

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.

Step by Step Process

- Beginning in January 2010, the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) will provide producers with consent forms they voluntarily complete and submit to IRS which authorize IRS to disclose information to USDA for 2009 and 2010 AGI compliance purposes. Two consent forms, one for individuals (CCC-927) and one for legal entities (CCC-928) will be used. Producers may obtain the consent forms at their local USDA Service Center or online. USDA Service Centers will not accept or retain the completed consent forms.
- Producers will mail consent forms directly to IRS; USDA Service Center employees will not accept any tax information, completed forms or other tax-related paperwork from producers for this process. The deadline for producers to submit the consent forms to IRS is June 15, 2010. As required by law, producers must sign the applicable consent form to grant IRS the authority to provide tax information data to USDA.
- After June 15, 2010, a reconciliation process will be initiated to identify producers that did not file a consent form with IRS. Producers identified through this process will receive written notice of the requirement to submit a consent form to IRS to avoid interruption of program payments.
- IRS will check each participant's AGI compliance by performing computerized calculations that indicate whether or not a producer exceeds average AGI limitations. Average AGI calculations for 2009 are computed based on the 2005, 2006, and 2007 tax years, and the average AGI calculations for 2010 are computed based on the 2006, 2007, and 2008 tax years.
- Producers whose average AGI appears to be in excess of the statutory AGI limitations will be notified in writing of the results, and provided the opportunity to make available within 30 days to the applicable FSA State Office, a third party verification from a certified public accountant or attorney of their AGI that demonstrates AGI limits have not been exceeded.
- Producers determined not in compliance with AGI limitation will be offered appeal rights to either the FSA State Committee 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 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 the FSA on the World Wide Web at <http://www.fsa.usda.gov>.

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