

March 2, 2011

The Honorable John Boehner  
Speaker  
House of Representatives  
H-232 Capitol Building  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
House of Representatives  
H-204 Capitol Building  
Washington, DC 20515

Dear Speaker Boehner and Minority Leader Pelosi:

We the undersigned agricultural organizations support repeal of the new IRS Form 1099 information return filing requirements. While this new provision might improve tax compliance, it is certain to increase compliance costs for farms, ranches and agri-businesses.

Farms, ranches and related agri-businesses already are overburdened with tax paperwork and reporting requirements. Under existing law, a Form 1099 must be issued to unincorporated service-providers that are paid more than \$600 during a tax year.

Under new reporting rules set to start in 2012, Form 1099s will be required for payments to incorporated vendors and will be expanded to cover payments made for goods as well as services. Virtually all business-to-business transactions will be covered, creating a new major paperwork burden for the farms, ranches and related agri-businesses.

The business of producing food, fiber and fuel is a hands-on venture where productivity and competitiveness is compromised by government rules and regulations that turn producers into bookkeepers. Prompt action is needed by Congress to reverse this onerous tax-reporting requirement.

American Beekeeping Federation  
American Farm Bureau Federation  
American Mushroom Institute  
American Sheep Industry Association  
American Soybean Association  
American Sugar Alliance  
Farm Credit Council  
National Association of State Departments of Agriculture  
National Association of Wheat Growers  
National Barley Growers Association  
National Cattlemen's Beef Association  
National Chicken Council  
National Corn Growers Association  
National Cotton Council  
National Council of Agricultural Employers  
National Council of Farmer Cooperatives  
National Milk Producers Federation

National Sunflower Association  
Northwest Dairy Association  
Public Lands Council  
Southeast Dairy Farmers Association  
Southeast Milk, Inc.  
The National Grange of the Order of Patrons of Husbandry  
U.S. Apple Association  
U.S. Canola Association  
United Egg Producers  
United Fresh Produce Association  
United Producers, Inc.  
United States Dry Bean Council  
USA Dry Pea & Lentil Council  
USA Rice Federation  
Western Growers Association  
Western Peanut Growers Association  
Western United Dairymen