



North Carolina Department of Revenue

Pat McCrory
Governor

Lyons Gray
Secretary

March 20, 2015

Name
Trade Name
Address
City, State Zip Code

Dear Sir/Madam:

This letter serves as a reminder to send **copies** of your state and federal income tax returns for tax year 2014 as required to maintain your conditional farmer exemption status. If the documentation is not received within 90 days following the end of each income tax year including extensions covered by the conditional farmer certificate, your conditional farmer exemption status will be cancelled and your exemption number will no longer be valid.

Per N.C. Gen. Stat. § 105-164.13E(b), a conditional farmer exemption certificate issued by the Department is valid for the income tax year in which the certificate is issued and the following two income tax years, provided the person to whom the certificate is issued submits copies of applicable state and federal income tax returns to the Department within 90 days following the end of each income tax year covered by the conditional farmer exemption certificate. A conditional farmer exemption certificate may not be extended or renewed beyond the original three-year period.

In addition to the **copy** of your 2014 state income tax return, one of the following **copies** of your federal income tax documentation must be submitted to the Department:

- A conditional farmer operating as a **sole proprietor must submit Schedule F, Profit or Loss from Farming, of the Form 1040, 2014 U.S. Individual Income Tax Return.**
- A conditional farmer operating as an **S corporation must submit Page 1 and Schedule B, of the Form 1120S, 2014 U.S. Income Tax Return For S Corporation.**
- A conditional farmer operating as a **C corporation must submit Page 1 and Schedule K, of the Form 1120, 2014 U.S. Corporation Income Tax Return.**
- A conditional farmer operating as a **partnership must submit Page 1, of the Form 1065, 2014 U.S. Return of Partnership Income and Schedule F of Form 1040, 2014 U.S. Individual Income Tax Return.**

Where a conditional farmer exemption certificate holder files a proper state and federal income tax extension for an income tax year, such person must provide copies of applicable state and federal extensions and proof of payment of any taxes to the Department within 90 days following the end of each income tax year covered by the conditional farmer exemption certificate and will be required to provide copies of applicable state and federal income tax returns filed on or before the extended due date.

Send copies of the income tax returns or other documentation and a copy of this letter at the address or fax number below:

NC Department of Revenue
DPPD/Business Registration Unit
Attention: Pat Chylinski and Joseph Noonan
Post Office Box 871
Raleigh, North Carolina 27602
Fax: (919) 715-2999