

**Report of Organizational Actions
 Affecting Basis of Securities**

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Corning Natural Gas Holding Corporation		2 Issuer's employer identification number (EIN) 46-3235589	
3 Name of contact for additional information Firouzeh Sarhangi	4 Telephone No. of contact 607-936-3755	5 Email address of contact fsarhangi@corninggas.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact P.O. Box 58		7 City, town, or post office, state, and Zip code of contact Corning, NY 14830	
8 Date of action June 15, 2017		9 Classification and description Common Stock Dividend Preferred Stock Conversion Rate Adjustment	
10 CUSIP number 219381100	11 Serial number(s)	12 Ticker symbol CNIG	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Corning Natural Gas Holding Corporation issued a 20% common stock dividend payable to holders of record of its Common Stock on May 30, 2017 effective June 15, 2017. The common stock dividend triggered an adjustment in the conversion rate of the Company's Series B Convertible Preferred Stock from one share of common stock for each shares of Series B Convertible Preferred Stock converted to 1.2 shares of common stock for each share converted, effective June 15, 2017.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ In accordance with Internal Revenue Code Section 307 and the Regulations therein, as the fair market value of each the old common shares and new common shares are equal on the date of distribution, a common stockholder's basis of their old shares should be allocated prorata to all of their shares, including those received in this stock dividend. For the series B convertible preferred stock shareholders, their original basis should be allocated prorata among shares acquired upon conversion.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The change in basis is calculated prorata based on the number of shares and the FMV on the date of issuance. The common stock dividend and resulting increase in conversion rate did not affect the shareholder's total FMV of shares of common or series B preferred stock.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 305 and 307.

18 Can any resulting loss be recognized? ▶ Not pertaining to this issuance.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

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 ▶ Fu Sarhangi Date ▶ 7/28/17
Print your name ▶ FI SARHANGI Title ▶ CFD

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	JEFF ZAWADA	<u>[Signature]</u>	<u>7/28/2017</u>		P00897249
	Firm's name ▶ FREED MAXICK CPAs, P.C.	Firm's EIN ▶ 45-4051133		Phone no. 716-847-2651	
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