

January/February 2010

So. PUGET SOUND FSA NEWS

FSA County Committee Elections

Congratulations to Harry Petersen and Lucy Cerqui! Harry was re-elected to represent farmers in Local Administrative Area #3 (Thurston County) and Lucy was re-elected to represent farmers in Local Administrative Area #4 (S. King and N. Pierce Counties) on the county committee. Douglas Bruce Elliott was elected as 1st alternate in LAA #4.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

The committee members held their organizational meeting in January and elected Lucy Cerqui, Chairperson and Harry Petersen, Vice Chairperson.

Secretarial Disaster Designation S 2943

This is to advise you that King County was named as a contiguous disaster county due to drought from January 1, 2009 through the 2009 crop year. Emergency Loans may be available to those who qualify. Please contact your local FSA loan officer for additional information.

AGI Compliance

Beginning in January, 2010, the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) will provide producers with consent forms they voluntarily complete and submit to IRS. These forms authorize IRS to disclose a very limited amount of information to USDA for 2009 and 2010 average adjusted gross income (AGI) compliance purposes. Consent forms can be obtained at the local USDA Service Center or online at <http://forms.sc.egov.usda.gov>.

Producers must submit the applicable form **directly to IRS**, authorizing the review, in order to retain 2009 and future payments subject to current AGI requirements. **USDA Service Center Employees cannot accept any tax information or consent forms.** Consent forms must be mailed to IRS within 60 days of the date the form was signed.

Two consent forms, one for individuals (CCC-927) and one for legal entities (CCC-928) will be used. Every individual or entity who was required to file an AGI certification for 2009 and/or 2010 must file the applicable consent form.

Agents who are authorized to sign FSA or NRCS documents on behalf of a program participant are **not** authorized to sign CCC-927 or CCC-928. Consent forms must be signed by the applicable individual or authorized legal entity representative. A durable power-of-attorney may be used to sign on behalf of an incapacitated person. However, the durable power-of-attorney document must be enclosed with the CCC-927 and submitted directly to IRS.

IRS will provide FSA and NRCS with a report, indicating whether or not producers met the statutory AGI limits. No actual tax data will be included in the report that IRS sends to USDA.

Producers whose average AGI appears to exceed statutory limitations will be notified by letter and provided an opportunity to submit a third party verification from a certified public accountant or attorney that demonstrates AGI limits have not been exceeded. Producers will be given 30 days to submit this verification to the Washington State FSA Office. Non-compliant participants will be required to refund applicable program payments. **Failure to submit the application consent form to IRS automatically results in a determination of non-compliance.**

If you have questions about the new AGI compliance review process, please contact your local FSA or NRCS office for more details.

Pierce County FSA

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Puyallup, WA. 98372-6738
(253) 845 9272
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Office Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Lucy Cerqui, Chair
Harry Petersen, V-Chair
Joy Garitone, Member
Cindy Stolz, Member

Office Staff

George Jaquish, CED
Kathy Modin, PT

Farm Loan Staff

Mark Turner, FLM
(360) 354-5658
Jon Wilson, FLO
(360) 748-0084

COC Meeting Schedule

Thursday of the fourth full week of the month @ 10 am

Web Sites

www.fsa.usda.gov – FSA National

<http://www.fsa.usda.gov/wa/> - WA State FSA

<http://www.usda.gov> - USDA

South Sound Farm Forestry Association (360) 705-1888

Handicapped

Accommodations: Special accommodations will be arranged for those persons with a physical, vision, or hearing impaired disability. If special accommodations are needed, please contact our office



Actively Engaged Definition Changes

Beginning with the 2010 program year, FSA has amended the rules that govern the requirements to be “actively engaged” in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue election (ACRE) program.

FSA has implemented the following changes to permit certain operations, most often family-run operations, to meet “actively engaged” in farming requirements under less restrictive rules. Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- the members are collectively receiving, directly and indirectly, total payments that do not exceed \$40,000.

Please contact our office if you believe your operation is affected by this new exception.

Tax Reporting – Check Your Statement

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you during the previous calendar year. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant’s responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID’s and passwords can access their refund information at FSA-FI and select “Inquiry Type 1099/Refund Reports”. Refund amounts are displayed on the Producer’s Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.



County Executive Director

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave. SW, Washington D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-5964 (TDD). USDA is an equal opportunity provider and employer.