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What is a business?

A business is one or more activities regularly carried on with the intention of producing a profit for the business owners.

Farm and ranch business activities are producing crops, livestock, or crop and livestock products for sale. Other related business activities might include renting farm land or equipment, or providing specialized services such as grazing or pollination.

Fishing businesses actively fish with the intention of selling the catch at a price greater than the costs of running trips.

A business is regularly carried on if its activities are perceived as both frequent and continuous. An activity is regularly carried on, even if it is seasonal, if it happens for a substantial period of time each season. An activity is regularly carried on even if it is only for only a few days of the month, as long as there is frequent activity while the business is in operation, for example selling at a flea market three Sundays a month, but with many different sales transactions at each flea market.

A business must be run with the intention of making a profit. A business does not need to actually make a profit every year, but it must always be operated with the goal of making a profit, either in the current year, or in future years due to efforts made in current years.

Farm and ranch businesses produce crops and livestock for sale. A landowner who uses crops and livestock to improve the ecological health of the land is not in the business of farming or ranching, even if they receive payments to offset some of their costs. Someone who produces crops or livestock with no plan to sell them is not in the business of farming or ranching even if they donate the crops to feed others, because there is no way to profit if there is no plan to earn income.

The owners of a business are the people who contribute the money and effort needed to manage and operate the business.