operations. Year 2018 and 2019 were great years before COVID. In addition to the eggs and goats, there was a lot of development happening in the Bethany area of Washington County and were we grinding up significant green waste (brush, branches, grasses, etc.), ageing it in windrows, and selling finished mulch/topsoil.

**SCHEDULE F
(Form 1040)**

Profit or Loss From Farming

OMB No. 1545-0074

2014

Attachment
Sequence No. **14**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.

▶ Information about Schedule F and its separate instructions is at www.irs.gov/schedulef.

Name of proprietor
Scott L Reed

Social security number (SSN)
[REDACTED]

A Principal crop or activity
Dairy

B Enter code from Part IV
▶ **1 1 2 1 2 0**

C Accounting method:
 Cash Accrual

D Employer ID number (EIN), (see instr)
[REDACTED]

E Did you "materially participate" in the operation of this business during 2014? If "No," see instructions for limit on passive losses Yes No

F Did you make any payments in 2014 that would require you to file Form(s) 1099 (see instructions)? Yes No

G If "Yes," did you or will you file required Forms 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method, Complete Parts II and III, and Part I, line 9.)

1a	Sales of livestock and other resale items (see instructions)	1a		
b	Cost or other basis of livestock or other items reported on line 1a	1b		
c	Subtract line 1b from line 1a			1c
2	Sales of livestock, produce, grains, and other products you raised			2
3a	Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount
4a	Agricultural program payments (see instructions)	4a		4b Taxable amount
5a	Commodity Credit Corporation (CCC) loans reported under election			5a
b	CCC loans forfeited	5b		5c Taxable amount
6	Crop insurance proceeds and federal crop disaster payments (see instructions)			
a	Amount received in 2014	6a		6b Taxable amount
c	If election to defer to 2015 is attached, check here <input type="checkbox"/>		6d Amount deferred from 2013	6d
7	Custom hire (machine work) income			7
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)			8 31,323.
9	Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50 (see instructions)			9 31,323.

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses (see instructions).

10	Car and truck expenses (see instructions). Also attach Form 4562	10		23	Pension and profit-sharing plans	23	
11	Chemicals	11		24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a	
13	Custom hire (machine work)	13		b	Other (land, animals, etc.)	24b	
14	Depreciation and section 179 expense (see instructions)	14		25	Repairs and maintenance	25	
15	Employee benefit programs other than on line 23	15		26	Seeds and plants	26	
16	Feed	16	31,518.	27	Storage and warehousing	27	
17	Fertilizers and lime	17		28	Supplies	28	
18	Freight and trucking	18		29	Taxes	29	
19	Gasoline, fuel, and oil	19		30	Utilities	30	
20	Insurance (other than health)	20		31	Veterinary, breeding, and medicine	31	
21	Interest:			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a		a	-----	32a	
b	Other	21b		b	-----	32b	
22	Labor hired (less employment credits)	22		c	-----	32c	
				d	-----	32d	
				e	-----	32e	
				f	-----	32f	

33 **Total expenses.** Add lines 10 through 32f. If line 32f is negative, see instructions ▶ 33 31,518.

34 **Net farm profit or (loss).** Subtract line 33 from line 9 34 -195.

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Did you receive an applicable subsidy in 2014? (see instructions) Yes No

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a All investment is at risk. b Some investment is not at risk.

**SCHEDULE F
(Form 1040)**

Profit or Loss From Farming

OMB No. 1545-0074

2015

Attachment
Sequence No. **14**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.

▶ Information about Schedule F and its separate instructions is at www.irs.gov/schedulef.

Name of proprietor

Scott L Reed

Social security number (SSN)

[REDACTED]

A Principal crop or activity

Dairy

B Enter code from Part IV

▶ 1 | 1 | 2 | 1 | 2 | 0

C Accounting method:

Cash Accrual

D Employer ID number (EIN), (see instr)

E Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on passive losses Yes No

F Did you make any payments in 2015 that would require you to file Form(s) 1099 (see instructions)? Yes No

G If "Yes," did you or will you file required Forms 1099? Yes No

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of livestock and other resale items (see instructions)	1a		
b Cost or other basis of livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a		1c	
2 Sales of livestock, produce, grains, and other products you raised		2	0.
3a Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount	
4a Agricultural program payments (see instructions)	4a 0.	4b Taxable amount	0.
5a Commodity Credit Corporation (CCC) loans reported under election		5c Taxable amount	21,804.
b CCC loans forfeited	5b		
6 Crop insurance proceeds and federal crop disaster payments (see instructions)			
a Amount received in 2015	6a	6b Taxable amount	
c If election to defer to 2016 is attached, check here <input type="checkbox"/>		6d Amount deferred from 2014	
7 Custom hire (machine work) income		7	
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	40,201.
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50 (see instructions)		9	40,201.

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses (see instructions).

10 Car and truck expenses (see instructions). Also attach Form 4562	10	1,105.	23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14		25 Repairs and maintenance	25	1,222.
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16	35,346.	27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	
18 Freight and trucking	18		29 Taxes	29	806.
19 Gasoline, fuel, and oil	19	1,340.	30 Utilities	30	626.
20 Insurance (other than health)	20		31 Veterinary, breeding, and medicine	31	
21 Interest:			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a -----	32a	
b Other	21b		b -----	32b	
22 Labor hired (less employment credits)	22		c -----	32c	
			d -----	32d	
			e -----	32e	
			f -----	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions			33		40,445.
34 Net farm profit or (loss). Subtract line 33 from line 9			34		-244.

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Did you receive an applicable subsidy in 2015? (see instructions) Yes No

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a All investment is at risk. **b** Some investment is not at risk.

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)
Name of proprietor

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
▶ Information about Schedule F and its separate instructions is at www.irs.gov/schedulef.

OMB No. 1545-0074

2016

Attachment
Sequence No. **14**

SCOTT L REED

Social security number (SSN)

A Principal crop or activity

DAIRY

B Enter code from Part IV

▶ 112120

C Accounting method:

Cash Accrual

D Employer ID number (EIN), (see instr)

E Did you 'materially participate' in the operation of this business during 2016? If 'No,' see instructions for limit on passive losses. Yes No

F Did you make any payments in 2016 that would require you to file Form(s) 1099 (see instructions)? Yes No

G If 'Yes,' did you or will you file required Forms 1099? Yes No

Part I Farm Income – Cash Method. Complete Parts I and II (Accrual method, Complete Parts II and III, and Part I, line 9.)

1 a Sales of livestock and other resale items (see instructions)	1a		
b Cost or other basis of livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a		1c	
2 Sales of livestock, produce, grains, and other products you raised		2	31,404.
3 a Cooperative distributions (Form(s) 1099-PATR)	3a	3 b Taxable amount	3b
4 a Agricultural program payments (see instructions)	4a	4 b Taxable amount	4b
5 a Commodity Credit Corporation (CCC) loans reported under election		5 c Taxable amount	5c
b CCC loans forfeited	5b		
6 Crop insurance proceeds and federal crop disaster payments (see instructions)		6 b Taxable amount	6b
a Amount received in 2016	6a		
c If election to defer to 2017 is attached, check here <input type="checkbox"/>		6 d Amount deferred from 2015	6d
7 Custom hire (machine work) income		7	
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50 (see instructions)		9	31,404.

Part II Farm Expenses – Cash and Accrual Method. Do not include personal or living expenses (see instructions).

10 Car and truck expenses (see instructions). Also attach Form 4562	10			23 Pension and profit-sharing plans	23	
11 Chemicals	11			24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12			a Vehicles, machinery, equipment	24a	
13 Custom hire (machine work)	13			b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14			25 Repairs and maintenance	25	3,501.
15 Employee benefit programs other than on line 23	15			26 Seeds and plants	26	
16 Feed	16	30,754.		27 Storage and warehousing	27	
17 Fertilizers and lime	17			28 Supplies	28	
18 Freight and trucking	18			29 Taxes	29	763.
19 Gasoline, fuel, and oil	19	1,689.		30 Utilities	30	618.
20 Insurance (other than health)	20	1,964.		31 Veterinary, breeding, and medicine	31	
21 Interest:				32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21 a			a	32 a	
b Other	21 b			b	32 b	
22 Labor hired (less employment credits)	22			c	32 c	
				d	32 d	
				e	32 e	
				f	32 f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions				33		39,289.
34 Net farm profit or (loss). Subtract line 33 from line 9				34		-7,885.

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Did you receive an applicable subsidy in 2016? (see instructions) Yes No

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a All investment is at risk. **b** Some investment is not at risk.

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074

2017

Attachment
Sequence No. **14**

Name of proprietor: **SCOTT L REED** Social security number (SSN): *****-**-******

A Principal crop or activity: **DAIRY** **B** Enter code from Part IV: **112120** **C** Accounting method: Cash Accrual **D** Employer ID number (EIN), (see instr):

E Did you 'materially participate' in the operation of this business during 2017? If 'No,' see instructions for limit on passive losses. Yes No
F Did you make any payments in 2017 that would require you to file Form(s) 1099 (see instructions)? Yes No
G If 'Yes,' did you or will you file required Forms 1099? Yes No

Part I Farm Income — Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1 a Sales of livestock and other resale items (see instructions)	1a	
b Cost or other basis of livestock or other items reported on line 1a	1b	
c Subtract line 1b from line 1a		1c
2 Sales of livestock, produce, grains, and other products you raised		2 9,156.
3 a Cooperative distributions (Form(s) 1099-PATR)	3a	3 b Taxable amount 3b
4 a Agricultural program payments (see instructions)	4a	4 b Taxable amount 4b
5 a Commodity Credit Corporation (CCC) loans reported under election		5a
b CCC loans forfeited	5b	5 c Taxable amount 5c
6 Crop insurance proceeds and federal crop disaster payments (see instructions)		
a Amount received in 2017	6a	6 b Taxable amount 6b
c If election to defer to 2018 is attached, check here <input type="checkbox"/>		6 d Amount deferred from 2016 6d
7 Custom hire (machine work) income		7
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9 9,156.

Part II Farm Expenses — Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	66,383.	25 Repairs and maintenance	25	8,229.
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16	73.	27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	
18 Freight and trucking	18	1,100.	29 Taxes	29	942.
19 Gasoline, fuel, and oil	19	3,342.	30 Utilities	30	505.
20 Insurance (other than health)	20	2,442.	31 Veterinary, breeding, and medicine	31	
21 Interest:			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a CONSERVATION EXPENSES	32a	144.
b Other	21b		b BANK CHARGES	32b	52.
22 Labor hired (less employment credits)	22		c	32c	
			d	32d	
			e	32e	
			f	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions				33	83,212.
34 Net farm profit or (loss). Subtract line 33 from line 9				34	-74,056.

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.
35 Did you receive an applicable subsidy in 2017? See instructions. Yes No
36 Check the box that describes your investment in this activity and see instructions for where to report your loss.
a All investment is at risk. **b** Some investment is not at risk.

**SCHEDULE F
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, or Form 1065.
▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment
Sequence No. **14**

Name of proprietor

SCOTT L REED

Social security number (SSN)

-**-*

A Principal crop or activity

DAIRY

B Enter code from Part IV

▶ 112120

C Accounting method:

Cash Accrual

D Employer ID number (EIN), (see instr)

E Did you 'materially participate' in the operation of this business during 2018? If 'No,' see instructions for limit on passive losses. Yes No

F Did you make any payments in 2018 that would require you to file Form(s) 1099 (see instructions)? Yes No

G If 'Yes,' did you or will you file required Forms 1099? Yes No

Part I Farm Income – Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1 a Sales of livestock and other resale items (see instructions)	1a	
b Cost or other basis of livestock or other items reported on line 1a	1b	
c Subtract line 1b from line 1a		1c
2 Sales of livestock, produce, grains, and other products you raised		2 128,814.
3 a Cooperative distributions (Form(s) 1099-PATR)	3a	3 b Taxable amount 3b
4 a Agricultural program payments (see instructions)	4a	4 b Taxable amount 4b
5 a Commodity Credit Corporation (CCC) loans reported under election	5a	5a
b CCC loans forfeited	5b	5 c Taxable amount 5c
6 Crop insurance proceeds and federal crop disaster payments (see instructions)		
a Amount received in 2018	6a	6 b Taxable amount 6b
c If election to defer to 2019 is attached, check here <input type="checkbox"/>		6 d Amount deferred from 2017 6d
7 Custom hire (machine work) income		7
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6c, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9 128,814.

Part II Farm Expenses – Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	17,432.
13 Custom hire (machine work)	13	6,039.	b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	314,484.	25 Repairs and maintenance	25	1,286.
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	1,200.
16 Feed	16		27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	3,878.
18 Freight and trucking	18	2,711.	29 Taxes	29	1,444.
19 Gasoline, fuel, and oil	19	6,511.	30 Utilities	30	1,404.
20 Insurance (other than health)	20	2,185.	31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions)			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21 a		a BANK CHARGES	32 a	397.
b Other	21 b		b	32 b	
22 Labor hired (less employment credits)	22		c	32 c	
			d	32 d	
			e	32 e	
			f	32 f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions				33	358,971.
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.				34	-230,157.

35 Reserved for future use

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a All investment is at risk. **b** Some investment is not at risk.

**SCHEDULE F
(Form 1040 or 1040-SR)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
▶ Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074

2019

Attachment
Sequence No. **14**

Name of proprietor

SCOTT L REED

Social security number (SSN)

A Principal crop or activity

DAIRY

B Enter code from Part IV

▶ 112120

C Accounting method:

Cash Accrual

D Employer ID number (EIN) (see instr.)

E Did you 'materially participate' in the operation of this business during 2019? If 'No,' see instructions for limit on passive losses. Yes No

F Did you make any payments in 2019 that would require you to file Form(s) 1099? See instructions. Yes No

G If 'Yes,' did you or will you file required Form(s) 1099? Yes No

Part I Farm Income – Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1 a Sales of livestock and other resale items (see instructions)	1 a		
b Cost or other basis of livestock or other items reported on line 1a	1 b		
c Subtract line 1b from line 1a		1 c	
2 Sales of livestock, produce, grains, and other products you raised		2	
3 a Cooperative distributions (Form(s) 1099-PATR)	3 a	3 b Taxable amount	3 b
4 a Agricultural program payments (see instructions)	4 a	4 b Taxable amount	4 b
5 a Commodity Credit Corporation (CCC) loans reported under election		5 c Taxable amount	5 c
b CCC loans forfeited	5 b		
6 Crop insurance proceeds and federal crop disaster payments (see instructions):			
a Amount received in 2019	6 a	6 b Taxable amount	6 b
c If election to defer to 2020 is attached, check here <input type="checkbox"/>		6 d Amount deferred from 2018	6 d
7 Custom hire (machine work) income		7	
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8	308,428.
SEE STATEMENT 11			
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions		9	308,428.

Part II Farm Expenses – Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24 a	
13 Custom hire (machine work)	13	75,833.	b Other (land, animals, etc.)	24 b	
14 Depreciation and section 179 expense (see instructions)	14	369,798.	25 Repairs and maintenance	25	21,402.
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	1,100.
16 Feed	16		27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	9,141.
18 Freight and trucking	18		29 Taxes	29	1,381.
19 Gasoline, fuel, and oil	19	12,701.	30 Utilities	30	8,290.
20 Insurance (other than health)	20	2,697.	31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21 a		a BANK CHARGES	32 a	643.
b Other	21 b		b PROFESSIONAL FEES	32 b	31,384.
22 Labor hired (less employment credits)	22		c	32 c	
			d	32 d	
			e	32 e	
			f	32 f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions			33		534,370.
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.			34		-225,942.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:

a All investment is at risk. **b** Some investment is not at risk.