

**Consumer Cooperative  
 Exemption Application**  
 (For Exemption From Filing Forms 1096 and 1099-PATR)

File in duplicate

This application is for certain consumer cooperatives that are engaged primarily in retail sales of goods or services that are generally for personal, living, or family use. See the instructions on the back of this form.

<b>1(a)</b> Name of organization	<b>(b)</b> Employer identification number
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**2** Address (number and street)

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City, state, and ZIP code

<b>3</b> Principal activity of the organization	<b>4</b> Month and day on which the annual accounting period ends
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**5** Has the organization filed Federal income tax return(s)? . . . . .  Yes  No  
 If "Yes," enter the form number(s) of the return(s) filed and the Internal Revenue Service Center where filed.

**6** Analysis of Gross Receipts:

Period	(1) Part of total receipts from retail sales of goods or services that is generally for personal, living, or family use	(2) Other receipts	(3) Total receipts (add (1) and (2))	(4) Percentage* (Divide (1) by (3) and multiply by 100)
<b>(a)</b> First preceding year	\$	\$	\$	%
<b>(b)</b> Second preceding year				
<b>(c)</b> Third preceding year				
<b>(d)</b> Total				

**\*NOTE:** If line (a), column (4), is at least 85%, do not complete lines (b), (c), and (d).

Under penalties of perjury, I declare that I have examined this application, including any accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of a principal officer ► .....

Title ► ..... Date ► .....

**Notice to Applicant.—To be completed by the Internal Revenue Service**

The application is approved.

The application is disapproved for the following reason: .....

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Director ► ..... Date ► .....

## Instructions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

**Purpose of Form.**—A cooperative that qualifies may use this form to apply for exemption (under section 6044(c)) from filing information returns (Forms 1096 and 1099-PATR) on patronage payments totaling \$10 or more to any person during the calendar year. IRS will return this application to you showing whether the application has been approved.

To qualify for the exemption, Regulations section 1.6044-4(a)(2) requires that 85% of the cooperative's gross receipts for the preceding tax year, or 85% of the total gross receipts for the preceding 3 tax years, must have been from retail sales of goods or services that are generally for personal, living, or family use.

**Period of Exemption.**—The period of exemption begins with the date the first payment is made during the calendar year in which the determination of exemption is made. It ends on the date the first payment is made after the end of the cooperative's first tax year in which less than 70% of the gross receipts is from qualifying retail sales. (See Regulations section 1.6044-4(a)(3).)

### Examples.—Calendar Year Cooperative

(1) In September 1985, XYZ Cooperative is found to be exempt from filing information returns. In October 1985, the first patronage payments for the year are made. For the tax year ending December 31, 1987, less than 70% of the gross receipts are from qualifying retail sales. In November 1988, the first patronage payments for the year are made.

XYZ's exemption period begins October 1985. It ends November 1988. XYZ is exempt from filing information returns for 1985, 1986, and 1987.

(2) In September 1985, XYZ Cooperative is found to be exempt from filing information returns. In February 1985, the first patronage payments for the year are made. For the tax year ending December 31, 1987, less than 70% of the gross receipts are from qualifying retail sales. In November 1988, the first patronage payments for the year are made.

XYZ's exemption period begins February 1985. It ends November 1988. XYZ is exempt from filing information returns for 1985, 1986, and 1987.

(3) In September 1987, XYZ Cooperative is found to be exempt from filing information returns. In October 1987, the first patronage payments for the year are made. For the tax year ending December 31, 1987, less than 70% of the gross receipts are from qualifying retail sales. In March 1988, the first patronage payments for the year are made.

XYZ's exemption period begins October 1987. It ends March 1988. XYZ is exempt from filing information returns for 1987 only.

### Examples.—Fiscal Year Cooperative (July 1-June 30)

(1) In September 1985, ABC Cooperative is found to be exempt from filing information returns. In October 1985, the first patronage payments for the year are made. For the tax year ending June 30, 1988, less than 70% of the gross receipts are from qualifying retail sales. In November 1988, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins October 1985. It ends November 1988. ABC is exempt from filing information returns for 1985, 1986, and 1987.

(2) In September 1985, ABC Cooperative is found to be exempt from filing information returns. In February 1985, the first patronage payments for the year are made. For the tax year ending June 30, 1988, less than 70% of the gross receipts are from qualifying retail sales. In November 1988, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins February 1985. It ends November 1988. ABC is exempt from filing information returns for 1985, 1986, and 1987.

(3) In September 1987, ABC Cooperative is found to be exempt from filing information returns. In October 1987, the first patronage payments for the year are made. For the tax year ending June 30, 1988, less than 70% of the gross receipts are from qualifying retail sales. In August 1988, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins October 1987. It ends August 1988. ABC is exempt from filing information returns for 1987 only.

**How and Where To File.**—Complete all items on the form. A principal officer of the cooperative must sign it.

Send two copies of the form to the Internal Revenue Service Center for the place where the cooperative has its principal place of business.

If the cooperative's principal place of business is located in	Use the following Internal Revenue Service Center address
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 39901
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255
Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Arkansas, Indiana, North Carolina, Tennessee, Virginia	Memphis, TN 37501