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CCC-942
(08-12-20)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

CERTIFICATION OF INCOME FROM FARMING, RANCHING AND FORESTRY OPERATIONS

1. PROGRAM YEAR: 2020

2. Return completed form to *(Name and address of FSA county office or USDA Service Center)*:

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 Sec. 5 of the Commodity Credit Corporation Act [15 U.S.C. 714 et seq]. 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 nongovernment entities that have been authorized access to the information by statue 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).*

Public Burden Statement (Paperwork Reduction Act): *Public reporting burden for this collection is estimated to average 15 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number.* ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

3. Name and Address of Individual or Legal Entity *(Including Zip Code)*
(If general partnership or joint venture, complete only for each member)

4. Last (4) Digits - Taxpayer Identification Number *(TIN)*
(Social Security Number for Individual; or Employer Identification Number for Legal Entity

PART A – CERTIFICATION OF FARM INCOME

5. Individuals and Legal Entities exceeding the $900,000 AGI limitation may otherwise qualify for certain program benefits, when the program authorizes the individual or legal entity to qualify based on following conditions:

- at least 75 percent of the individual's or legal entity's average adjusted gross income (AGI) for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching or forestry operations. For example, if the program year is 2019, then the 3-year period for the calculation will be the taxable years of 2017, 2016 and 2015.

- a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in Item 2, attesting that at least 75 percent of the individual's or legal entity's average AGI for the 3 taxable years preceding the most immediately preceding complete taxable year was derived from farming, ranching, or forestry operations. The CPA or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.

PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY

By signing this form:

- *I acknowledge the average AGI for the applicable program year exceeds the $900,000 statutory AGI limitation for the individual or legal entity identified in Item 3.*
- *I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;*
- *I certify that all information contained in a certification from a CPA or attorney is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking to qualify for program benefits subject to a certification of farm income;*
- *I acknowledge that failure to provide the certification referenced in Part A to FSA will result in being ineligible for the applicable program benefit;*
- *I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 3 (for legal entity only).*

6. Signature (By)	7. Title/Relationship of the Individual if Signing in a Representative Capacity	8. Date *(MM-DD-YYYY)*

PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY

By signing this form:

- *I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;*
- *I certify the producer identified in Items 3 and 4 has met the minimum requirements specified in Part A for the program year identified in Item 1.*

9. Signature	10. Title *(CPA/Attorney)*	11. State/License Number	12. Date *(MM-DD-YYYY)*

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender

HOW TO DETERMINE ADJUSTED GROSS INCOME

Adjusted Gross Income (AGI) is the individual's or legal entity's IRS-reported adjusted gross income or equivalent (see below) consisting of both farm and nonfarm income.
Individual – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income
Trust or Estate – the adjusted gross income equivalent is the total income and charitable contributions reported to IRS
Corporation – the adjusted gross income equivalent 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 – 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 – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

HOW TO DETERMINE INCOME FROM FARMING, RANCHING, AND FORESTRY OPERATIONS

Income received or obtained from the following sources:

Production of crops, specialty crops, and raw forestry products.	*Feeding, rearing, or finishing of livestock.*
Production of livestock, aquaculture products used for food; honeybees; and products produced by or derived from livestock.	*Payments of benefits, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.*
Production of farm-based renewable energy.	*Sale of land that has been used for agricultural purposes.*
Sale, including easements and development rights, of farm, ranch, and forestry land, water or hunting rights, or environmental benefits.	*Payments and benefits authorized under any program made available and applicable to payment eligibility and payment limitation rules.*
Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.	*Any other activity related to farming, ranching, and forestry, as determined by the Deputy Administrator of FSA.*
Processing, packing, storing, and transportation of farm, ranch, forestry commodities including renewable energy.	*Any income reported on Schedule F or other schedule used by the person or legal entity to report income from such operations to the IRS.*
Beginning in program year 2020, wages or dividends received from a "closely held" corporation, an IC-DISC or a legal entity comprised entirely of family members may be considered farm income when the legal entity is "materially participating" in farming, ranching or forestry activities.. "Materially participating" means more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching or forestry sources. A representative of the legal entity must attach a certification to form CCC-942 attesting that the legal entity "materially participates" in a farm, ranch or forestry activity.	

HOW TO DETERMINE PERCENTAGE OF AVERAGE AGI FROM FARMING, RANCHING, AND FORESTRY OPERATIONS

1) Determine the total AGI and the total income from farming, ranching, and forestry for each of the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.
2) Total the AGI (both farm and nonfarm income) from all 3 years.
3) Total the income from farming, ranching and forestry from all 3 years.
4) Calculate the percentage of average AGI income by dividing the result of step 3 by the result of Step 2. The percentage calculated must be equal to; or greater than 75 percent to qualify for program benefits.

This form can only be signed by the individual authorized under state law to sign as a representative of the legal entity identified in Item 3.

INSTRUCTIONS FOR COMPLETION OF CCC-942

Item No./Field name	Instruction(s)
1. Program Year	Enter the year for which program benefits are being requested. The program year entered determines the 3-year period used for the calculation of the average adjusted gross income (AGI) for payment eligibility.
2. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed CCC- 942 will be submitted.
3. Individual or Legal Entity's Name and Address	Enter the individual's or legal entity's name and address.
4. Taxpayer Identification Number	Enter the Last 4 Digits of the taxpayer identification number for the individual or legal entity identified in Item 3.
5. Signature	Read the acknowledgments, responsibilities and authorizations, *before* signing. *(INDIVIDUAL OR ENTITY*)
6. Title/Relationship	Enter title or relationship to the legal entity identified in Item3.
7. Date	Enter the signature date in month, day and year.
8. Signature	Read the acknowledgments, responsibilities and authorizations, before signing. (*CPA or Attorney Only*).
9. Title	Identify Certified Public Accountant (CPA) or Attorney as applicable.
10. State/License Number	Enter applicable State the CPA or attorney is licensed to practice in, followed by the associated individual license number.
11. Date	Enter the signature date in month, day and year.