



## North Carolina Department of Revenue

Pat McCrory  
Governor

Lyons Gray  
Secretary

January 14, 2016

Name  
Trade Name  
Address  
City, State Zip Code

Re: Final Notice - Conditional Farmer Exemption #: XXXXXX

This serves as the final notice that in order to maintain the conditional farmer exemption status, copies of the 2014 State income tax return and the federal income tax return documentation must be provided to the Department. **If the returns/documentation are not received by February 15, 2016, the above referenced conditional farmer exemption number will be cancelled, except as provided herein, and the exemption certificate and status is no longer valid.**

N.C. Gen. Stat. § 105-164.13E(b) provides that 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 is engaged in farming and provides copies of applicable state and federal income tax returns to the Department within 90 days following the due date of an income tax return for each income tax year covered by the conditional farmer exemption certificate, including an extension of the due date granted by the Secretary.

The following **2014** federal income tax return documentation must be provided dependent on the type of legal operation/entity type of the conditional farmer:

- **Sole Proprietor** - Schedule F (Form 1040), Profit or Loss from Farming (2014).
- **S Corporation** - Form 1120S, U.S. Income Tax Return For S Corporation, Page 1 and Schedule B (2014).
- **C Corporation** - Form 1120, U.S. Corporation Income Tax Return, Page 1 and Schedule K (2014).
- **Partnership** - Form 1065, U.S. Return of Partnership Income and Schedule F (Form 1040), Profit or Loss from Farming (2014).

For any person that files for a fiscal tax year and the due date or extended due date, is subsequent after the date of this notice, notification of such in writing along with supporting documentation should be provided to the Department. Send copies of the income tax returns, documentation, and a copy of this final notice to the address or via the fax number listed below:

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

A person who fails to provide the information requested in a timely manner or who fails to meet the requirements of N.C. Gen. Stat. § 105-164.13E(b) becomes liable for any taxes for which an exemption was claimed. The taxes become due and payable when the conditional exemption certificate expires, and interest accrues from the date of the original purchase.