

Economic & Policy Update

E-newsletter Volume 23, Issue 4

Editors: Will Snell & Nicole Atherton



Department of Agricultural Economics
University of Kentucky

APR
2023

USDA Revising Tax Documents for Assistance Under the Inflation Reduction Act

Author(s): Jerry Pierce

Published: April 21st, 2023

USDA is mailing revised tax documents and a cover letter to about 12,500 **direct loan** borrowers who received financial assistance last year under Section 22006 of the Inflation Reduction Act.

Affected borrowers should have already received a letter explaining the change in reporting and options to avoid or alleviate any tax burden from the financial assistance. USDA will send a revised Form 1099-G and, in a separate mailing, a cover letter and Forms 1099-C for each individual loan affected.

The Inflation Reduction Act became law on August 16, 2023. USDA immediately began working with the Treasury Department, the Internal Revenue Service, and the National Farm Income Tax Extension Committee to develop guidelines, procedures, and instructions for reporting the financial assistance. The efforts have just been completed. Since this comes at the end of the tax season some taxpayers may find it beneficial to file an amended return. **Those who receive the documents should consult a tax professional.**

Additional information, including a copy of the letter and Frequently Asked Questions is available from USDA, in the [Tax Resources for Recipients of Inflation Reduction Act Assistance section](#).

The page includes a link to an introductory webinar on the topic featuring Kristine Tidgren, director for the Center for Agricultural Law and Taxation. USDA plans to post a link to a more detailed webinar soon.

Recommended Citation Format:

Pierce, J. "[USDA Revising Tax Documents for Assistance Under the Inflation Reduction Act](#)." *Economic and Policy Update* (23):4, Department of Agricultural Economics, University of Kentucky, April 21st, 2023.

Author(s) Contact Information:

[Jerry Pierce](#) | [KFBM](#) Program Coordinator | jerry.pierce@uky.edu