

## ALE.9

# Permanent Crops

Permanent crops are crops that take more than one year to produce their first marketable crop. A crop is marketable if it can be sold for more than the cost to harvest it.

Permanent crops are depreciable assets. Capitalize the cost of rootstock, saplings, immature bushes, peony roots, etc.. It is no longer necessary to capitalize the cost of raising the crop until it produces a marketable crop, however prior to the 2017 tax act this was required, so expect to see larger amounts capitalized on vineyards and orchards established prior to 2017.