

**Consumer Cooperative Exemption Application**  
**(For Exemption From Filing Forms 1099-PATR)**

File in duplicate.

Go to [www.irs.gov/Form3491](http://www.irs.gov/Form3491) for the latest information.

This application is for certain consumer cooperatives that are engaged primarily in retail sales of goods or services that are generally for personal, living, or family use.

<b>1a</b> Name of organization	<b>b</b> Employer identification number
<b>2</b> Number, street, and room or suite no. (If a P.O. box, see instructions.)	
City, state, and ZIP code	
<b>3</b> Principal activity of the organization	<b>4</b> Month and day on which the annual accounting period ends
<b>5</b> Has the organization filed a federal income tax return(s)? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," enter the form number(s) of the return(s) filed and the Internal Revenue Service location where filed.	

Form Number	IRS Location

<b>6 Gross Receipts</b>				
Period	(1) Part of total receipts from retail sales of goods or services that is generally for personal, living, or family use	(2) Other receipts	(3) Total receipts (add (1) and (2))	(4)* Percentage (Divide (1) by (3) and multiply by 100)
<b>a</b> First preceding year	\$	\$	\$	%
<b>b</b> Second preceding year	\$	\$	\$	
<b>c</b> Third preceding year	\$	\$	\$	
<b>d</b> Total	\$	\$	\$	%

\* **Note:** If line **a**, column (4), is at least 85%, do not complete lines **b**, **c**, and **d**.

Under penalties of perjury, I declare that I have examined this application, including any accompanying statements, and, to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**Notice to Applicant – To be completed by the Internal Revenue Service**

- We **have** approved your application.
- We **have not** approved your application because \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Director \_\_\_\_\_ Date \_\_\_\_\_

## Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**New filing address.** The address for filing Form 3491 has changed. See *Where To File* below.

### Purpose of Form

A cooperative may use Form 3491 to apply for exemption from filing Form 1099-PATR, Taxable Distributions Received From Cooperatives. Form 1099-PATR is used to report patronage distributions of \$10 or more to a recipient during the calendar year.

### Who Must File

Any cooperative that is requesting exemption, under section 6044(c), from filing Form 1099-PATR must file Form 3491 and receive a determination from the IRS. To qualify for the exemption, 85% of the cooperative's gross receipts for the preceding tax year, or 85% of its total gross receipts for the preceding 3 tax years, must have been from retail sales of goods or services that are generally for personal, living, or family use (qualifying retail sales). See Regulations section 1.6044-4.

### Period of Exemption

The period of exemption begins with the date the first payment is made during the calendar year in which exemption is approved. It ends on the date the first payment is made after the end of the cooperative's first tax year in which less than 70% of the gross receipts is from qualifying retail sales.

### Examples for Calendar Year Cooperatives

**Example 1.** In September 2021, Oak Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2021, Oak made the first patronage payments for the year. For the tax year ending December 31, 2023, less than 70% of Oak's gross receipts are from qualifying retail sales. In November 2024, Oak made the first patronage payments for the year.

Oak's exemption period begins October 2021 and ends November 2024. Oak does not have to file Forms 1099-PATR for 2021, 2022, and 2023, but must file for 2024.

**Example 2.** The facts are the same as in *Example 1*, except that Oak made the first payment for 2021 in February, before the exemption is approved. The result is the same. Oak does not have to file Forms 1099-PATR for 2021, 2022, and 2023, but must file for 2024.

**Example 3.** In September 2021, Maple Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2021, Maple made the first patronage payments for the year. For the year ending December 31, 2021, less than 70% of Maple's gross receipts are from qualifying retail sales. In March 2022, Maple made the first patronage payments for the year.

Maple's exemption period begins October 2021 and ends March 2022. Maple does not have to file Forms 1099-PATR for 2021 only.

### Examples for Fiscal Year Cooperatives (July 1–June 30)

**Example 1.** In September 2021, Cedar Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2021, Cedar made the first patronage payments for the year. For the tax year ending June 30, 2024,

less than 70% of Cedar's gross receipts are from qualifying retail sales. In November 2024, Cedar made the first patronage payments for the new fiscal year.

Cedar's exemption period begins October 2021 and ends November 2024. Cedar does not have to file Forms 1099-PATR for 2021, 2022, and 2023, but must file for 2024.

**Example 2.** The facts are the same as in *Example 1*, except that Cedar made the first payment for 2021 in February, before the exemption is approved. The result is the same. Cedar does not have to file Forms 1099-PATR for 2021, 2022, and 2023, but must file for 2024.

**Example 3.** In September 2021, Elm Cooperative's application for exemption from filing Forms 1099-PATR is approved. In October 2021, Elm made the first patronage payments for the year. For the tax year ending June 30, 2022, less than 70% of Elm's gross receipts are from qualifying retail sales. In August 2022, Elm made the first patronage payments for the new fiscal year.

Elm's exemption period begins October 2021 and ends August 2022. Elm does not have to file Forms 1099-PATR for 2021 only.

### How To Prepare the Form

Complete all items on the form. An officer authorized to sign for the cooperative must sign and date the form.

**P.O. box.** If the Post Office does not deliver mail to the street address and the cooperative has a P.O. box, show the box number instead of the street address.

### Where To File

Send two copies of the form to:

Department of the Treasury  
Internal Revenue Service  
Mail Stop 4-G08.151  
Philadelphia, PA 19255-0633

The IRS will return this application to you showing whether the application has or has not been approved.

### Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want your organization to be considered exempt from filing Form 1099-PATR, you are required to give us this information. We need it to determine whether the organization meets the requirements of section 6044(c) for exemption status.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time for **preparing the form is 44 minutes**.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments through [www.irs.gov/FormComments](http://www.irs.gov/FormComments). Or write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send your application to this address. Instead, see *Where To File*, earlier.