

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1 Patronage dividends \$	OMB No. 1545-0118  <b>2007</b>  Form <b>1099-PATR</b>	<b>Taxable Distributions Received From Cooperatives</b>
		2 Nonpatronage distributions \$		
		3 Per-unit retain allocations \$		
PAYER'S federal identification number	RECIPIENT'S identification number	4 Federal income tax withheld \$	<b>Copy B For Recipient</b>  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.	
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)		10 Other credits and deductions \$		

Form **1099-PATR**

(keep for your records)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

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

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; 8896—low sulfur diesel fuel production credit; and 8909—energy efficient appliance credit. See the Form 1040 Instructions for how to report other credits and deductions which may be passed through to you including: the deduction for capital costs incurred by small refiner cooperatives when complying with EPA sulfur regulations, and the deduction for the expensing of qualified refinery property.

**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.