

Adjusted Gross Income Verification Process

Overview

This provides an overview of the average adjusted gross income (AGI) certification and compliance review process. A key component is the data-sharing process with the Internal Revenue Service (IRS). IRS tax information will be used to identify program participants that may not have complied with statutory AGI requirements, or whether further review is required to make an accurate determination. The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) requires the implementation of the AGI limitations for program eligibility for the 2009 through 2012 program years. The American Taxpayer Relief Act of 2012 extends the required implementation of the AGI limitations for program eligibility for the 2013 program year.

Step by Step Process

- The Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) provide producers with an average AGI certification and consent form (CCC-931 or CCC-933) to complete. The CCC-931 form authorizes the IRS to disclose to USDA 2009 through 2012 tax-related information for AGI compliance purposes. The CCC-933 form authorizes the IRS to disclose to USDA 2013 tax-related information for AGI compliance purposes. Producers may obtain the CCC-931 or CCC-933 at their local USDA Service Center or online at www.fsa.usda.gov/ccc931 or www.fsa.usda.gov/ccc933.
- Producers should mail or return the completed CCC-931 or CCC-933 directly to the appropriate USDA Service Center. It is recommended that producers

submit the completed CCC-931 or CCC-933 at the time that payments and benefits are requested under USDA programs which are subject to the average AGI limitations. As required by law, producers must sign the CCC-931 or CCC-933 to grant the IRS the authority to provide tax information data to USDA.

- An annual reconciliation process will be initiated to identify producers who did not file the CCC-931 or CCC-933 with USDA. Producers identified through that process will receive written notice of the requirement to submit the completed CCC-931 or CCC-933 to USDA to avoid interruption, delay or refund of program payments.
- The IRS will check each participant's AGI by performing computerized calculations that indicate whether or not a producer may exceed average AGI limitations. Average AGI calculations for 2012 are based on the 2008, 2009 and 2010 tax years, and the average AGI calculations for 2013 are based on the 2009, 2010 and 2011 tax years.
- Producers whose average AGI appear to be in excess of the statutory AGI limitations will be notified in writing of the results and provided an opportunity to make available within 30 days to the applicable FSA office, a third-party verification from a certified public accountant or attorney of their AGI that demonstrates the limits have not been exceeded or copies of the complete federal tax returns that were filed with the IRS for the applicable tax years under review.

- Producers determined not to be in compliance with AGI limitation will be offered appeal rights to either FSA or the National Appeals Division.
- Producers who fail to respond to written notices of AGI non-compliance or determined non-compliant will be notified of the requirement to refund the applicable program payments. Actions required by the Debt Collection Improvement Act (DCIA) will be followed by NRCS and FSA.

More Information

To find more information about FSA programs, contact your local FSA office or USDA Service Center, or visit FSA online at <http://www.fsa.usda.gov>.

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