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Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions).
All other organizations with gross receipts less than $200,000 and total assets less than $500,000 at the end of the year may use this form.

▶ *The organization may have to use a copy of this return to satisfy state reporting requirements.*

OMB No 1545-1150

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning June 1, 2012, and ending May 31, 2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
PALOUSE HILLS DOG FANCIERS

Number and street (or P O box, if mail is not delivered to street address) | Room/suite
131953 SR 26

City or town, state or country, and ZIP + 4
COLFAX WA 99111

D Employer identification number
91-6035250

E Telephone number
509.397.4508

F Group Exemption Number ▶

G Accounting Method ☑ Cash ☐ Accrual Other (specify) ▶

H Check ▶ ☑ if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

I **Website:** ▶ WWW.PHDF.ORG

J **Tax-exempt status** (check only one) — ☐ 501(c)(3) ☑ 501(c) (4) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check ▶ ☑ if the organization is not a section 509(a)(3) supporting organization or a section 527 organization **and** its gross receipts are normally **not** more than $50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts If gross receipts are $200,000 or more, or if total assets (Part II, line 25, column (B) below) are $500,000 or more, file Form 990 instead of Form 990-EZ ▶ $

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I ☐

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	541.
	2	Program service revenue including government fees and contracts	2	43,366.
	3	Membership dues and assessments	3	1,172
	4	Investment income	4	34.
	5a	Gross amount from sale of assets other than inventory — 5a		
	b	Less: cost or other basis and sales expenses — 5b		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Gaming and fundraising events		
	a	Gross income from gaming (attach Schedule G if greater than $15,000) — 6a		
	b	Gross income from fundraising events (not including $ _____ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds $15,000) — 6b		
	c	Less: direct expenses from gaming and fundraising events — 6c		
	d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d	
	7a	Gross sales of inventory, less returns and allowances — 7a		
	b	Less: cost of goods sold — 7b		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	
	8	Other revenue (describe in Schedule O)	8	
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶	9	45,113
Expenses	10	Grants and similar amounts paid (list in Schedule O)	10	
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	
	13	Professional fees and other payments to independent contractors	13	
	14	Occupancy, rent, utilities, and maintenance	14	
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe in Schedule O)	16	35,876.
	17	**Total expenses.** Add lines 10 through 16 ▶	17	35,876.
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	9,237.
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	62,972.
	20	Other changes in net assets or fund balances (explain in Schedule O)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20 ▶	21	72,209.

Part II **Balance Sheets** (see the instructions for Part II)
Check if the organization used Schedule O to respond to any question in this Part II . . . . . ☐

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments		22	
23	Land and buildings		23	
24	Other assets (describe in Schedule O)		24	
25	**Total assets**		25	
26	**Total liabilities** (describe in Schedule O)		26	
27	**Net assets or fund balances** (line 27 of column (B) **must** agree with line 21)		27	72,209.

Part III **Statement of Program Service Accomplishments** (see the instructions for Part III)
Check if the organization used Schedule O to respond to any question in this Part III . . ☐

Expenses (Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts, optional for others.)

What is the organization's primary exempt purpose?

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

28 ---

(Grants $) If this amount includes foreign grants, check here . . . . ▶ ☐ 28a

29 ---

(Grants $) If this amount includes foreign grants, check here . . . . ▶ ☐ 29a

30 ---

(Grants $) If this amount includes foreign grants, check here . . . . ▶ ☐ 30a

31 Other program services (describe in Schedule O) . . . . . .
(Grants $) If this amount includes foreign grants, check here . . . . ▶ ☐ 31a

32 **Total program service expenses** (add lines 28a through 31a) . . . . . ▶ 32

Part IV **List of Officers, Directors, Trustees, and Key Employees** List each one even if not compensated (see the instructions for Part IV)
Check if the organization used Schedule O to respond to any question in this Part IV . . . . . ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
GAYE BROCKETT P O BOX 215, ENDICOTT, WA 99125	PRESIDENT - 0			
HEIDI PIXLEY 405 N POLK, MOSCOW, ID 83843	VICE PRESIDENT-0			
CINDY CURRY P O BOX 77, ENDICOTT, WA 99125	SECRETARY-0			
KAREN MARQUARDT 377370 HWY 95, DESMET, ID 83824	SECRETARY - 0			
MARIE TAYLOR 131953 SR 26, COLFAX, WA 99111	TREASURER - 0			
MARTI WILKISON 923 LINDEN, LEWISTON, ID 83501	BOARD - 0			
RONNA STEWART 377370 HWY 95, DESMET, ID 83824	BOARD - 0			
NIKKI CRIBBS 2729 CLEARWATER, LEWISTON, ID 83501	BOARD - 0			

Part V **Other Information** (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V . ☐

			Yes	No
33	Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33		✓
34	Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34		✓
35a	Did the organization have unrelated business gross income of $1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a		✓
b	If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	35b		
c	Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c		✓
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a			
b	Did the organization file **Form 1120-POL** for this year?	37b		✓
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee **or** were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a		✓
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ ; section 4955 ▶			
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b		✓
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶			
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e		✓
41	List the states with which a copy of this return is filed ▶ **NONE**			
42a	The organization's books are in care of ▶ **MARIE TAYLOR** Telephone no. ▶ **5093974508** Located at ▶ **131953 SR 26, COLFAX, WA** ZIP + 4 ▶ **99111**			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b		✓
	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**			
c	At any time during the calendar year, did the organization maintain an office outside the U.S.?	42c		✓
	If "Yes," enter the name of the foreign country: ▶			
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43			

			Yes	No
44a	Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a		✓
b	Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b		✓
c	Did the organization receive any payments for indoor tanning services during the year?	44c		✓
d	If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	44d		
45a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a		✓
45b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b		✓

		Yes	No
46	Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46	✓

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51

Check if the organization used Schedule O to respond to any question in this Part VI . . . . . ☐

			Yes	No
47	Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	47		
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a		
b	If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee paid more than $100,000	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation

f Total number of other employees paid over $100,000 . . . . ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over $100,000 . . ▶

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A . . . . . ▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 6-11-2013

MARIE TAYLOR, TREASURER
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

May the IRS discuss this return with the preparer shown above? See instructions . . . . . ▶ ☐ Yes ☐ No

FEDERAL EXEMPT ORGANIZATION TAX SUMMARY (EZ)
Palouse Hills Dog Fanciers, Inc.
c/o Marie Taylor

2012

91-6035250

	2012	2011	Diff
FORM 990EZ REVENUE			
	541.	539.	2.
	43,366.	43,481.	115.
	1,172.	575.	597.
	34.	42.	8.
TOTAL REVENUE	45,113.	44,637.	476.
EXPENSES			
Other expenses	35,876.	34,527.	1,349.
NET ASSETS OR FUND BALANCES			
Excess or (deficit) for the year	9,237.	10,110.	
Net assets/fund bal at beg of year	62,972.	52,862.	
Net assets/fund bal at end of year	72,209.	62,972.	

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization

PALOUSE HILLS DOG FANCIERS

Employer identification number

91-6035250

AMERICAN KENNEL CLUB FEES $3,055.00

LIABILITY INSURANCE $649.00

EQUIPMENT PURCHASED $475.69

CLUB MEMBERSHIP PARTY $69.87

BUILDING RENT $1200.00

CHARITABLE DONATIONS $2625.00

PROFESSIONAL FEES $10.00

WEBSITE $51.05

AGILITY TRIAL EXPENSES (JUNE 2012) $9,588.61

CONFORMATION/OBEDIENCE/RALLY SHOW EXPENSES (APRIL 2013) $17,323.80

BANK FEES $66.05

AWARD PLAQUES $761.83

Tax Statement for Forms 1098, 1099, 5498 for Year 2012

1098 Copy B, For Payer OMB #1545-0901
1098-E, Copy B For Borrower, OMB #1545-1576
1099-DIV Copy B For Recipient OMB #1545-0110
1099-INT Copy B, For Recipient, OMB #1545-0112
1099-MISC, Copy B For Recipient OMB #1545-0115
1099-OID Copy B, For Recipient OMB #1545-0117
1099-Q Copy B, For Recipient, OMB #1545-1760
1099-SA, Copy B For Recipient OMB #1545-1517
5498 Copy B For Participant OMB #1545-0747
5498-ESA Copy B For Beneficiary, OMB #1545-1815
5498-SA Copy B For Participant OMB #1545-1518

NAME, ADDRESS AND FEDERAL I D NO

STERLING BANK
111 N WALL ST
SPOKANE WA 99201-0696

CUSTOMER NAME, ADDRESS

PALOUSE HILLS DOG FANCIERS INC
131953 STATE RT 26
COLFAX WA 99111-9636

Payer's Federal ID# 91-1166044
Questions? (800) 650-7141

552D0100059624-1

FORM 1 OF 1

2012 FORM 1099-INT: INTEREST INCOME

Account Type	Account Number	Deposit ID	IRS Description	IRS Box#	Amount
CD/Time Deposit	08989271930 00001	00000000001	Interest income	1	61.27
CD/Time Deposit	09000375231 00002	00000000001	Interest income	1	2.77

TOTALS:	Interest income	1	64.04
	Early withdrawal penalty	2	0.00
	Interest on U.S. Savings Bonds and Treasury obligations	3	0.00
	Federal income tax withheld	**4**	**0.00**
	Investment expenses	5	0.00
	Foreign tax paid	6	0.00
	Tax-exempt interest	8	0.00
	Specified private activity bond interest	9	0.00
	State tax withheld	13	0.00

TAXPAYER I D NO

91-6035250

(keep for your records)

DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE

For Form 1099 DIV INT MISC OID and O This is important tax information and is being furnished to the Internal Revenue Service If you are required to file a return a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported
Form 1099-OID Th s may not be the correct f gure to report on your income tax return See instructions on the back
Form 1098 Caution *The amount shown may not be fully deductible by you Limits based on the loan amount and the cost and value of the secured property may apply Also you may only deduct interest to the extent it was incurred by you actually paid by you and not reimbursed by another person*

1098-E OMB #1545-1576

Th s is important tax information and s being furnished to the Internal Revenue Service If you are required to f le a return, a negligence penalty or other sanction may be imposed on you f the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest A person including a financial institution, a governmental unit, and an educational institution that received interest payments of $600 or more during the year on one or more qualified student loans must furnish this statement to you

You may be able to deduct student loan interest that you actually paid in 2012 on your income tax return However you may not be able to deduct the full amount of interest reported on this statement Do not contact the recipient/lender for explanations of the requirements for (and how to figure) any allowable deduction for the interest paid Instead for more information see Pub 970 Tax Benefits for Education, and the Student Loan Interest Deduction Worksheet in your Form 1040 or 1040A instructions.

Borrower s identification number For your protection, th s form may show only the last four digits of your social security number (SSN) individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN) However the issuer has reported your complete identification number to the IRS and where applicable to state and/or local governments

Account number May show an account or other unique number the lender assigned to distinguish your account

Box 1 Shows the interest received by the lender during the year on one or more student loans made to you For loans made on or after September 1 2004 box 1 must include loan origination fees and capitalized interest received in 2012 If your loan was made before September 1 2004 you may be able to deduct loan origination fees and capitalized interest not reported in box 1

Box 2 If checked indicates that loan origination fees and/or capitalized interest are not included in box 1 for loans made before September 1 2004 See Pub 970 for how to figure any deductible loan origination fees or capitalized interest

1098 OMB #1545-0901

This s important tax information and is being furnished to the Internal Revenue Service If you are required to f le a return a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for the mortgage interest or for points paid or because you did not report the refund of interest on your return

A person (including a financial institution, a governmental unit, and a cooperative housing corporation) who is engaged in a trade or business and in the course of such trade or business, received from you at least $600 of mortgage interest (including certain points) on any one mortgage in the calendar year must furnish this statement to you

If you received this statement as the payer of record on a mortgage on which there are other borrowers, furnish each of the other borrowers with information about the proper distribution of amounts reported on this form Each borrower is entitled to deduct only the amount he or she paid and points paid by the seller that represent his or her share of the amount allowable as a deduction Each borrower may have to include in income a share of any amount reported in box 3

If your mortgage payments were subsidized by a government agency you may not be able to deduct the amount of the subsidy See the instructions for Form 1040 Schedule A, C or F, for how to report the mortgage interest Also for more information, see Pub 936 and Pub 535

Payer s/Borrower s identification number For your protection, this form may show only the last four digits of your social security number (SSN) individual taxpayer identification number (ITIN) or adoption taxpayer identification number (ATIN) However the issuer has reported your complete identification number to the IRS and where applicable to state and/or local governments

Account number May show an account or other unique number the lender has assigned to distinguish your account

Box 1 Shows the mortgage interest received by the recipient/lender during the year This amount includes interest on any obligation secured by real property including a home equity line of credit or credit card loan This amount does not include points, government subsidy payments or seller payments on a "buy-down" mortgage Such amounts are deductible by you only in certain circumstances Caution *If you prepaid interest in 2012 that accrued in full by January 15 2013 this prepaid interest may be included in box 1*

Tax Statement for Forms 1098, 1099, 5498 for Year 2011

1098 Copy B For Payer, OMB #1545-0901
1098-E, Copy B, For Borrower, OMB #1545-1576
1099-DIV, Copy B For Recipient OMB #1545-0110
1099-INT Copy B For Recipient OMB #1545-0112
1099-MISC, Copy B, For Recipient, OMB #1545-0115
1099-OID Copy B For Recipient OMB #1545-0117
1099-Q, Copy B, For Recipient, OMB #1545-1760
1099-S Copy B, For Transferor, OMB #1545-0907
1099-SA Copy B, For Recipient, OMB #1545-1517
5498 Copy B, For Participant OMB #1545-0747
5498-ESA, Copy B For Beneficiary, OMB #1545-1815
5498-SA Copy B, For Participant OMB #1545-1518

NAME, ADDRESS AND FEDERAL I D NO

STERLING SAVINGS BANK
111 N WALL ST
SPOKANE WA 99201-0696

CUSTOMER NAME, ADDRESS

PALOUSE HILLS DOG FANCIERS INC
131953 STATE RT 26
COLFAX WA 99111-9636

Payer's Federal ID# 91-1166044
Questions? (800) 650-7141

552D0100059877-1

FORM 1 OF 1

2011 FORM 1099-INT INTEREST INCOME

Account Type	Account Number	Deposit ID	IRS Description	IRS Box#	Amount
CD/Time Deposit	08989271930 00001	00000000001	Interest income	1	35.64
CD/Time Deposit	09000375231 00002	00000000001	Interest income	1	16 47

TOTALS:	Interest income	1	52 11
	Early withdrawal penalty	2	0 00
	Interest on U.S Savings Bonds and Treasury obligations	3	0.00
	Federal income tax withheld	**4**	**0.00**
	Investment expenses	5	0.00
	Foreign tax paid	6	0 00
	Tax-exempt interest	8	0.00
	Specified private activity bond interest	9	0 00

TAXPAYER I D NO

91-6035250

(keep for your records)

DEPARTMENT OF THE TREASURY - INTERNAL REVENUE SERVICE

For Form 1099 DIV INT MISC OID and O This is important tax information and is being furnished to the Internal Revenue Service If you are required to file a return a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported
Form 1099-OID This may not be the correct figure to report on your income tax return See instructions on the back
Form 1098 Caution The amount shown may not be fully deductible by you Limits based on the loan amount and the cost and value of the secured property may apply Also you may only deduct interest to the extent it was incurred by you actually paid by you and not reimbursed by another person

1098-E - OMB #1545-1576

This is important tax information and is being furnished to the Internal Revenue Service If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest A person (including a financial institution a governmental unit and an educational inst...oon) that receives interest payments of $600 or more during the year on one or more qua...fied student loans must furnish this statement to you. You may be able to deduct student loan interest that you actually paid in 2011 on your income tax return However you may not be able to deduct the full amount of interest reported on this statement. Do not contact the recipient/lender for explanations of the requirements for (and how to figure) any allowable deduction for the interest paid Instead for more information, see Pub 970, Tax Benefits for Education,and the Student Loan Interest Deduction Worksheet in your Form 1040 or 1040A Instructions

Account number May show an account or other unique number the lender assigned to distinguish your account

Box 1 Shows the interest received by the lender during the year on one or more student loans made to you For loans made on or after September 1 2004 box 1 must include loan origination fees and capitalized interest received in 2011 If your loan was made before September 1 2004 you may be able to deduct loan origination fees and capitalized interest not reported in box 1

Box 2, If checked indicates that loan origination fees and/or capitalized interest are not included in box 1 for loans made before September 1 2004 See Pub 970 for how to figure any deductible loan origination fees or capitalized interest

1098 - OMB #1545-0901

The information in boxes 1 2 3 and 4 is important tax information and is being furnished to the Internal Revenue Service If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.

A person (including a financial institution a governmental unit and a cooperative housing corporation) who is engaged in a trade or business and in the course of such trade or business received from you at least $600 of mortgage interest (including certain points) on any one mortgage in the calendar year must furnish this statement to you

If you received this statement as the payer of record on a mortgage on which there are other borrowers furnish each of the other borrowers with information about the proper distribution of amounts reported on this form Each borrower is entitled to deduct only the amount he or she paid and points paid by the seller that represent his or her share of the amount allowable as a deduction Each borrower may have to include in income a share of any amount reported in box 3

If your mortgage payments were subsidized by a government agency you may not be able to deduct the amount of the subsidy See the instructions for Form 1040 Schedule A, C or E for how to report the mortgage interest Also for more information see Pub 936 and Pub 535

Account number May show an account or other unique number the lender has assigned to distinguish your account