



P.O. BOX 218
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'Tis the season for tax compliance!

As the calendar year ends, Ag Partners begins processing the Form 1099's that are required to be filed with the corresponding government agencies. This is no small task as we issue more than 5,000 of these forms! Part of the process is to make sure that we have correct information on file to issue the Form 1099's with information that matches up correctly with the IRS and state agencies.

While it is our responsibility to properly file these information returns, it is the responsibility of the patrons to provide correct information so we can quickly and accurately complete the filing process. This is accomplished by providing Ag Partners with a completed Form W-9.

- When Ag Partners sends out a W-9 Request for Information form, it is not a voluntary response. It is required that this form be returned.
- When completing the W-9, it is vital that you fill it out to match perfectly with how your tax return is filed.
 - If you have a business name, but you file your business income on your personal tax return, we need to issue the Form 1099 in YOUR name and Tax ID, NOT the business name.
 - If your business files a separate tax return, we will issue Form 1099 in the name of the business and its Federal Tax ID Number, if required.
- The IRS and state agencies have rules for failure to respond to a request for information or providing incorrect information.
 - This is called Backup Withholding.
 - Under law, Ag Partners is required to withhold 24% of all eligible payments for federal tax and 9.85% for MN tax.
 - WI does not require state backup withholding currently.
 - Backup withholding is submitted to the taxing authority on the taxpayer's behalf.
 - To avoid being subject to continued backup withholding, the patron must supply a correctly filled out W-9 to Ag Partners.
- The IRS levies steep penalties on businesses who file Form 1099 with incorrect taxpayer information.
 - These penalties are levied on every incorrectly filed Form 1099.
 - It requires staff time to:
 - Defend Ag Partners to attempt to have the penalties waived.
 - Reach out to patrons with incorrect information.
 - Set up backup withholding.

We request that you provide an updated form W-9 to Ag Partners anytime there is a change in your name, business type, business ownership, account ownership, or address.

Sincerely,

Dennis Stelling, CPA
Controller, Ag Partners