

**Farmers' Cooperative Association Income Tax Return**

For calendar year 1997 or tax year beginning \_\_\_\_\_, 1997, ending \_\_\_\_\_, 19\_\_\_\_\_

**1997**

▶ Instructions are separate. See page 16 for Paperwork Reduction Act Notice.

**A** Identify below the cooperative's business activity with most total receipts (see page 4 of instructions).

Please Type or Print

Name \_\_\_\_\_

Number, street, and room or suite no. (If a P.O. box, see page 4 of Instructions) \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

**B** Employer identification number \_\_\_\_\_

**C** Check if a consolidated return (Attach Form 851)

**D** Type of cooperative  
 Tax exempt (Section 521)  
 Nonexempt

**E** Check if: (1)  Initial return (2)  Final return (3)  Change of address (4)  Amended Return

<b>Income</b>	<b>1a</b> Gross receipts or sales _____	<b>b</b> Less returns and allowances _____	<b>c</b> Bal ▶	<b>1c</b>		
	<b>2</b> Cost of goods sold (Schedule A, line 9)			<b>2</b>		
	<b>3</b> Gross profit. Subtract line 2 from line 1c			<b>3</b>		
	<b>4a</b> Patronage dividends and per-unit retain allocations (attach schedule)			<b>4a</b>		
	<b>b</b> Dividends (Schedule C, line 17)			<b>4b</b>		
	<b>5</b> Interest			<b>5</b>		
	<b>6</b> Gross rents			<b>6</b>		
	<b>7</b> Gross royalties			<b>7</b>		
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))			<b>8</b>		
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)			<b>9</b>		
	<b>10</b> Other income (see page 5 of instructions—attach schedule).			<b>10</b>		
<b>11 Total income.</b> Add lines 3 through 10			<b>11</b>			
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (Schedule E, line 4)			<b>12</b>		
	<b>13</b> Salaries and wages (less employment credits)			<b>13</b>		
	<b>14</b> Repairs and maintenance			<b>14</b>		
	<b>15</b> Bad debts			<b>15</b>		
	<b>16</b> Rents			<b>16</b>		
	<b>17</b> Taxes and licenses			<b>17</b>		
	<b>18</b> Interest			<b>18</b>		
	<b>19</b> Charitable contributions (see page 7 of instructions for 10% limitation)			<b>19</b>		
	<b>20</b> Depreciation (attach Form 4562)	<b>20</b>				
	<b>21</b> Less depreciation claimed in Schedule A and elsewhere on return.	<b>21a</b>			<b>21b</b>	
	<b>22</b> Depletion			<b>22</b>		
	<b>23</b> Advertising			<b>23</b>		
	<b>24</b> Pension, profit-sharing, etc., plans			<b>24</b>		
	<b>25</b> Employee benefit programs			<b>25</b>		
	<b>26</b> Other deductions (attach schedule)			<b>26</b>		
	<b>27a Total deductions.</b> Add lines 12 through 26			<b>27a</b>		
	<b>b</b> Subtract line 27a from line 11			<b>27b</b>		
	<b>c</b> Deductions and adjustments under section 1382 (Schedule H, line 4)			<b>27c</b>		
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27c from line 27b			<b>28</b>		
<b>29 Less: a</b> Net operating loss deduction (see page 9 of instructions).	<b>29a</b>					
<b>b</b> Special deductions (Schedule C, line 18)	<b>29b</b>			<b>29c</b>		
<b>30 Taxable income.</b> Subtract line 29c from line 28. (See page 9 of instructions)			<b>30</b>			
<b>Tax and Payments</b>	<b>31 Total tax</b> (Schedule J, line 9)			<b>31</b>		
	<b>32a</b> 1996 overpayment credited to 1997	<b>32a</b>				
	<b>b</b> 1997 estimated tax payments	<b>32b</b>				
	<b>c</b> 1997 refund applied for on Form 4466	<b>32c</b> ( )				
	<b>d</b> Bal ▶	<b>32d</b>				
	<b>e</b> Tax deposited with Form 7004	<b>32e</b>				
	<b>f</b> Credit from refiguring tax for years in which nonqualified per-unit retain certificates or nonqualified written notices of allocation (redeemed this year) were issued (see instructions).	<b>32f</b>				
	<b>g</b> Credit for Federal tax on fuels (attach Form 4136)	<b>32g</b>			<b>32h</b>	
	<b>33</b> Estimated tax penalty (see page 10 of instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>			<b>33</b>		
	<b>34 Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed			<b>34</b>		
<b>35 Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			<b>35</b>			
<b>36</b> Enter amount of line 35 you want: <b>Credited to 1998 estimated tax</b> ▶			<b>36</b>			
			<b>Refunded</b> ▶			

**Schedule A Cost of Goods Sold** (See page 10 of instructions.)

1	Inventory at beginning of year . . . . .	1		
2	Purchases . . . . .	2		
3	Cost of labor . . . . .	3		
4	Per-unit retain allocations paid in:			
a	Qualified per-unit retain certificates . . . . .	4a		
b	Money or other property (except nonqualified per-unit certificates) . . . . .	4b		
5	Nonqualified per-unit retain certificates redeemed this year . . . . .	5		
6a	Additional section 263A costs (attach schedule) . . . . .	6a		
b	Other costs (attach schedule) . . . . .	6b		
7	<b>Total.</b> Add lines 1 through 6b . . . . .	7		
8	Inventory at end of year . . . . .	8		
9	<b>Cost of goods sold.</b> Subtract line 8 from line 7. Enter here and on line 2, page 1 . . . . .	9		
10a	Check all methods used for valuing closing inventory:			
(i)	<input type="checkbox"/> Cost as described in Regulations section 1.471-3			
(ii)	<input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4			
(iii)	<input type="checkbox"/> Other (Specify method used and attach explanation) ▶			
b	Check if there was a writedown of subnormal goods as described in Regulations section 1.471.-2(c) . . . . .			<input type="checkbox"/>
c	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . . .			<input type="checkbox"/>
d	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO . . . . .	10d		
e	If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative? . . . . .			<input type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? . . . . .			<input type="checkbox"/> Yes <input type="checkbox"/> No

**Schedule C Dividends and Special Deductions** (See page 10 of instructions.)

	(a) Dividends received	(b) %	(c) Deduction ((a) × (b))
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .	80	
3	Debt-financed stock of domestic and foreign corporations (section 246A). . . . .	See instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities . . . . .	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities . . . . .	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs . . . . .	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs . . . . .	80	
8	Dividends from wholly owned foreign subsidiaries (section 245(b)) . . . . .	100	
9	<b>Total.</b> Add lines 1 through 8. See page 11 of instructions for limitation		
10	Dividends from certain FSCs subject to the 100% deduction (section 245(c)(1)). . . . .	100	
11	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3)) . . . . .	100	
12	Dividends from foreign corporations not included on lines 3, 6, 7, 8, or 10 . . . . .		
13	Income from controlled foreign corporations under subpart F (attach Form 5471). . . . .		
14	Foreign dividend gross-up (section 78) . . . . .		
15	IC-DISC and former DISC dividends not included on lines 1, 2, and/or 3 (section 246(d)). . . . .		
16	Other dividends . . . . .		
17	<b>Total dividends.</b> Add lines 1 through 16. Enter here and on line 4b, page 1 . . . . .		
18	<b>Total special deductions.</b> Add lines 9, 10, and 11. Enter here and on line 29b, page 1 . . . . .		

**Schedule E Compensation of Officers** (See instructions for line 12, page 1, on page 6 of instructions.)  
 Complete Schedule E only if total receipts (line 1a, plus lines 4a through 10, of page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
<b>1</b>		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
<b>2</b>	Total compensation of officers . . . . .				<b>2</b>
<b>3</b>	Compensation of officers claimed in Schedule A and elsewhere on return . . . . .				<b>3</b>
<b>4</b>	Subtract line 3 from line 2. Enter the result here and on line 12, page 1 . . . . .				<b>4</b>

**Schedule H Deductions and Adjustments Under Section 1382** (See page 12 of instructions.)

<b>1</b>	Dividends paid on capital stock (section 521 cooperatives only) . . . . .	<b>1</b>		
<b>2</b>	Nonpatronage income allocated to patrons (section 521 cooperatives only) . . . . .	<b>2</b>		
<b>3</b>	Patronage dividends:			
<b>a</b>	Money . . . . .	<b>3a</b>		
<b>b</b>	Qualified written notices of allocation . . . . .	<b>3b</b>		
<b>c</b>	Other property (except nonqualified written notices of allocation) . . . . .	<b>3c</b>		
<b>d</b>	Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation . . . . .	<b>3d</b>		
<b>e</b>	Other (attach schedule) . . . . .	<b>3e</b>		
<b>4</b>	<b>Total.</b> Add lines 1 through 3e. Enter here and on line 27c, page 1 . . . . .	<b>4</b>		

**Schedule J Tax Computation** (See page 13 of instructions.)

<b>1</b>	Check if the cooperative is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/> <b>Important:</b> Members of a controlled group, see instructions on page 13.			
<b>2a</b>	If the box on line 1 is checked, enter the cooperative's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____			
<b>b</b>	Enter the cooperative's share of: (1) additional 5% tax (not more than \$11,750) . . . . . \$ _____ (2) additional 3% tax (not more than \$100,000) . . . . . \$ _____			
<b>3</b>	Income tax . . . . .	<b>3</b>		
<b>4a</b>	Foreign tax credit (attach Form 1118) . . . . .	<b>4a</b>		
<b>b</b>	Other credits (see page 13 of instructions) . . . . .	<b>4b</b>		
<b>c</b>	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	<b>4c</b>		
<b>d</b>	Credit for prior year minimum tax (attach Form 8827) . . . . .	<b>4d</b>		
<b>5</b>	<b>Total credits.</b> Add lines 4a through 4d . . . . .	<b>5</b>		
<b>6</b>	Subtract line 5 from line 3 . . . . .	<b>6</b>		
<b>7</b>	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 (See page 14 of instructions).	<b>7</b>		
<b>8</b>	Alternative minimum tax (attach Form 4626) . . . . .	<b>8</b>		
<b>9</b>	<b>Total tax.</b> Add lines 6 through 8. Enter here and on line 31, page 1 . . . . .	<b>9</b>		

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash . . . . .				
2a	Trade notes and accounts receivable . . . . .				
b	Less allowance for bad debts . . . . .	( )		( )	
3	Inventories . . . . .				
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions) . . . . .				
6	Other investments (attach schedule) . . . . .				
7	Other current assets (attach schedule) . . . . .				
8a	Buildings and other depreciable assets . . . . .				
b	Less accumulated depreciation . . . . .	( )		( )	
9a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .	( )		( )	
10	Land (net of amortization) . . . . .				
11a	Intangible assets (amortizable only) . . . . .				
b	Less accumulated amortization . . . . .	( )		( )	
12	Other assets (attach schedule) . . . . .				
13	<b>Total assets</b> . . . . .				
<b>Liabilities and Capital</b>					
14	Accounts payable . . . . .				
15	Mortgages, notes, bonds payable in less than 1 year . . . . .				
16	Other current liabilities (attach schedule) . . . . .				
17	Mortgages, notes, bonds payable in 1 year or more . . . . .				
18	Other liabilities (attach schedule) . . . . .				
19	Capital stock: a Preferred stock . . . . .				
	b Common stock . . . . .				
20	Additional paid-in capital . . . . .				
21	Patronage dividends allocated in noncash form (other than capital stock and interest-bearing obligations) . . . . .				
22	Per-unit retains allocated in noncash form . . . . .				
23	Retained earnings (Schedule M-2) . . . . .				
24	Adjustments to shareholders equity (attach schedule) . . . . .				
25	Less cost of treasury stock . . . . .		( )		( )
26	<b>Total liabilities and capital</b> . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return.** (See page 14 of instructions.) **Note:** The cooperative is not required to complete Schedules M-1 and M-2 below if the total assets on line 13, column (d), of Schedule L are less than \$25,000.

1	Net income (loss) per books . . . . .		7	Income recorded on books this year not included in this tax return (itemize):	
2	Federal income tax . . . . .		a	Tax-exempt interest \$	
3	Excess of capital losses over capital gains . . . . .		b	Patronage refunds \$	
4	Income subject to tax not recorded on books this year (itemize): . . . . .				
5	Expenses recorded on books this year not deducted in this return (itemize):		8	Deductions in this tax return not charged against book income this year (itemize):	
a	Depreciation . . . \$		a	Depreciation . . . \$	
b	Contributions carryover . . . \$		b	Contributions carryover . . . \$	
c	Travel and Entertainment . . . \$				
6	Add lines 1 through 5 . . . . .		9	Add lines 7 and 8 . . . . .	
			10	Income (loss). Line 6 less line 9 (line 28, page 1) . . . . .	

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 23, Schedule L).**

1	Balance at beginning of year . . . . .		5	Distributions: a Cash . . . . .	
2	Net income (loss) per books . . . . .		b	Stock . . . . .	
3	Other increases (itemize): . . . . .		c	Property . . . . .	
			6	Other decreases (itemize): . . . . .	
			7	Add lines 5 and 6 . . . . .	
4	Add lines 1, 2, and 3 . . . . .		8	Balance at end of year. Line 4 less line 7	

**Schedule N** Other Information. (See page 15 of instructions.) Note: Items 1 through 10b apply to section 521 cooperatives only; the remaining items are applicable to all filers.

Table with 4 columns: Question, Yes, No, Answer. Contains items 1 through 20 regarding cooperative activities, accounting, and tax treatment.

The books are in the care of [ ] Telephone No. [ ] Located at [ ]

Sign Here: Declaration of preparer. Signature of officer, Date, Title. Paid Preparer's Use Only: Preparer's signature, Date, Check if self-employed, Preparer's social security number, Firm's name, EIN, ZIP code.

