



2019 1099-PATR FREQUENTLY ASKED QUESTIONS

Delivering value to you, our member-owners, is the core of our mission at Central Valley Ag.

CVA member-owners received their 1099-PATR from the cooperative in January 2020. We have compiled some of the most commonly asked questions we have received below to help you understand your 1099.

We encourage you to seek competent tax advice, but if you have any questions regarding Equity and Tax questions concerning patronage, payouts, estates, 1099's or Section 199A feel free to contact Rachel Jacobsen, with CVA, at 402-362-8457 or rachel.jacobsen@cvacoop.com.

1. BOX 3: PER UNIT RETAIN ALLOCATION

GROSS grain sales less quality discounts from January 1, 2019 to December 31, 2019. The checks received by Patrons are net deductions (taxes, storage and quality discounts, etc.). This is taxable income.

2. BOX 5: REDEMPTION OF NON-QUALIFIED NOTICES AND RETAIN ALLOCATIONS

Taxable portion of Estates paid out in 2019.

3. BOX 6: DOMESTIC PRODUCTION ACTIVITIES DEDUCTION (DPAD OR SECTION 199A)

It is a POTENTIAL tax deduction the Patron may utilize on their tax return. It is not income to the Patron. The amount was a direct calculation based on the grain sales they had from September 1, 2018 to August 31, 2019.

4. BOX 7: QUALIFIED PAYMENTS

GROSS grain sales from September 1, 2018 to August 31, 2019, related to DPAD. This is a reportable item only, it is not taxable income.