



GLACIAL LAKES CORN PROCESSORS

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PLEASE READ THIS IMPORTANT TAX INFORMATION

This year, you will be receiving three (3) year-end tax forms from GLCP:

1. 1099-PATR
2. 1099-DIV
3. K-1

Please take this letter and all three of these important tax forms to your tax consultant or tax preparer.

Here are a few frequently asked questions we've received so far...

Why don't the check amounts I received in 2016 match with my 1099-PATR + 1099-DIV? We discovered an error with the original 1099-DIV that we sent to you and we have now sent out a corrected 1099-DIV. Either take both 1099-DIVs to your tax consultant or tax preparer OR discard the first one (the one with a lower amount is incorrect). In any event, make sure you retain the one that has a check mark in the box on top labeled "CORRECTED".

Why did I receive both a 1099-PATR and a 1099-DIV? As a pass-through entity, GLCP typically issues only a 1099-PATR which represents the amount of the patronage deduction claimed on the GLCP tax return. During our 2016 tax year, GLCP made distributions in excess of its taxable income. Therefore, the portion of the distribution that is attributed to a patronage deduction is reflected on the 1099-PATR while the portion of the distribution that could not be utilized as a patronage deduction is reflected on the 1099-DIV.

What is DPAD? The DPAD is a Domestic Production Activities Deduction that is made available to be claimed on the GLCP tax return. However, this year the deduction cannot be claimed by GLCP so we have passed the deduction through to our shareholders, some of whom may be able to claim it and some may not. It amounts to \$0.01509 per share and is shown in box 6 of the 1099-PATR.

When will I get my K-1? We are aware that we have many producers who file their income taxes early and we are working along with our tax preparer to get these out quickly. We anticipate sending the K-1 out by February 20.