



**The form you are looking for begins on the next page of this file.** Before viewing it, please see the important update information below.

### **New Mailing Address**

The mailing address for certain forms have change since the forms were last published. The new mailing address are shown below.

**Mailing Address for Forms 1023, 1024, 1024-A, 1028, 5300, 5307, 5310, 5310-A, 5316, 8717, 8718, 8940:**

Internal Revenue Service  
TE/GE Stop 31A Team 105  
P.O. Box 12192  
Covington, KY 41012-0192

Deliveries by private delivery service (PDS) should be made to:

Internal Revenue Service  
7940 Kentucky Drive  
TE/GE Stop 31A Team 105  
Florence, KY 41042

This update supplements these forms' instructions. Filers should rely on this update for the change described, which will be incorporated into the next revision of the form's instructions.

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**Application for Recognition of Exemption**  
**Under Section 521 of the Internal Revenue Code**  
**For the use of farmers', fruit growers', or like associations applying for recognition of**  
**exemption as cooperatives.**  
**▶ See separate instructions.**

**If your organization does not have an organizing document, do not file this application.** Every organization must furnish all the information specified on the form and in the instructions. An attachment may be used if more space is needed for any item. If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Part I Identification**

<b>1a</b> Full name of organization (See instructions.)	<b>b</b> Employer identification number (See instructions.)
<b>2a</b> Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)	
<b>b</b> City or town, county, state, and ZIP code	
<b>3</b> Name and telephone number (including area code) of person to be contacted during business hours	<b>4</b> Date incorporated or formed
	<b>5</b> Month the annual accounting period ends
<b>6a</b> Has the organization filed Federal income tax returns? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>	
<b>b</b> If "Yes," state the form numbers, years filed, and Internal Revenue office where filed ▶ _____	

**Part II Type of Entity and Organizational Documents** (See instructions)

Check the applicable entity box below and attach a conformed copy of the organizing and operational documents listed.

- Corporation—Articles of Incorporation, bylaws
- Other—Constitution or Articles of Association, bylaws

**Part III Activities and Operational Information**

<b>1</b>	Number of shares of each class of capital stock currently outstanding, if any, the value of the consideration for which issued, and the rate of dividend paid:			
		<b>Shares</b>	<b>Amount</b>	<b>Rate of Dividend</b>
<b>a</b>	Preferred stock (voting) . . . . .	<b>1a</b>		
<b>b</b>	Preferred stock (nonvoting) . . . . .	<b>1b</b>		
<b>c</b>	Common stock (voting) . . . . .	<b>1c</b>		
<b>d</b>	Common stock (nonvoting) . . . . .	<b>1d</b>		
<b>2</b>	Number of shares of capital stock (other than nonvoting preferred) owned by:			
<b>a</b>	Producers . . . . .		<b>2a</b>	
<b>b</b>	Nonproducers . . . . .		<b>2b</b>	
<b>c</b>	Current and active producers . . . . .		<b>2c</b>	
<b>d</b>	Total number of shares—Add lines 2a and 2b . . . . .		<b>2d</b>	
<b>e</b>	Percentage owned by current and active producers—Divide line 2c by line 2d . . . . .		<b>2e</b>	%
<b>3</b>	What provision is made for retiring the voting stock held by a nonproducer?			
<b>4</b>	Describe who is accorded voting rights in the cooperative and how many votes one person may have. If a person may be entitled to more than one vote, explain in detail how voting rights are acquired.			

<b>5</b>	Legal rate of interest in the state where the association is located ▶ _____						
<b>Please Sign Here</b>	Under penalties of perjury, I declare that I am authorized to sign this application on behalf of the above organization; and I have examined this application, including the accompanying statements, and to the best of my knowledge and belief it is true, correct, and complete. (See General Instruction "C.")						
	<table style="width:100%; border: none;"> <tr> <td style="border: none;">▶ _____</td> <td style="border: none; text-align: center;">(Signature)</td> <td style="border: none;">_____</td> <td style="border: none; text-align: center;">(Title or authority of signer)</td> <td style="border: none;">_____</td> <td style="border: none; text-align: center;">(Date)</td> </tr> </table>	▶ _____	(Signature)	_____	(Title or authority of signer)	_____	(Date)
▶ _____	(Signature)	_____	(Title or authority of signer)	_____	(Date)		

**Part III** Activities and Operational Information (Continued)

**6** If the association issues any nonvoting preferred stock, explain whether the owners, upon dissolution or liquidation, may participate in the profits of the association beyond fixed dividends.

**7a** Does state law require the accumulation and maintenance of reserves?  **Yes**  **No**

<b>b</b> If "Yes," state the names and purposes of the reserves and enter the amount of each: ----- -----	Amount

**8a** Does the association maintain or plan to maintain any reserve or reserves other than those required by state law?  **Yes**  **No**

<b>b</b> If "Yes," state the names and purposes of the reserves and enter the amount of each: ----- -----	Amount

**9** Does the association deal or plan to deal with both members and nonmembers?  **Yes**  **No**

**10a** Does the association pay or plan to pay patronage dividends?  **Yes**  **No**

**b** If "Yes," are they paid or will they be paid to all patrons, both member and nonmember, on the same basis?  **Yes**  **No**

**11a** Is the allocation of patronage dividends based on an obligation in existence before the cooperative received the amounts allocated?  **Yes**  **No**

**b** If "Yes," is the obligation in:  
 Organizing document (specify) ► -----  
 Bylaws

**12** Explain all of the activities in which the association is or will be engaged.

**13** Explain how distribution is or will be made of the proceeds of products marketed for members and nonmembers. Also, if the organization operates on a basis of allocated units (i.e., functional, departmental, etc.), explain how losses are or will be treated.

**14** Explain how the association charges for supplies and equipment bought for members and nonmembers.

**Part III** Activities and Operational Information (Continued)

**15** Explain the requirements for membership in the association.

**16** Federated cooperatives only:

- a** Are all the association's member cooperatives exempt under section 521?  **Yes**  **No**
- b** If **"No,"** do the nonexempt member cooperatives have the same annual accounting period as the association's?  **Yes**  **No**
- c** If **"No,"** to 16b, check the method below that the association used, or will use, to provide a common or comparable unit of time for analyzing and evaluating its operations and those of its members.

**Note:** Methods listed below do not apply to the filing of returns or the manner in which operating results are reported by a federated cooperative and its members.

- 1.  Method 1—The association uses the operations of members for those months that correspond to the months that make up its tax year.
- 2.  Method 2—The association uses the tax years of members that end within its tax year.
- 3.  Method other than 1 or 2 above (explain) ► \_\_\_\_\_  
\_\_\_\_\_

<b>17</b> Value of agricultural products marketed or handled for: (See instructions.)	<b>Current tax year</b>	<b>3 prior tax years</b>		
	<b>(a)</b> From _____ to _____	<b>(b)</b> _____	<b>(c)</b> _____	<b>(d)</b> _____
<b>*a</b> Members—				
<b>1.</b> Actually produced by members				
<b>2.</b> Not actually produced by members but marketed by them through the association				
<b>b</b> Nonmembers—				
<b>1.</b> Actually produced by nonmembers				
<b>2.</b> Not actually produced by nonmembers but marketed by them through the association				
<b>c</b> Nonproducers (purchased from nonproducers for marketing by the association) . . . . .				
<b>18</b> Value of supplies and equipment purchased for or sold to: (See instructions.)				
<b>*a</b> Members who were producers . . . . .				
<b>b</b> Nonmembers who were producers . . . . .				
<b>c</b> Members and nonmembers who were not producers				
<b>19</b> Amount of business done with the United States Government or any of its agencies . . . . .				

**20** Does the association plan to do business with the United States Government or any of its agencies in the future?  **Yes**  **No**

**21a** Were all of the net earnings (after payment of dividends, if any, on capital stock) for the years shown on lines 17–19 distributed as patronage dividends? (See instructions for lines 17–19.) . . . . .  **Yes**  **No**

**b** If **"No,"** were undistributed net earnings apportioned on the records to all patrons on a patronage basis?  **Yes**  **No**

**22a** Has the organization operated in a manner consistent with the information given since the date formed?  **Yes**  **No**

**b** If **"No,"** state the changes that have occurred and dates of the changes.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*If it is necessary to own one or more shares of stock in order to become a member, include on lines 17a and 18a only the amount of business transacted with persons actually owning the required number of shares.

**Part IV Financial Data** (See instructions.)

Complete the Statement of Receipts and Expenditures and Balance Sheets for the current year and for each of the three immediately preceding years that the organization was in existence.

**Statement of Receipts and Expenditures**, for period ending \_\_\_\_\_, \_\_\_\_\_.  
 (If you prepare a statement of receipts and expenditures that is more descriptive and detailed than the statement below, you may submit that statement instead of this one.)

<b>Receipts</b>	<b>1</b>	Gross dues and assessments from members . . . . .		<b>1</b>		
	<b>2</b>	Gross dues and assessments from affiliated organizations . . . . .		<b>2</b>		
	<b>3a</b>	Gross amount derived from activities related to organization's exempt purpose (attach schedule) . . . . .	<b>3a</b>			
	<b>b</b>	Less cost of goods sold . . . . .	<b>3b</b>	( )	<b>3c</b>	
	<b>4a</b>	Gross amount from other business activities (attach schedule) . . . . .	<b>4a</b>			
	<b>b</b>	Less cost of goods sold . . . . .	<b>4b</b>	( )	<b>4c</b>	
	<b>5a</b>	Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .	<b>5a</b>			
	<b>b</b>	Less cost or other basis and sales expense of assets sold (attach schedule) . . . . .	<b>5b</b>	( )	<b>5c</b>	
	<b>6</b>	Interest, dividends, rents and royalties . . . . .		<b>6</b>		
	<b>7</b>	Other receipts (attach schedule) . . . . .		<b>7</b>		
	<b>8</b>	<b>Total receipts</b> —Add lines 1 through 7 in far right column . . . . .		<b>8</b>		
<b>Expenditures</b>	<b>9</b>	Compensation of officers, directors, and trustees (attach schedule) . . . . .		<b>9</b>		
	<b>10</b>	Other salaries and wages . . . . .		<b>10</b>		
	<b>11</b>	Interest . . . . .		<b>11</b>		
	<b>12</b>	Rent . . . . .		<b>12</b>		
	<b>13</b>	Depreciation and depletion . . . . .		<b>13</b>		
	<b>14</b>	Dues and assessments to affiliated organizations . . . . .		<b>14</b>		
	<b>15</b>	Other expenditures (see instructions—attach schedule) . . . . .		<b>15</b>		
	<b>16</b>	Patronage dividends (see instructions—attach schedule) . . . . .		<b>16</b>		
		<b>17</b>	<b>Total expenditures</b> —Add lines 9 through 16 . . . . .		<b>17</b>	
		<b>18</b>	Excess of receipts over expenditures (line 8 less line 17) . . . . .		<b>18</b>	

<b>Balance Sheets</b>		<b>Enter dates</b> ►		Beginning date	Ending date
<b>Assets</b>	<b>19</b>	Cash . . . . .	<b>19</b>		
	<b>20</b>	Trade notes and accounts receivable (less allowance for bad debts) . . . . .	<b>20</b>		
	<b>21</b>	Inventories . . . . .	<b>21</b>		
	<b>22</b>	Investments (attach schedule) . . . . .	<b>22</b>		
	<b>23</b>	Other current assets (attach schedule) . . . . .	<b>23</b>		
	<b>24</b>	Depreciable and depletable assets (less accumulated depreciation/depletion) . . . . .	<b>24</b>		
	<b>25</b>	Land (net of any amortization) . . . . .	<b>25</b>		
	<b>26</b>	Other assets (attach schedule) . . . . .	<b>26</b>		
	<b>27</b>	<b>Total assets</b> . . . . .	<b>27</b>		
<b>Liabilities and Capital</b>	<b>28</b>	Accounts payable . . . . .	<b>28</b>		
	<b>29</b>	Mortgages, notes, bonds payable in less than one year . . . . .	<b>29</b>		
	<b>30</b>	Other current liabilities (attach schedule) . . . . .	<b>30</b>		
	<b>31</b>	Mortgages, notes, bonds payable in one year or more . . . . .	<b>31</b>		
	<b>32</b>	Other liabilities (attach schedule) . . . . .	<b>32</b>		
	<b>33</b>	Patronage dividends allocated in noncash form, other than capital stock and interest-bearing obligations . . . . .	<b>33</b>		
	<b>34</b>	Per-unit retains allocated in noncash form . . . . .	<b>34</b>		
	<b>35</b>	Capital stock (enter numbers at end of year):			
			Number of shareholders	Number of shares	
				Issued for money	Issued as patronage benefits
	<b>a</b>	Voting preferred stock . . . . .	<b>35a</b>		
	<b>b</b>	Nonvoting preferred stock . . . . .	<b>35b</b>		
<b>c</b>	Voting common stock . . . . .	<b>35c</b>			
<b>d</b>	Nonvoting common stock . . . . .	<b>35d</b>			
<b>36</b>	Paid-in or capital surplus . . . . .	<b>36</b>			
<b>37</b>	Retained earnings (attach schedule) . . . . .	<b>37</b>			
<b>38</b>	Less cost of treasury stock . . . . .	<b>38</b>	( )	( )	
<b>39</b>	<b>Total liabilities and capital</b> . . . . .	<b>39</b>			