

Penalty Relief for Farmers and Fishermen

Cross References

- IR-2013-7, January 18, 2013

The Internal Revenue Service has announced that it will issue guidance in the near future to provide relief from the estimated tax penalty for farmers and fishermen unable to file and pay their 2012 taxes by the March 1 deadline due to the delayed start for filing tax returns.

The delay stems from this month's enactment of the American Taxpayer Relief Act (ATRA). The ATRA affected several tax forms that are often filed by farmers and fishermen, including the Form 4562, *Depreciation and Amortization (Including Information on Listed Property)*. These forms will require extensive programming and testing of IRS systems, which will delay the IRS' ability to accept and process these forms. The IRS is providing this relief because delays in the agency's ability to accept and process these forms may affect the ability of many farmers and fishermen to file and pay their taxes by the March 1 deadline. The relief applies to all farmers and fishermen, not only those who must file late-released forms.

Normally, farmers and fishermen who choose not to make quarterly estimated tax payments are not subject to a penalty if they file their returns and pay the full amount of tax due by March 1. Under the guidance to be issued, farmers or fishermen who miss the March 1 deadline will not be subject to the penalty if they file and pay by April 15, 2013. A taxpayer qualifies as a farmer or fisherman for tax-year 2012 if at least two-thirds of the taxpayer's total gross income was from farming or fishing in either 2011 or 2012.

Farmers and fishermen requesting this penalty waiver must attach Form 2210-F to their tax return. The form can be submitted electronically or on paper. The taxpayer's name and identifying number should be entered at the top of the form, the waiver box (Part I, Box A) should be checked, and the rest of the form should be left blank.