

**VIA FACSIMILE**

202-224-9412

January 31, 2011

The Honorable Max Baucus  
United States Senate  
511 Hart Senate Office Building  
Washington, DC 20510

Dear Sen. Baucus:

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 our members.

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.

Thank you for your leadership on this issue of importance to our nation's agricultural industry.

American Beekeeping Federation  
American Farm Bureau Federation  
American Mushroom Institute  
American Sheep Industry Association  
American Soybean Association  
Farm Credit Council  
Maryland Grain Producers Association  
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 Farmer Cooperatives  
National Milk Producers Federation  
National Potato Council  
National Sunflower Association  
Northwest Dairy Association  
Public Lands Council  
Southeast Dairy Farmers Association  
The National Grange of the Order of Patrons of Husbandry  
United Fresh Produce Association  
United Producers, Inc.  
United States Dry Bean Council  
U.S. Canola Association  
USA Dry Pea & Lentil Council  
USA Rice Federation  
Western Peanut Growers Association