

Underpayment of Estimated Tax Penalty Relief for Farmers and Fishermen

Cross References

- Notice 2019-17

IRC section 6654 states that taxpayers who fail to make sufficient and timely payment of estimated income tax may be liable for an addition to tax (underpayment of estimated tax penalty). Estimated income tax is generally paid in four installments throughout the year. Qualifying farmers and fishermen are subject to a special rule requiring them to make only one installment payment due on January 15 of the year following the tax year. A taxpayer qualifies as a farmer or fisherman in 2018 if at least two-thirds of the taxpayer's total gross income was from farming or fishing in either 2017 or 2018. Qualifying farmers and fishermen who did not make the required estimated tax installment payment by January 15, 2019, are not subject to the underpayment of estimated tax penalty if they file their tax return and pay the full amount of tax reported on the return by March 1, 2019.

Due to certain changes in the tax law that affect farmers and fishermen, the IRS is providing additional relief for the 2018 tax year. The underpayment of estimated tax penalty is waived for any qualifying farmer or fisherman who files his or her 2018 income tax return and pays in full any tax due by April 15, 2019, or by April 17, 2019, for those taxpayers who live in Maine or Massachusetts.

Farmers and fishermen requesting this waiver must attach Form 2210-F, *Underpayment of Estimated Tax by Farmers and Fishermen*, to their 2018 tax return. The waiver box (Part I, Box A) should be checked. The rest of the form should be left blank (other than name and identifying number at the top).