

Farmers' Cooperative Association Income Tax Return

OMB No. 1545-0051

For calendar year 1997 or tax year beginning _____, 1997, ending _____, 19

► Instructions are separate. See page 16 for Paperwork Reduction Act Notice.

1997

A Identify below the cooperative's business activity with most total receipts (see page 4 of instructions).

Please Type or Print

Name

Number, street, and room or suite no. (If a P.O. box, see page 4 of Instructions)

City or town, state, and ZIP code

B Employer identification number

C Check if a consolidated return (Attach Form 851) ☐

D Type of cooperative

☐ Tax exempt (Section 521)
☐ Nonexempt

E Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address (4) ☐ Amended Return

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal		1c		
	2	Cost of goods sold (Schedule A, line 9)								2		
	3	Gross profit. Subtract line 2 from line 1c								3		
	4a	Patronage dividends and per-unit retain allocations (attach schedule)								4a		
	b	Dividends (Schedule C, line 17)								4b		
	5	Interest								5		
	6	Gross rents								6		
	7	Gross royalties								7		
	8	Capital gain net income (attach Schedule D (Form 1120))								8		
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)								9		
	10	Other income (see page 5 of instructions—attach schedule).								10		
11	Total income. Add lines 3 through 10								11			
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)								12		
	13	Salaries and wages (less employment credits)								13		
	14	Repairs and maintenance								14		
	15	Bad debts								15		
	16	Rents								16		
	17	Taxes and licenses								17		
	18	Interest								18		
	19	Charitable contributions (see page 7 of instructions for 10% limitation)								19		
	20	Depreciation (attach Form 4562)								20		
	21a	Less depreciation claimed in Schedule A and elsewhere on return.								21a		
	21b									21b		
	22	Depletion								22		
	23	Advertising								23		
	24	Pension, profit-sharing, etc., plans								24		
	25	Employee benefit programs								25		
	26	Other deductions (attach schedule)								26		
	27a	Total deductions. Add lines 12 through 26								27a		
	b	Subtract line 27a from line 11.								27b		
c	Deductions and adjustments under section 1382 (Schedule H, line 4)								27c			
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27c from line 27b								28			
29a	Less: a Net operating loss deduction (see page 9 of instructions).								29a			
29b	b Special deductions (Schedule C, line 18)								29b			
29c									29c			
30	Taxable income. Subtract line 29c from line 28. (See page 9 of instructions)								30			
Tax and Payments	31	Total tax (Schedule J, line 9)								31		
	32a	1996 overpayment credited to 1997										
	b	1997 estimated tax payments										
	c	1997 refund applied for on Form 4466										
	32c	()										
	d	Bal								32d		
	e	Tax deposited with Form 7004								32e		
	f	Credit from figuring tax for years in which nonqualified per-unit retain certificates or nonqualified written notices of allocation (redeemed this year) were issued (see instructions).								32f		
	g	Credit for Federal tax on fuels (attach Form 4136)								32g		
	32h									32h		
33	Estimated tax penalty (see page 10 of instructions). Check if Form 2220 is attached ☐								33			
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed								34			
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid								35			
36	Enter amount of line 35 you want: Credited to 1998 estimated tax ► Refunded ►								36			

Schedule A Cost of Goods Sold (See page 10 of instructions.)

1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3		
4	Per-unit retain allocations paid in:			
a	Qualified per-unit retain certificates	4a		
b	Money or other property (except nonqualified per-unit certificates)	4b		
5	Nonqualified per-unit retain certificates redeemed this year	5		
6a	Additional section 263A costs (attach schedule)	6a		
b	Other costs (attach schedule)	6b		
7	Total. Add lines 1 through 6b	7		
8	Inventory at end of year	8		
9	Cost of goods sold. Subtract line 8 from line 7. Enter here and on line 2, page 1	9		

10a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **10d** | |

e If property is produced or acquired for resale, do the rules of section 263A apply to the cooperative? . . . ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule C Dividends and Special Deductions
(See page 10 of instructions.)

	(a) Dividends received	(b) %	(c) Deduction ((a) × (b))
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Debt-financed stock of domestic and foreign corporations (section 246A).		See instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 11 of instructions for limitation			
10 Dividends from certain FSCs subject to the 100% deduction (section 245(c)(1)).		100	
11 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
12 Dividends from foreign corporations not included on lines 3, 6, 7, 8, or 10			
13 Income from controlled foreign corporations under subpart F (attach Form 5471).			
14 Foreign dividend gross-up (section 78)			
15 IC-DISC and former DISC dividends not included on lines 1, 2, and/or 3 (section 246(d)).			
16 Other dividends			
17 Total dividends. Add lines 1 through 16. Enter here and on line 4b, page 1 ▶			
18 Total special deductions. Add lines 9, 10, and 11. Enter here and on line 29b, page 1 ▶			

Schedule E**Compensation of Officers** (See instructions for line 12, page 1, on page 6 of instructions.)

Complete Schedule E only if total receipts (line 1a, plus lines 4a through 10, of page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of association's stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					2
3 Compensation of officers claimed in Schedule A and elsewhere on return					3
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					4

Schedule H**Deductions and Adjustments Under Section 1382** (See page 12 of instructions.)

1 Dividends paid on capital stock (section 521 cooperatives only)	1		
2 Nonpatronage income allocated to patrons (section 521 cooperatives only).	2		
3 Patronage dividends:			
a Money	3a		
b Qualified written notices of allocation	3b		
c Other property (except nonqualified written notices of allocation)	3c		
d Money or other property (except written notices of allocation) in redemption of nonqualified written notices of allocation.	3d		
e Other (attach schedule)	3e		
4 Total. Add lines 1 through 3e. Enter here and on line 27c, page 1	4		

Schedule J**Tax Computation** (See page 13 of instructions.)

1 Check if the cooperative is a member of a controlled group (see sections 1561 and 1563) ► ☐			
Important: Members of a controlled group, see instructions on page 13.			
2a If the box on line 1 is checked, enter the cooperative's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):			
(1) \$ _____ (2) \$ _____ (3) \$ _____			
b Enter the cooperative's share of:			
(1) additional 5% tax (not more than \$11,750)	\$ _____		
(2) additional 3% tax (not more than \$100,000)	\$ _____		
3 Income tax	3		
4a Foreign tax credit (attach Form 1118)	4a		
b Other credits (see page 13 of instructions).	4b		
c General business credit. Enter here and check which forms are attached: ☐ 3800 ☐ 3468 ☐ 5884 ☐ 6478			
☐ 6765 ☐ 8586 ☐ 8830 ☐ 8826 ☐ 8835			
☐ 8844 ☐ 8845 ☐ 8846 ☐ 8820 ☐ 8847 ☐ 8861	4c		
d Credit for prior year minimum tax (attach Form 8827)	4d		
5 Total credits. Add lines 4a through 4d	5		
6 Subtract line 5 from line 3	6		
7 Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611 (See page 14 of instructions).	7		
8 Alternative minimum tax (attach Form 4626)	8		
9 Total tax. Add lines 6 through 8. Enter here and on line 31, page 1	9		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other investments (attach schedule)				
7	Other current assets (attach schedule)				
8a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
9a	Depletable assets				
b	Less accumulated depletion	()		()	
10	Land (net of amortization)				
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
12	Other assets (attach schedule)				
13	Total assets				
Liabilities and Capital					
14	Accounts payable				
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (attach schedule)				
17	Mortgages, notes, bonds payable in 1 year or more				
18	Other liabilities (attach schedule)				
19	Capital stock: a Preferred stock				
	b Common stock				
20	Additional paid-in capital				
21	Patronage dividends allocated in noncash form (other than capital stock and interest-bearing obligations)				
22	Per-unit retains allocated in noncash form				
23	Retained earnings (Schedule M-2)				
24	Adjustments to shareholders equity (attach schedule)				
25	Less cost of treasury stock		()		()
26	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return. (See page 14 of instructions.) **Note:** The cooperative is not required to complete Schedules M-1 and M-2 below if the total assets on line 13, column (d), of Schedule L are less than \$25,000.

1	Net income (loss) per books		7	Income recorded on books this year not included in this tax return (itemize):	
2	Federal income tax		a	Tax-exempt interest \$	
3	Excess of capital losses over capital gains		b	Patronage refunds \$	
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted in this return (itemize):		8	Deductions in this tax return not charged against book income this year (itemize):	
a	Depreciation . . . \$		a	Depreciation . . . \$	
b	Contributions carryover . . . \$		b	Contributions carryover . . . \$	
c	Travel and Entertainment . . . \$				
6	Add lines 1 through 5		9	Add lines 7 and 8	
			10	Income (loss). Line 6 less line 9 (line 28, page 1)	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 23, Schedule L).

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books		b	Stock	
3	Other increases (itemize):		c	Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year. Line 4 less line 7	

Schedule N Other Information. (See page 15 of instructions.) **Note:** Items 1 through 10b apply to section 521 cooperatives only; the remaining items are applicable to all filers.

	Yes	No		Yes	No
1 Has the cooperative engaged in any activities not previously reported to the IRS? (If "Yes," attach a detailed description of these activities.)			☐ Method 1—Did the cooperative use the operations of members for those months that correspond to the months that make up its tax year?		
2 Have any changes not previously reported to the IRS been made in the cooperative's organizing or governing documents? (If "Yes," attach a copy of the changes.)			☐ Method 2—Did the cooperative use the tax years of members that end within its tax year?		
3 Number of shares of capital stock (other than nonvoting preferred) owned by—			☐ Method other than 1 or 2 above— Explain ▶		
a Producers			11 Amount of business done for the U.S. Government or its agencies. \$		
b Current and Active producers			12 Were patronage dividends allocated based on a written obligation in existence before the cooperative received for sale agricultural products from patrons and/or before it furnished supplies, equipment, and services to patrons?		
c Nonproducers			If "Yes," attach an explanation of the obligation and whether it is in the cooperative's organizing document(s) or bylaws.		
d Inactive producers			13 At any time during the 1997 calendar year, did the cooperative have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank, securities, or other financial account)? If "Yes," the cooperative may have to file Form TD F 90-22.1		
4 May persons other than producers acquire voting stock or otherwise become members?			If "Yes," write the name of the foreign country ▶		
5 Were nonmembers charged the same as members for marketing and purchasing?			14 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 15 of the instructions for other forms the corporation may have to file.		
6 Were patronage dividends paid to all patrons, both member and nonmember, on the same basis?			15 Tax-exempt interest received or accrued during the tax year ▶ \$		
7 Value of agricultural products marketed or handled for:			16 Method of accounting: a ☐ Cash b ☐ Accrual c ☐ Other (specify) ▶		
a Members—(1) Actually produced by such members \$			17 Is the cooperative a subsidiary in an affiliated group or a parent-subsidiary controlled group?		
(2) Not actually produced by such members but marketed by them through this cooperative \$			If you checked "Yes" to 17 , enter name and employer identification number of the parent corporation		
b Nonmembers—(1) Actually produced by such nonmembers \$			18 At the end of the tax year, did any individual, partnership, corporation, estate or trust, own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If yes, complete a and b below		
(2) Not actually produced by such nonmembers but marketed by them through this cooperative \$			a Attach a schedule showing name and identifying number. (Do not include any information already entered in 17 above.)		
c Nonproducers—(purchased from nonproducers for marketing by this cooperative) \$			b Enter percentage owned ▶		
8 Value of supplies and equipment purchased for or sold to:			19 If the cooperative has an NOL for the tax year and is electing to forgo the carryback period, check here ☐		
a Members who were producers \$			20 Enter the available NOL carryover from prior tax years (Do not reduce by any deduction on line 29a.) ▶ \$		
b Nonmembers who were producers \$					
c Nonproducers \$					
9 Does the cooperative allocate income from business done for the U. S. or its agencies to all patrons? (If "Yes," attach a statement explaining how patronage dividends are allocated (as between producer patrons and purchaser patrons).)					
10 Federated cooperatives only:					
a Are all of this cooperative's member cooperatives exempt under section 521?					
b If "No," do the nonexempt member cooperatives have the same annual accounting period as this cooperative's? If "No," check the box that identifies the method that the cooperative 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: The methods listed do not apply to the filing of returns or the manner in which operating results are reported by a federated cooperative and its members.)					

The books are in the care of ▶ Telephone No. ▶ ()
 Located at ▶

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer		Date	Title
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ☐	Preparer's social security number
	Firm's name (or yours if self-employed) and address	EIN ▶		
		ZIP code ▶		

