

MRGCD ENVIRONMENTAL WATER LEASING PROGRAM

GENERAL INFORMATION AND ENROLLMENT FORMS

March 1, 2021

The Middle Rio Grande Conservancy District (District) Conservation Program (Program) addresses challenges faced by the District and the people who depend on us to deliver their irrigation water. These challenges include drought and climate variability, along with increasing demands on the Rio Grande for both water and habitat conservation. The primary goal of the Conservation Program is to advance efficient water delivery and use, thus extending the dependability of water supply for sustainable agriculture. Efficient water delivery and use will increase the District's resilience to a highly variable water supply, help to maintain compliance with Rio Grande Compact requirements, and assist management of federal resources for Endangered Species (ESA).

District water users who desire to support endangered species may choose to enroll irrigated land in the District's Environmental Water Leasing Program (EWLP). Started as a pilot program in 2020, the EWLP allows a water user to temporarily lease a water right to support riparian and aquatic species, and the overall health of the Rio Grande. Water that is not applied to the farm may either reduce the overall diversion demand from the Rio Grande or be delivered to strategic outfall locations near aquatic habitat areas when river drying is likely. Federal funding is provided to the District to compensate farmers for lost production due to leasing their water right to the EWLP. Participation in the EWLP will NOT affect the status of Pre-1907 or District water rights. An EWLP lease provides for water to be temporarily applied to a different beneficial use during the lease term. Following the termination of the lease, participants may once again irrigate those lands under the normal conditions of a District Water Service Contract.

The District will only accept currently irrigated and productive agricultural land for enrollment in the Program. Acreage being enrolled must have a history of being irrigated at least 3 out of the last 5 years. Beginning in 2021, acreage enrolled in the EWLP will not be eligible for re-enrollment in the EWLP for 4 consecutive years. Any land enrolled in the program that is currently under lease must be enrolled by the Lessee with the consent of the Lessor (landowner). Agricultural production may continue on enrolled land, so long as production is the result only of natural precipitation, and no irrigation water is applied from any source, including groundwater pumping. Land currently supplied through the District's Water Bank is not eligible for enrollment in the Program. ***The guiding principle for the EWLP, as with the entire Program, is that sustaining healthy agriculture in the Middle Rio Grande Valley is crucial to maintaining a healthy Rio Grande ecosystem.***

Funding provided to the District and its partners will allow the Program to accept an initial 3200 acres into the EWLP for the 2021 Irrigation Season. The Program will be available through the entire District for the 2021 Irrigation Season. Options available for the EWLP include a Full

Season Lease (FSL) (April-October), or a Partial Season Lease (PSL) (June-October). *The purpose of the EWLP is to reduce overall water demand and increase the flexibility of the District's water resources during 2021 as we work to balance competing needs of Irrigation Delivery, New Mexico's Rio Grande Compact deliveries, and supporting endangered species. Depending on water supplies and river conditions, the EWLP may provide water for species conservation at Strategic Habitat Outfalls at critical times of the year.*

Please review and complete all of the documents listed below if you are interested in being considered for EWLP enrollment:

- Full Season / Partial Season Lease Participant Interest Form**
- Contract for the Full Season / Partial Season Use of Water (Agreement)**
- W-9 Form.**

If you have questions or require additional information please call Casey Ish at 505.259.8799 or email at casey@mrgcd.us. You can also find additional information on our website at <https://www.mrgcd.com/conservation-program-1.aspx> . With your help, the District is committed to creating a more robust, and sustainable Middle Rio Grande Valley.

Sincerely,



Mike Hamman
Chief Engineer/CEO
Middle Rio Grande Conservancy District
505-247-0234

2021 MRGCD Full Season / Partial Season Leasing Program

Participant Interest Form

and

Contract for Full Season / Partial Season Water Use, 2021 Irrigation Season

Please return the *Participant Interest Form, Contract for Full Season / Partial Season Water Use, and W-9* in the enclosed envelope to the Middle Rio Grande Conservancy District, Attn: Casey Ish, 1931 2nd St. SW, Albuquerque, NM 87102, or scan and email it to casey@mrgcd.us. You can also upload and submit a completed packet on our Conservation Program tab at www.mrgcd.com.

If you have questions, please contact Casey Ish at (505) 259-8799 or at casey@mrgcd.us.

Note: This form must be received by MRGCD no later than March 26, 2021 for Full Season Enrollment and no later than May 21, 2021 for Partial Season Enrollment.

Section 1. PARTICIPANT INFORMATION (please print legibly)

| | |
|---------------------|---------------------------|
| Name: | <u>Telephone Numbers:</u> |
| Mailing Address: | Home/Work: |
| | Mobile: |
| | Email: |
| MRGCD Owner Number: | |

Section 2. LEASE OPTIONS & IRRIGATED LANDS

Please complete the following information about the lease option you wish to apply for as well as the land you irrigate through the MRGCD system.

2.0 WHICH LEASE OPTION DO YOU WANT TO APPLY TO ENROLL IN FOR 2021? (Select only one)

FULL SEASON LEASING (FSL) (April 1st – October 31st) \$275/acre

PARTIAL SEASON LEASING (PSL) (June 1st – October 31st) \$175/acre

2.1 Total number of irrigated acres you have on record with the MRGCD: _____ acres

2.2 Irrigated acres you want to enroll in either the Full Season or Partial Season Leasing Program:

Number of acres: _____ (must be 5 or more acres)

2.3 Please attach a copy of your current Water Service Charge billing statement to this document packet. If you want to enroll only a portion of eligible land that is associated with your Water Service Charge, please specify below.

I wish to enroll all acreage associated with the attached Water Service Charge billing statement. (must be 5 or more acres)

I wish to only enroll part of my eligible acreage. Please write a brief description of the specific fields you wish to enroll. (must be 5 or more acres) **Space for writing provided below.**

Note: MRGCD staff may follow up to ensure correct identification of the lands to be enrolled in the program.

Section 3. LEASE TERM & PRICE

3.1 I offer to enroll the irrigated lands described in Section 2 in the MRGCD's 2021 Environmental Water Leasing Program under the following lease term: (Your selection must match your selection in Section 2.0)

Full Season Lease (April 1st – October 31st)

Effective date April 1, 2021. I agree to not irrigate enrolled lands between April 1st and the end of the 2021 irrigation season October 31st for the Lease Rate of \$ 275.00/acre.

If the District has already reached the acreage cap for the Full Season Lease, I would like to be contacted by the District about enrolling in the Partial Season Lease.

Yes, contact me

No, do not contact me

Partial Season Lease (June 1st – October 31st)

Effective date June 1, 2021. I agree to not irrigate enrolled lands between June 1st and the end of the 2021 irrigation season October 31st for the Lease Rate of \$ 175.00/acre

If the District has already reached the acreage cap for the Partial Season Lease, I would like to be contacted by the District about enrolling in the Full Season Lease.

Yes, contact me

No, do not contact me

If the land to be enrolled in the EWLP is currently under lease, the District requires that the Agreement be between the Lessee and the District. Lessee is responsible for informing and obtaining a signature from the Lessor (landowner) of the enrolled land. Lessor must approve the lease conditions described below.

As the Lessor (owner) of the land described in Section 2 of this Participant Interest Form, I acknowledge, understand and agree to the rules and terms of the EWLP as described in Section 4 of the Participant Interest Form and the Contract for Full Season / Partial Season Use of Water, 2021 Irrigation Season.

Owner (Print): _____ (Sign) _____ Date: _____

3.2 Calculation of payment:

(a) _____ # of acres to be enrolled; (b) \$ _____ Lease Rate (Make sure you apply the correct lease rate from Section 3.1)
For a total of _____ dollars (a x b).

Section 4. PARTICIPANT SIGNATURE

By signing this *Participant Form*, I understand and agree that if selected, I will enroll in the MRGCD Environmental Water Leasing Program (EWLP) for the lands identified herein and upon the terms set out above.

I understand:

- Participation in the program is voluntary.
- Enrolled water users must continue to pay their Water Service Charge in full to the District.
- Lands being enrolled must have a record of being irrigated 3 out of the last 5 years.
- Any acreage enrolled in the 2021 EWLP will not be eligible for re-enrollment in the EWLP for 4 consecutive years.
- Enrolled acreage must total (5) five or more acres.
- Signing this *Participant Form* does not obligate MRGCD to enroll lands in the EWLP. MRGCD will evaluate each participant interest form on a first come, first serve basis, but will enroll interested participants only where operationally feasible, and when consistent with program budget limitations and objectives. MRGCD shall determine final participation at its sole discretion.
- The District and its partners have set a goal to enroll 2,400 acres in the Full Season Leasing Program; and 800 acres in the Partial Season Leasing Program for a combined acreage goal of 3,200. Additional acres may be enrolled depending on hydrological conditions, expected water yield and funding.
- Enrolled acres cannot be irrigated after the effective dates set forth in Section 3 above through the end of the irrigation season as determined by the MRGCD.
- **If the land enrolled in the EWLP is currently under a written or verbal agricultural lease, the District requires that the Agreement be between the Lessee and the District.**
- Enrolled lands are automatically removed from the EWLP after the lease term expires and will be eligible for irrigation next season (2022).
- Program payment to participants will be made according to the following schedule: 25% of the total immediately following the effective date (April 1st for Full Season Leases, or June 1st for Partial Season Leases), the remaining 75% of the total amount payable on November 13th for both Full and Partial Season Leases. All payments are subject to forfeiture if the participant irrigates enrolled lands after the effective date or otherwise violates program terms as determined by MRGCD.
- Existing Crop production and/or harvest, infrastructure improvements, field improvements, or cover cropping is permitted on enrolled lands, **so long as it is only aided by natural precipitation (rain) or existing soil moisture and not by any form of supplemental irrigation.**

Participant Signature

Date

Contract for Full Season / Partial Season Use of Water, 2021 Irrigation Season

THIS CONTRACT, for the use of water for a limited time, is entered into as of the _____ day of _____, 2021, by and between the Middle Rio Grande Conservancy District (MRGCD), whose address is 1931 2nd St. SW, Albuquerque, NM 87102, , and _____, (“Irrigator”), whose address is _____, and is an irrigator within the boundaries of the MRGCD.

WITNESSETH:

WHEREAS, MRGCD is a conservancy district organized under the laws of New Mexico that operates water supply systems serving irrigation water to users within and about the Middle Rio Grande Valley; and

WHEREAS, Irrigator currently receives and applies water supplied through the MRGCD’s supply system for the purpose of irrigation and has the authority to enter into this Contract with MRGCD; and

WHEREAS, MRGCD, as part of its Conservation Program, is seeking to contract for the use of water from willing irrigators for the purpose of providing supplemental water for other users and uses within the Middle Rio Grande Valley during the 2021 irrigation season (April 1st – October 31st.)

NOW, THEREFORE, the parties agree as follows:

A. WATER USE:

1. Quantity and Timeline. Irrigator hereby agrees to forego irrigation of acreage as described in **Section 2.3** of the *Participant Interest Form*, and confirmed by the MRGCD in the attached *Map & Tract Description*, totaling _____ acres of irrigated land within the boundaries of the MRGCD (“the Acreage”) beginning on:

- April 1, 2021 and ending on October 31, 2021. (Full Season Lease Option)
- June 1, 2021 and ending on October 31, 2021. (Partial Season Lease Option)

2. Term of Contract and Rate. MRGCD hereby agrees to pay Irrigator the rate of

- \$275.00/acre (Full Season Lease Option)
- \$175.00/ace (Partial Season Lease Option)

for all water that otherwise would be supplied by MRGCD supply systems and available to the Acreage beginning on or about:

- April 1, 2021 and ending on October 31, 2021 (the “Full Season Lease Term”).

□ June 1, 2021 and ending October 31, 2021 (the “Partial Season Lease Term”)

3. **Payment Schedule.** Irrigator and MRGCD agree that the total payment to the Irrigator by the MRGCD is \$_____ and will be paid in two amounts as follows: ¼ of the total payment will be made on the effective date (April 1 for Full Season Leases, June 1 for Partial Season Leases). ¾ of the total payment will be made after a final inspection of the Acreage is conducted and approved by the MRGCD, no later than November 13, 2021. Such payments may be first applied to any amounts Irrigator may owe MRGCD.
4. **Irrigation of Acreage.** Irrigator hereby agrees not to irrigate the Acreage with any form of supplemental water including from a well or piped supply during Term selected in the *Quantity and Timeline* section of this Contract.
5. **Eligibility.** Irrigated acreage currently enrolled in the MRGCD Water Bank is not eligible for any payments under this program.
6. **Enrollment of Leased Land.** Any land enrolled in the program that is currently under lease must be enrolled by the Lessee with the consent of the Lessor (landowner).
7. **Crop Production.** Irrigator and MRGCD agree that crop production, field/soil improvements, and infrastructure improvements may continue on the Acreage during the 2021 Irrigation season, so long as any production is only aided by natural precipitation (rain) or existing soil moisture conditions and not by any form of supplemental irrigation. Irrigator understands and assumes all risk to the Acreage as a result of this Contract with MRCGD.
8. **Irrigation History.** Acreage being enrolled must have a history of being irrigated at least 3 out of the last 5 years.
9. Any acreage enrolled in the 2021 EWLP will not be eligible for re-enrollment in the EWLP for 4 consecutive years.
10. The Participant acknowledges that there may not be a Water Leasing Program in future years.

B. TERMINATION:

1. **By MRGCD:** MRGCD may terminate this Contract immediately upon written notice to Irrigator if MRGCD determines that Irrigator breached the Contract by using any form of supplemental irrigation or by interfering with MRCGD’s access to the Acreage or by any other action that deprives MRGCD of the benefits of this Contract.
2. **By Irrigator:** Irrigator may terminate this Contract upon 14 days prior written notice to MRCGD at the address listed above.
3. **By Mutual Agreement:** The parties may mutually agree to terminate this Contract in writing signed by both parties.
4. **Effect of Termination.** Upon termination of this Contract, MRGCD shall be relieved of all further liability and obligations to pay Irrigator. If terminated by the Irrigator, either in

writing or through violation of the terms of the Contract, the Irrigator will be obligated to return in full to MRGCD any payment previously made to the Irrigator for the use of water in 2021.

- C. Laws Governing. This Contract shall be binding upon the parties, their successors, heirs, and assigns. It is governed by the laws of the State of New Mexico, including the New Mexico Tort Claims Act.

IN WITNESS WHEREOF, MRGCD and Irrigator have executed this Contract effective as of the date set forth above.

“MRGCD”:

Middle Rio Grande Conservancy District

By:

Mike Hamman
Its: CEO/Chief Engineer

“IRRIGATOR”: (Lessee if Acreage is currently under lease)

By:

Name:
Title:

LESSOR: If Acreage is currently under lease)

By:

Name:
Title:

Please return this *Participant Interest Form & Contract for Full Season/ Partial Season Water Use* in the enclosed envelope to the

Middle Rio Grande Conservancy District, Attn: Casey Ish, 1931 2nd St. SW, Albuquerque, NM 87102, or email it to casey@mrgcd.us

If you have questions, please contact Casey Ish at 505.259.8799 or at casey@mrgcd.us.

PLEASE COMPLETE THE W-9 ON THE NEXT PAGE AND MAKE A COPY FOR YOUR OWN RECORDS.

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

| | | |
|--|---|---|
| Print or type. See Specific Instructions on page 3. | <p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <hr/> <p>2 Business name/disregarded entity name, if different from above</p> <hr/> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p> | <p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p> |
| | <p>5 Address (number, street, and apt. or suite no.) See instructions.</p> <hr/> <p>6 City, state, and ZIP code</p> <hr/> <p>7 List account number(s) here (optional)</p> | <p>Requester's name and address (optional)</p> |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

| | |
|--|--|
| | Social security number <div style="border: 1px solid black; display: flex; justify-content: space-between; align-items: center;"> - </div> |
| | or Employer identification number <div style="border: 1px solid black; display: flex; justify-content: space-between; align-items: center;"> - </div> |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

| | | |
|------------------|----------------------------|--------|
| Sign Here | Signature of U.S. person ▶ | Date ▶ |
|------------------|----------------------------|--------|

General Instructions

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

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

| IF the entity/person on line 1 is a(n) . . . | THEN check the box for . . . |
|--|---|
| • Corporation | Corporation |
| • Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes. | Individual/sole proprietor or single-member LLC |
| • LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes. | Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation) |
| • Partnership | Partnership |
| • Trust/estate | Trust/estate |

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

| IF the payment is for . . . | THEN the payment is exempt for . . . |
|--|---|
| Interest and dividend payments | All exempt payees except for 7 |
| Broker transactions | Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012. |
| Barter exchange transactions and patronage dividends | Exempt payees 1 through 4 |
| Payments over \$600 required to be reported and direct sales over \$5,000 ¹ | Generally, exempt payees 1 through 5 ² |
| Payments made in settlement of payment card or third party network transactions | Exempt payees 1 through 4 |

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

| For this type of account: | Give name and SSN of: |
|--|---|
| 1. Individual | The individual |
| 2. Two or more individuals (joint account) other than an account maintained by an FFI | The actual owner of the account or, if combined funds, the first individual on the account ¹ |
| 3. Two or more U.S. persons (joint account maintained by an FFI) | Each holder of the account |
| 4. Custodial account of a minor (Uniform Gift to Minors Act) | The minor ² |
| 5. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee ¹ The actual owner ¹ |
| 6. Sole proprietorship or disregarded entity owned by an individual | The owner ³ |
| 7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(f)(A)) | The grantor ⁴ |

| For this type of account: | Give name and EIN of: |
|---|---------------------------|
| 8. Disregarded entity not owned by an individual | The owner |
| 9. A valid trust, estate, or pension trust | Legal entity ⁴ |
| 10. Corporation or LLC electing corporate status on Form 8832 or Form 2553 | The corporation |
| 11. Association, club, religious, charitable, educational, or other tax-exempt organization | The organization |
| 12. Partnership or multi-member LLC | The partnership |
| 13. A broker or registered nominee | The broker or nominee |

| For this type of account: | Give name and EIN of: |
|---|-----------------------|
| 14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |
| 15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B)) | The trust |

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.