

# Consumer Cooperative Exemption Application

(For Exemption From Filing Forms 1099-PATR)

File in duplicate.

This application is for certain consumer cooperatives that are engaged primarily in retail sales of goods or services that are generally for personal, living, or family use. See the instructions on the back of this form.

<b>1a</b> Name of organization	<b>b</b> Employer identification number
<b>2</b> Number, street, and room or suite no. (If a P.O. box, see instructions.)	
City, state, and ZIP code	
<b>3</b> Principal activity of the organization	<b>4</b> Month and day on which the annual accounting period ends
<b>5</b> Has the organization filed a Federal income tax return(s)? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the form number(s) of the return(s) filed and the Internal Revenue Service location where filed.	

6 Gross Receipts				
Period	(1) Part of total receipts from retail sales of goods or services that is generally for personal, living, or family use	(2) Other receipts	(3) Total receipts (add (1) and (2))	(4)* Percentage (Divide (1) by (3) and multiply by 100)
<b>a</b> First preceding year	\$	\$	\$	%
<b>b</b> Second preceding year	\$	\$	\$	
<b>c</b> Third preceding year	\$	\$	\$	
<b>d</b> Total	\$	\$	\$	%

**\*Note:** If line **a**, column (4), is at least 85%, do not complete lines **b**, **c**, and **d**.

Under penalties of perjury, I declare that I have examined this application, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer ► .....

Title ► ..... Date ► .....

## Notice to Applicant—To be completed by the Internal Revenue Service

☐ We **have** approved your application.

☐ We **have not** approved your application because .....

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Director ► ..... Date ► .....

## Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A cooperative may use this form to apply for exemption (under section 6044(c)) from filing **Form 1099-PATR**, Taxable Distributions Received From Cooperatives. Form 1099-PATR is used to report patronage distributions of \$10 or more to a recipient during the calendar year. The IRS will return this application to you showing whether the application has or has not been approved.

### Who Must File

To qualify for the exemption, Regulations section 1.6044-4(a)(2) requires that 85% of the cooperative's gross receipts for the preceding tax year, or 85% of its total gross receipts for the preceding 3 tax years, must have been from retail sales of goods or services that are generally for personal, living, or family use (qualifying retail sales).

### Period of Exemption

The period of exemption begins with the date the first payment is made during the calendar year in which exemption is approved. It ends on the date the first payment is made after the end of the cooperative's first tax year in which less than 70% of the gross receipts is from qualifying retail sales (see Regulations section 1.6044-4(a)(3)).

### Examples for Calendar Year Cooperatives

**Example 1.** In September 2002, Oak Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2002, Oak made the first patronage payments for the year. For the tax year ending December 31, 2004, less than 70% of Oak's gross receipts are from qualifying retail sales. In November 2005, Oak made the first patronage payments for the year.

Oak's exemption period begins October 2002 and ends November 2005. Oak does not have to file Forms 1099-PATR for 2002, 2003, and 2004, but must file for 2005.

**Example 2.** The facts are the same as in **Example 1** except Oak made the first payment for 2002 in February, before the exemption is approved. The result is the same. Oak does not have to file Forms 1099-PATR for 2002, 2003, and 2004, but must file for 2005.

**Example 3.** In September 2002, Maple Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2002, Maple made the first patronage payments for the year. For the year ending December 31, 2002, less than 70% of Maple's gross receipts are from qualifying retail sales. In March 2003, Maple made the first patronage payments for the year.

Maple's exemption period begins October 2002 and ends March 2003. Maple does not have to file Forms 1099-PATR for 2002 only.

### Examples for Fiscal Year Cooperatives (July 1–June 30)

**Example 1.** In September 2002, Cedar Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2002, Cedar made the first patronage payments for the year. For the tax year ending June 30, 2005, less than 70% of Cedar's gross receipts are from qualifying retail sales. In November 2005, Cedar made the first patronage payments for the new fiscal year.

Cedar's exemption period begins October 2002 and ends November 2005. Cedar does not have to file Forms 1099-PATR for 2002, 2003, and 2004, but must file for 2005.

**Example 2.** The facts are the same as in **Example 1** except Cedar made the first payment for 2002 in February, before the exemption is approved. The result is the same. Cedar does not have to file Forms 1099-PATR for 2002, 2003, and 2004, but must file for 2005.

**Example 3.** In September 2002, Elm Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2002, Elm made the first patronage payments for the year. For the tax year ending June 30, 2003, less than 70% of Elm's gross receipts are from qualifying retail sales. In August 2003, Elm made the first patronage payments for the new fiscal year.

Elm's exemption period begins October 2002 and ends August 2003. Elm does not have to file Forms 1099-PATR for 2002 only.

### How To Prepare the Form

Complete all items on the form. An officer authorized to sign for the cooperative must sign and date the form.

**P.O. Box.** If the Post Office does not deliver mail to the street address and the cooperative has a P.O. box, show the box number instead of the street address.

### Where To File

Send **two copies** of the form to the applicable IRS address listed below:

If the cooperative's principal place of business is located in	Use the following Internal Revenue Service Center address
Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Texas, Virginia	Austin, TX 73301
Arkansas, Connecticut, Delaware, Kentucky, Maine, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia	Cincinnati, OH 45999
Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Wisconsin	Kansas City, MO 64999
Alaska, California, Colorado, District of Columbia, Hawaii, Idaho, Maryland, Montana, Nevada, Oregon, Utah, Washington, Wyoming	Ogden, UT 84201
All others	Cincinnati, OH 45999

