

<b>FSA-510</b> (01-23-23)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Farm Service Agency	1. Return completed form to: (Name and Address FSA County office or USDA Service Center)
<b>REQUEST FOR AN EXCEPTION TO THE \$125,000 PAYMENT          LIMITATION FOR CERTAIN PROGRAMS</b>		

**NOTE:** *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Disaster Relief Supplemental Appropriations Act, 2022 (Extending Government Funding and Delivering Emergency Assistance Act) (Pub. L. 117-43), the Consolidated Appropriations Act, 2023 (Pub. L. 117-328), and regulations and Federal Register Notices of Funding Availability for applicable programs. The information will be used to determine eligibility for program benefits. The information collected on this form may be disclosed to other Federal, State, Local government agencies, tribal agencies, and nongovernment entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to request an exception to the \$125,000 payment limitation for programs authorized by Public Law 117-43, Division B, Title I and Public Law 117-328, Division HH, Title V.*

**Public Burden Statement (Paperwork Reduction Act):** *Public reporting burden for this collection is estimated to average 5 minutes per response, including reviewing instructions, gathering and maintaining the data needed, completing (providing the information), and reviewing the collection of information. You are not required to respond to the collection or FSA may not conduct or sponsor a collection of information unless it displays a valid OMB control number. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.*

2. Name and Address of Individual or Legal Entity (Including Zip Code) (If general partnership or joint venture, complete only for each member)	3. Taxpayer Identification Number (TIN) (Social Security No., for Individual; or Employer Identification No., for Legal Entity)
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**PART A – REQUIREMENTS FOR PAYMENT LIMITATION EXCEPTION FOR CERTAIN PROGRAMS**

4. Disaster relief programs implemented pursuant to Public Law 117-43, Division B, Title I, are subject to a \$125,000 payment limitation per person or legal entity. An exception to the \$125,000 payment limitation is available but only if both of the following conditions are met:

- at least 75% of the individual's or legal entity's average adjusted gross income (AGI) for the 3 applicable taxable years was derived from farming, ranching or forestry operations.
- a certification from a licensed CPA or an attorney is submitted to the FSA/USDA Service Center identified in item 1, attesting that at least 75% of the individual's or legal entity's average AGI for the 3 applicable taxable years was derived from farming, ranching, or forestry operations. The CPA and/or Attorney may meet this requirement by completing Part C below or providing a similar statement that is acceptable to FSA.

Based on the above statements, complete 4A and select the applicable box 4B or 4C below:

4A. **20\_\_** Enter the program year for which program benefits are requested. The period for calculation of the average farm AGI will be the three taxable years preceding the most immediately preceding complete taxable year for which benefits are requested. For example, the 3-year period for the calculation of the average farm AGI for 2022 would be the taxable years of 2020, 2019 and 2018.

4B.  **YES** the individual or legal entity in item 2 meets both of the above conditions and is requesting the exception to the Payment Limitation; **OR**

4C.  **NO** the individual or legal entity in item 2 does not meet one or both of the above conditions (Payment limitation is \$125,000)

**PART B – CERTIFICATION BY INDIVIDUAL OR ENTITY**

By signing this form:

- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;
- I certify, if applicable, that all information contained in any certification from a CPA or an attorney submitted to FSA as described in this FSA-510 is true and correct, and is consistent with the tax returns filed with the IRS for myself or the legal entity that is seeking participation in an applicable program;
- I acknowledge that failure to provide the certification described in this FSA-510 to FSA will result in the application of a \$125,000 payment limitation;
- I certify that I am authorized under applicable state law to sign this certification on behalf of the legal entity identified in Item 2 (for legal entity only).

5. Signature (By)	6. Title/Relationship of the Individual if Signing in a Representative Capacity for a Legal Entity	7. Date (MM-DD-YYYY)
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**PART C – CERTIFICATION BY CERTIFIED PUBLIC ACCOUNTANT / ATTORNEY**

By signing this form:

- I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form;
- I certify the producer identified in Item 2 and TIN in Item 3 has met the minimum requirements to be eligible for the exception to the Payment Limitation as specified in Part A above.

8. Signature	9. Title (CPA/Attorney)	10. State/License Number	11. Date (MM-DD-YYYY)
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DATE STAMPED

**GENERAL INFORMATION ON PAYMENT LIMITATIONS**

For programs authorized by Public Law 117-43, Division B, Title I, individuals or legal entities (other than general partnerships and joint ventures) that receive applicable payments, directly or indirectly, cannot receive payments exceeding the applicable limitation per program per year. Payments made, directly or indirectly, to an individual or a legal entity (other than general partnerships and joint ventures), or its members cannot exceed the applicable payment limitation per program per year, as applicable. If payments received, directly or indirectly, by a member of a legal entity receiving such payments reach the applicable payment limitation(s), payments to the legal entity will be reduced in proportion to that member's direct or indirect ownership share in the legal entity.

All members of legal entities requesting to receive payment(s) from applicable programs, directly or indirectly, in excess of the \$125,000 payment limitation per program per year must also complete this form and provide the required certification from a CPA or attorney.

**HOW TO DETERMINE ADJUSTED GROSS INCOME**

**Adjusted Gross Income (AGI)** is the individual's or legal entity's IRS-reported adjusted gross income or equivalent (see below) consisting of both farm and nonfarm income.

**Individual** – Internal Revenue Service (IRS) Form 1040 filers, specific lines on that form represent the adjusted gross income

**Trust or Estate** – the adjusted gross income equivalent is the total income and charitable contributions reported to IRS

**Corporation** – the adjusted gross income equivalent is the total of the final taxable income and any charitable contributions reported to IRS

**Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity** – the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS

**Tax-exempt Organization** – the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

**HOW TO DETERMINE INCOME FROM FARMING, RANCHING, AND FORESTRY OPERATIONS**

**Income received or obtained from the following sources:**

Productions of crops, specialty crops, and raw forestry products.	Feeding, rearing, or finishing of livestock.
Production of livestock, aquaculture products used for food; honeybees; and products produced by or derived from livestock.	Payments of benefits, including benefits from risk management practices, crop insurance indemnities, and catastrophic risk protection plans.
Production of farm-based renewable energy.	Sale of land that has been used for agricultural purposes.
Sale, including easements and development rights, of farm, ranch, and forestry land, water or hunting rights, or environmental benefits.	Payments and benefits authorized under any program made available and applicable to payment eligibility and payment limitation rules.
Rental or lease of land or equipment used for farming, ranching, or forestry operations, including water or hunting rights.	Any other activity related to farming, ranching, and forestry, as determined by the Deputy Administrator of Farm Programs.
Processing, packing, storing, and transportation of farm, ranch, forestry commodities including renewable energy.	Any income reported on Schedule F or other schedule used by the person or legal entity to report income from such operations to the IRS.
Beginning in program year 2020, wages or dividends received from a "closely held" corporation, an IC-DISC or a legal entity comprised entirely of family members may be considered farm income when the legal entity is "materially participating" in farming, ranching, or forestry activities. "Materially participating" means more than 50 percent of the legal entity's gross receipts for each tax year are derived from farming, ranching, or forestry sources. A representative must attach a certification to form FSA-510 attesting that the legal entity "materially participates" in a farm, ranch, or forestry activity.	

**HOW TO DETERMINE PERCENTAGE OF AVERAGE AGI FROM FARMING, RANCHING, AND FORESTRY OPERATIONS**

- 1) Determine the total AGI and the total income from farming, ranching, and forestry for each of the 3 taxable years preceding the most immediately preceding complete taxable year for which benefits are requested.
- 2) Total the AGI (both farm and nonfarm income) from all 3 years.
- 3) Total the income from farming, ranching and forestry from all 3 years.
- 4) Calculate the percentage of average adjusted gross farm income by dividing the result of step 3 by the result of Step 2. The percentage calculated must be equal to; or greater than 75 percent to qualify for program benefits

This form can only be signed by the individual authorized under state law to sign this consent for the legal entity identified in Item 2.

**INSTRUCTIONS FOR COMPLETION OF FSA-510**

Item No./Field Name	Instruction
1. Return Completed Form To	Enter the name and address of the FSA county office or USDA service center where the completed FSA-510 will be submitted.
2. Person or Legal Entity's Name and Address	Enter the individual's or legal entity's name and address.
3. Taxpayer ID Number	In the format provided, enter the <u>complete</u> taxpayer identification number of the individual or legal entity identified in Item 2. <i>This will be either a Social Security Number or Employer Identification Number.</i>
4. Payment Limitation Exception	Complete 4A by entering the program year for which the FSA-510 is being completed and select the appropriate check box – 4B if the applicant is requesting the exception to the \$125,000 payment limitation and meets the criteria. Or 4C if the applicant does not meet the requirements for the exception and/or does not want the applicable increased payment limitation.
5. Signature	Read the acknowledgments, responsibilities and authorizations, <i>before</i> signing. (INDIVIDUAL OR ENTITY)
6. Title/Relationship	Enter title or relationship to the legal entity identified in Item 2.
7. Date	Enter the signature date in month, day and year.
8. Signature	Read the acknowledgments, responsibilities and authorizations, <i>before</i> signing. (CPA or Attorney Only)
9. Title	Identify as applicable Certified Public Accountant (CPA) or Attorney
10. State/License No.	Enter applicable State you are licensed to practice in, followed by your associated individual license number.
11. Date	Enter the signature date in month, day and year.

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender*