

## Attention:

Do not download, print, and file Copy A with the IRS.

Copy A appears in red, similar to the official IRS form, but is for informational purposes only. A penalty of \$50 per information return may be imposed for filing copies of forms that cannot be scanned.

You may order these forms online at *Forms and Publications By U.S. Mail* (<http://www.irs.gov/formspubs>) or by calling 1-800-TAX FORM (1-800-829-3676).

See IRS Publications 1141, 1167, 1179, and other IRS resources for information about printing these tax forms.

9797

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends	OMB No. 1545-0118  <b>2006</b> Form <b>1099-PATR</b>	<b>Taxable Distributions Received From Cooperatives</b>  <b>Copy A</b> <b>For Internal Revenue Service Center</b> <b>File with Form 1096.</b> For Privacy Act and Paperwork Reduction Act Notice, see the <b>2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.</b>	
		\$			
		2 Nonpatronage distributions			\$
3 Per-unit retain allocations	\$				
PAYER'S federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	\$		
RECIPIENT'S name		5 Redemption of nonqualified notices and retain allocations	\$		6 Domestic production activities deduction
Street address (including apt. no.)				7 Investment credit	\$
City, state, and ZIP code		8 Work opportunity credit	\$	9 Patron's AMT adjustment	\$
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	10 Other credits and deductions		\$	

Form **1099-PATR**

Cat. No. 14435F

Department of the Treasury - Internal Revenue Service

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.	1 Patronage dividends	OMB No. 1545-0118  <b>2006</b> Form <b>1099-PATR</b>
	\$	
	2 Nonpatronage distributions	
	\$	
	3 Per-unit retain allocations	
	\$	

**Taxable  
Distributions  
Received From  
Cooperatives**

PAYER'S federal identification number	RECIPIENT'S identification number	<b>4 Federal income tax withheld</b>	
		\$	
RECIPIENT'S name	Street address (including apt. no.)	City, state, and ZIP code	5 Redemption of nonqualified notices and retain allocations
			\$
			6 Domestic production activities deduction
			\$
			7 Investment credit
			\$
			8 Work opportunity credit
			\$
			9 Patron's AMT adjustment
			\$
Account number (see instructions)		10 Other credits and deductions	\$

**Copy B  
For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-PATR**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

**Reminder.** See box 6 for a new deduction that may be available to you. See box 10 for new pass-through credits and an additional new deduction.

Distributions you received from a cooperative may be includible in your income. Generally, if you are an individual, report any amounts shown in boxes 1, 2, 3, and 5 as income, unless nontaxable, on Schedule F (Form 1040), Profit or Loss From Farming; Schedule C (Form 1040), Profit or Loss From Business; Schedule C-EZ (Form 1040), Net Profit From Business; or Form 4835, Farm Rental Income and Expenses. See the instructions for Schedule F (Form 1040) and Pub. 225, Farmer's Tax Guide, for more information.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows patronage dividends paid to you during the year in cash, qualified written notices of allocation (at stated dollar value), or other property (not including nonqualified allocations). Any of the dividends that were paid on (1) property bought for personal use or (2) capital assets or depreciable property used in your business are not taxable. However, if (2) applies, reduce the basis of the assets by this amount.

**Box 2.** Shows nonpatronage distributions paid to you during the year in cash, qualified written notices of allocation, or other property (not including nonqualified written notices of allocation).

**Box 3.** Shows per-unit retain allocations paid to you during the year in cash, qualified per-unit retain certificates, or other property.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold at a 28% rate if you did not furnish your taxpayer identification number to the payer. See Form W-9, Request for Taxpayer Identification Number and

Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows amounts you received when you redeemed nonqualified written notices of allocation and nonqualified per-unit retain allocations. Because these were not taxable when issued to you, you must report the redemption as ordinary income to the extent of the stated dollar value.

**Box 6.** Shows the deduction amount you may take based on your portion of patronage dividends or per-unit retain allocations (boxes 1 and 3) attributable to qualified production activities income. To claim the deduction amount, this amount must have been designated in a written notice sent to you from the cooperative within the payment period under section 1382(d). Enter on the appropriate line of Form 8903, Domestic Production Activities Deduction.

**Boxes 7, 8, and 10.** These boxes may show unused credits and deductions passed through to you by the cooperative. Report these credits on the following forms: 3468—investment credit; 5884—work opportunity credit; 5884-A—employee retention credit; 6478—small ethanol producer credit; 8835—renewable electricity, refined coal, and Indian coal production credit; 8844—empowerment zone and renewal community employment credit; 8845—Indian employment credit; 8861—welfare-to-work credit; 8864—small agri-biodiesel producer credit; and 8896—low sulfur diesel fuel production credit. A deduction for capital costs incurred by small refiner cooperatives when complying with EPA sulfur regulations may also be passed through to you. See the Form 1040 Instructions for how to report other credits and deductions.

**Box 9.** Shows the alternative minimum tax (AMT) adjustment passed through to you by the cooperative. Report this amount on Form 6251, Alternative Minimum Tax—Individuals, on the appropriate line in Part I.

VOID  CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends	OMB No. 1545-0118  <b>2006</b> Form <b>1099-PATR</b>
		\$	
		2 Nonpatronage distributions	
		\$	
		3 Per-unit retain allocations	
		\$	
PAYER'S federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld	
		\$	
RECIPIENT'S name  Street address (including apt. no.)  City, state, and ZIP code		5 Redemption of nonqualified notices and retain allocations	6 Domestic production activities deduction
		\$	\$
			7 Investment credit
		\$	\$
		8 Work opportunity credit	9 Patron's AMT adjustment
		\$	\$
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	10 Other credits and deductions	
		\$	

**Taxable  
Distributions  
Received From  
Cooperatives**

**Copy C  
For  
Payer**

For Privacy Act and Paperwork Reduction Act Notice, see the **2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1099-PATR**

Department of the Treasury - Internal Revenue Service

## Instructions for Payers

General and specific form instructions are provided as separate products. The products you should use to complete Form 1099-PATR are the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G, and the 2006 Instructions for Form 1099-PATR. A chart in the general instructions gives a quick guide to which form must be filed to report a particular payment. To order these instructions and additional forms, call 1-800-TAX-FORM (1-800-829-3676).

**Caution:** *Because paper forms are scanned during processing, you cannot file Forms 1096, 1098, 1099, or 5498 that you download and print from the IRS website.*

**Due dates.** Furnish Copy B of this form to the recipient by January 31, 2007.

File Copy A of this form with the IRS by February 28, 2007. If you file electronically, the due date is April 2, 2007. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220, Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically. IRS does not provide a fill-in form option.

**Foreign recipient.** If the recipient is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See the Instructions for Form 1042-S and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.



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