

Adjusted Gross Income Verification Process

Overview

This fact sheet 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 have exceeded statutory AGI limitations, and the Farm Service Agency (FSA) will conduct further review to determine their program eligibility.

Step by Step Process

- FSA and the Natural Resources Conservation Service (NRCS) provide producers with consent forms to complete and submit to the IRS. These consent forms authorize the IRS to disclose specific information to USDA for AGI compliance purposes for the years indicated on the form by the producer. Individuals must file form CCC-927, and legal entities must file form CCC-928. Producers may obtain the consent forms at their local USDA Service Center or online at <http://www.fsa.usda.gov/ccc927> for form CCC-927 or <http://www.fsa.usda.gov/ccc928> for form CCC-928.
- As required by law, to grant the IRS the authority to provide tax information data to USDA, producers must complete and sign the applicable consent form.
- **Producers must mail consent forms directly to the IRS.** USDA Service Center employees will not accept

completed consent forms or other tax-related paperwork from producers for this process.

- Producers who do not file a consent form with the IRS will receive written notice of the requirement to submit a consent form to avoid interruption of program payments.
- After receiving the consent form, the 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 are based on the following tax years:
 1. 2009 program eligibility: 2005, 2006, and 2007
 2. 2010 program eligibility: 2006, 2007, and 2008
 3. 2011 program eligibility: 2007, 2008, and 2009
 4. 2012 program eligibility: 2008, 2009, and 2010.
- Producers whose average AGI appears to be in excess of the AGI limitations will be notified in writing of the results. Once notified, producers will have 30 days to provide requested documentation or a third party verification from a certified public accountant or attorney that the producer's average AGI did not exceed the statutory AGI limitations.
- Producers determined to be out of compliance with AGI limitations 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 are determined non-compliant will be notified of the requirement to refund any applicable payments. FSA and NRCS will take action to recover payments as required by the Debt Collection Improvement Act (DCIA).

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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