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CCC-926
(12-22-10)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

1. County FSA Office or Service Center Address
(Including Zip Code)

AVERAGE ADJUSTED GROSS INCOME (AGI) STATEMENT

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a - as amended). The authority for requesting the information identified on this form is 7 CFR Part 1400, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for program benefits. This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246, Title I, Subtitle F – Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

2. Name and Address of Individual or Legal Entity (Including Zip Code)

3. Identification Number (Last 4 digits of SSN or Tax ID No.)

PROGRAM YEAR

4. Select the program year for which program benefits are requested (**Check only one**).

- A. **2009** Average AGI will be based on the taxable years 2005, 2006, and 2007
- B. **2010** Average AGI will be based on the taxable years 2006, 2007, and 2008
- C. **2011** Average AGI will be based on the taxable years 2007, 2008, and 2009
- D. **2012** Average AGI will be based on the taxable years 2008, 2009, and 2010

SPECIAL RULE

If at least 66.66 percent of the average adjusted gross income of an individual or legal entity is derived from farming, ranching, or forestry operations, then income received from the following will be included as farm income:

- The sale of equipment to conduct farm, ranch or forestry operations
- Providing production inputs and services to farmers, ranchers, foresters, and farming operations.

FARM INCOME

NONFARM INCOME

Note: When completing Items 5-7, see the definition of "farm income" and "nonfarm income" on Page 2.

5. I certify that the average adjusted gross farm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was: (Check one)

- A. **Less than** (or equal to) **\$750,000**
- B. **More than \$750,000**

6. I certify that the average adjusted gross nonfarm income of the individual or legal entity in Item 2 (for the program year selected in Item 4) was: (Check one)

- A. **Less than** (or equal to) **\$500,000**
- B. **More than \$500,000 but less than**
(or equal to) **\$1,000,000**
- C. **More than \$1,000,000**

TOTAL FARM and NONFARM INCOME

7. Of the total (farm and nonfarm) average adjusted gross income (for the program year selected in Item 4), was at least 66.66 percent from farming, ranching, or forestry operations?

- A. **NO** B. **YES**
- If "YES", I understand the "Special Rule" outlined above applies and have included the additional income when certifying the adjusted gross farm income in Item 5. I have read and understand the definition of farm income on Page 2.

By signing this form:

- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;
- I certify that all information contained within this certification is true and correct;
- I take responsibility to timely notify FSA in writing of any changes to the farming, ranching, or forestry operation, or a change in financial status that may affect this certification;
- I certify that the income certifications are consistent with the tax returns filed with the Internal Revenue Service (IRS) and with the definitions specified on Page 2 of this form;
- If requested, I will submit evidence such as tax records, business documents (for review only, not for retention), or a signed third-party verification deemed acceptable by CCC to verify the average adjusted gross income, average adjusted gross farm income, and average adjusted gross nonfarm income, and that I will take the necessary actions to provide such documents or certification;
- I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes by filing form CCC-927 or CCC-928 with the IRS for the program year selected in Item 4, and I will take all necessary actions required by the terms and conditions of the IRS disclosure laws so that CCC can obtain such data.

8. Signature (By)

9. Title/Relationship (Individual Signing in the Representative Capacity if applicable)

10. Date
(MM-DD-YYYY)

GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME

Individuals or legal entities that receive benefits under most commodity and conservation programs administered by CCC cannot have incomes that exceed certain limits set by law. For entities, both the entity itself, and its members cannot exceed the income limitations. If a member, whether an individual or an entity, of an entity exceeds the limitations, payments to that entity will be commensurately reduced according to that member's direct or indirect ownership share in the entity. *(All members of the entity must also submit this form to verify income limitations are met.)*

Individuals or legal entities with average adjusted gross **farm income** greater than \$750,000 shall be ineligible for direct payments under the Direct and Counter-cyclical Program.

Individuals or legal entities with average adjusted gross **nonfarm income** that exceeds \$500,000 shall be ineligible for commodity program payments, price support benefits, disaster assistance programs, and for the Milk Income Loss Compensation Program.

Additionally, individuals or legal entities with average adjusted gross **nonfarm income** exceeding \$1 million will be ineligible for new contracts or participation in conservation programs after October 1, 2008, unless at least 66.66 percent of their total average adjusted gross income (*sum of farm and nonfarm income*) is generated from activities related to farming and defined as "farm income" below.

DEFINITIONS

Adjusted Gross Income is the individual's or legal entity's IRS-reported adjusted gross income consisting of both farm and nonfarm income. A three year average of that income will be computed for the three years of the relevant base period identified on the first page of this form to determine eligibility for the applicable program year.

Adjusted Gross Farm Income is the part of the yearly adjusted gross income that is farm income. The amount is computed separately for each year and then averaged. **Farm income means income** related to the following: production of crops, livestock, fish and aquaculture for food; the feeding and rearing of livestock; products produced or derived from livestock; production of specialty crops and unfinished raw forestry products; processing packing, storing and transporting farm, ranch and forestry commodities including renewable energy; production of farm-based renewable energy; the sale of land used for agriculture; sale of land or sale of easements and development rights to agricultural land, water and hunting rights, and environmental benefits; rental or lease of land or equipment used in farming, ranching, forestry operation; payments and benefits from risk management practices, crop insurance indemnities, catastrophic risk protection plans, conservation program and government farm program payments. Proceeds from the sale of farm equipment and from production inputs and services to farmers and ranchers are generally considered nonfarm income. However, if at least 66.66 percent of the average adjusted gross income of the individual or legal entity is derived from farming, ranching, or forestry operations, the individual's or legal entity's farm income will also include the sale of equipment to conduct farm, ranch or forestry operations, and the income from the sale of production inputs and services to farmers, ranchers, foresters, and farm operations.

Adjusted Gross Nonfarm Income is the difference for the year between the filer's adjusted gross income and the filer's adjusted gross farm income. The difference is computed separately for each year and then averaged.

Legal Entity is a corporation, joint stock company, association, limited partnership, charitable organization, or similar entity, including any such entity or organization participating in the operation as a partner in a general partnership, a participant in a joint venture, a grantor in a revocable trust, or as a participant in a similar entity, including joint ventures and general partnerships as determined by the Secretary.

Program year means the year (*beginning and ending dates determined by CCC*) for which a specific benefit is made available under a program authorized by legislation such as the Direct and Counter-cyclical Program, Milk Income Loss Contract Program, Conservation Reserve Program, Noninsured Crop Disaster Assistance Program, Supplemental Revenue Assistance Program. FSA may require additional information as necessary to make the relevant program payments.

Third-party verification means a signed statement from a certified public accountant (CPA) or an attorney that the individual or legal entity meets the applicable adjusted gross income provisions for payment eligibility.

HOW TO DETERMINE ADJUSTED GROSS INCOME

Individual. For individuals that file the Internal Revenue Service (IRS) Form 1040, specific lines on that form represent the adjusted gross income and the income from farming, ranching or forestry operations.

Trust or Estate. For a trust or estate, the adjusted gross income is the total income and charitable contributions reported to IRS.

Corporation. For a corporation, the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.

Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity. For an LP, LLC or LLP, the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.

Tax-exempt Organization. For a tax-exempt organization, the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.