



February 14, 2020

The Honorable Steven Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

Dear Mr. Secretary:

The Agricultural Retailers Association (ARA) is aware of the Internal Revenue Service's (IRS) intent to finalize regulations regarding Section 199A of the Tax Cuts and Jobs Act, and amendments therein.

ARA represents ag retailers who supply farmers and ranchers with products and services. These products include seed, nutrients, crop protection products, feed, equipment and technology. Retailers also provide consultative services such as crop scouting, soil testing, field mapping, custom planting and application and development of nutrient management and conservation plans.

Agricultural retailers range in size from small, family-held businesses to large companies and farmer-owned cooperatives with many outlet stores. Large and small retail facilities are scattered throughout all 50 states and provide critical goods and services, as well as jobs and economic opportunities in rural and suburban communities.

In 2018, Congress amended Section 199A of the Tax Cuts and Jobs Act of 2017 to correct a provision affecting cooperatives and their farmer patrons. ARA, in association with other interested parties, worked to ensure two primary objectives were met:

1. To replicate, to the greatest extent possible, the tax benefits accorded to farmer-owned cooperatives and their farmer-patrons under the previous Section 199 of the tax code, as it existed prior to its repeal in the Tax Cuts and Jobs Act; and
2. To restore and preserve the competitive landscape of the marketplace as it existed in December 2017 so that the tax code does not provide an

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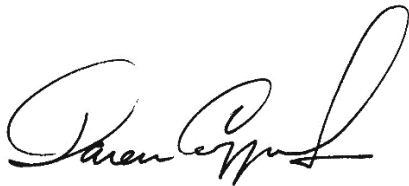
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incentive for farmers to do business with a company solely because it is organized as a cooperative or private/independent firm.

As the United States Treasury Department and the IRS work to finalize their regulations regarding this issue, we encourage you to let these two primary objectives act as a guide in finalizing the rule. We also urge you to include nonpatronage income in the deduction's calculations.

Thank you for your time and attention to this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Daren Coppock". The signature is fluid and cursive, with a large loop at the end.

W. Daren Coppock  
President and CEO  
Agricultural Retailers Association