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February 7, 2020

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

Dear Mr. Secretary:

Cooperative Network and its Minnesota members below write to you in regards to the rulemaking process under Section 199A of the Internal Revenue Code, specifically as it relates to cooperatives under "Section 199A rules for Cooperatives and Their Patrons" (REG-118425-18).

In passing a fix to the "grain glitch," the legislative intent was two-fold. First, the fix aimed to replicate the tax benefits of previous Code section 199, also known as the Domestic Production Activities Deduction, which was repealed in the Tax Cuts and Jobs Act of 2017. Second, the intent was to maintain the competitive balance between cooperatives and privately held companies.

We believe that the regulations that the U.S. Department of Treasury has put forth do not reflect the legislative intent of the deal congress and industry agreed upon. In implementing new regulations under Section 199A(g), the IRS and U.S. Treasury should follow the clear language and intent of the law passed by Congress and replicate how the former section 199 deduction applied to farmer co-ops and the farmer-members.

Thank you for your consideration of this important issue.

Sincerely,

Cooperative Network
AgPlus Cooperative
All American Co-op
Central Farm Service
Central Region Cooperative
CHS

Farmers Co-op Oil
Lakes Area Cooperative
Land O'Lakes
Prinsburg Farmers Co-op
Western Consolidated Cooperative