

# Underpayment of Estimated Tax by Farmers and Fishermen

▶ Attach to Form 1040, Form 1040NR, or Form 1041.  
▶ See instructions on back.

Name(s) shown on tax return

Identifying number

**Note:** In most cases, you **do not** need to file Form 2210-F. The IRS will figure any penalty you owe and send you a bill. File Form 2210-F **only** if one or both of the boxes in Part I apply to you. If you do not need to file Form 2210-F, you still may use it to figure your penalty. Enter the amount from line 19 on the penalty line of your return, but do not attach Form 2210-F.

**Part I Reasons for Filing**—If 1a below applies to you, you may be able to lower or eliminate your penalty. But you **MUST** check that box and file Form 2210-F with your tax return. If 1b below applies to you, check that box and file Form 2210-F with your tax return.

- 1 Check whichever boxes apply (if neither applies, see the **Note** above Part I):
- a  You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See the instructions for **Waiver of Penalty**.
  - b  Your required annual payment (line 14 below) is based on your 1997 tax and you filed or are filing a joint return for either 1997 or 1998 but not for both years.

**Part II Figure Your Underpayment**

2 Enter your 1998 tax after credits from Form 1040, line 49; Form 1040NR, line 46; or Form 1041, Schedule G, line 4 . . . . .	2		
3 Other taxes. See instructions . . . . .	3		
4 Add lines 2 and 3 . . . . .	4		
5 Earned income credit . . . . .	5		
6 Additional child tax credit . . . . .	6		
7 Credit for Federal tax paid on fuels . . . . .	7		
8 Add lines 5, 6, and 7 . . . . .	8		
9 Current year tax. Subtract line 8 from line 4 . . . . .	9		
10 Multiply line 9 by 66 <sup>2</sup> / <sub>3</sub> % . . . . .	10		
11 Withholding taxes. <b>Do not</b> include any estimated tax payments on this line. See instructions . . . . .	11		
12 Subtract line 11 from line 9. If less than \$1,000, stop here; <b>do not</b> complete or file this form. You do not owe the penalty . . . . .	12		
13 Enter the tax shown on your 1997 tax return. <b>Caution:</b> See instructions . . . . .	13		
14 <b>Required annual payment.</b> Enter the <b>smaller</b> of line 10 or line 13 . . . . . <b>Note:</b> If line 11 is equal to or more than line 14, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above.	14		
15 Enter the estimated tax payments you made by January 15, 1999, and any Federal income tax and excess social security or railroad retirement tax withheld during 1998. . . . .	15		
16 <b>Underpayment.</b> Subtract line 15 from line 14. If the result is zero or less, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above . . . . .	16		

**Part III Figure the Penalty**

17 Enter the date the amount on line 16 was paid or April 15, 1999, whichever is earlier . . . . .	17	/	/ 99
18 Number of days FROM January 15, 1999, TO the date on line 17 . . . . .	18		
19 <b>Penalty.</b> Underpayment on line 16 × $\frac{\text{Number of days on line 18}}{365}$ × .07 . . . . . ▶	19		

- Form 1040 filers, enter the amount from line 19 on Form 1040, line 69.
- Form 1040NR filers, enter the amount from line 19 on Form 1040NR, line 68.
- Form 1041 filers, enter the amount from line 19 on Form 1041, line 26.

## General Instructions

Section references are to the Internal Revenue Code.

### Changes To Note

#### Increase in Tax Exempt From Estimated Tax Penalty

Beginning in 1998, you will not owe a penalty if the tax you owe, after subtracting withholding and other credits, is less than \$1,000. See **Exceptions to the Penalty**.

#### Household Employment Taxes

Beginning in 1998, you usually must include household employment taxes when figuring your estimated tax penalty. See the instructions for line 3.

### Purpose of Form

If you are an individual or a fiduciary for an estate or trust and at least two-thirds of your 1997 or 1998 gross income is from farming or fishing, use Form 2210-F to see if you owe a penalty for underpaying your estimated tax.

For a definition of gross income from farming and fishing and more details, see **Pub. 505, Tax Withholding and Estimated Tax**.

### The IRS Will Figure the Penalty for You

In most cases, the IRS will figure the penalty for you. Complete your return as usual, leave the penalty line on your return blank, and do not attach Form 2210-F. If you owe the penalty, we will send you a bill. And as long as you file your return by April 15, 1999, we will not charge you interest on the penalty if you pay by the date specified on the bill.

**Note:** If you checked either of the boxes in Part I of the form, you must figure the penalty yourself and attach the completed form to your return.

### Who Must Pay the Underpayment Penalty

You may owe the penalty for 1998 if you did not pay at least the smaller of (a) 66 $\frac{2}{3}$ % of the tax shown on your 1998 tax return or (b) the tax shown on your 1997 tax return.

**Note:** In these instructions, "return" refers to your original return. However, an amended return is considered the original return if it is filed by the due date (including extensions) of the original return. Also, a joint return that replaces previously filed separate returns is considered the original return.

### Exceptions to the Penalty

You will not have to pay the penalty or file this form if any of the following applies:

1. You file your return and pay the tax due by March 1, 1999.
2. You had no tax liability for 1997, you were a U.S. citizen or resident for all of 1997, and your 1997 tax return was, or would have been had you been required to file, for a full 12 months.
3. The total tax shown on your 1998 return minus the amount of tax you paid through withholding is less than \$1,000. To determine whether the total tax is less than \$1,000, complete lines 2 through 12.

### Waiver of Penalty

If you have an underpayment on line 16, all or part of the penalty for that underpayment will be waived if the IRS determines that:

1. The underpayment was due to a casualty, disaster, or other unusual circumstance, and it would be inequitable to impose the penalty, or
  2. In 1997 or 1998, you retired after age 62 or became disabled, and your underpayment was due to reasonable cause.
- To request either of the above waivers, do the following:
- a. Check the box on line 1a.
  - b. Complete Form 2210-F up to line 19 without regard to the waiver. Write the amount you want waived in parentheses on the dotted line to the left of line 19. Subtract this amount from the total penalty you figured without regard to the waiver, and enter the result on line 19.
  - c. Attach Form 2210-F and a statement to your return explaining the reasons you were unable to meet the estimated tax requirements.

d. If you are requesting a penalty waiver due to a casualty, disaster, or other unusual circumstance, attach documentation such as police and insurance company reports.

e. If you are requesting a penalty waiver due to retirement or disability, attach documentation that shows your retirement date (and your age on that date) or the date you became disabled.

The IRS will review the information you provide and will decide whether to grant your request for a waiver.

### Specific Instructions

If you file an **amended return** by the due date of your original return, use the amounts shown on your amended return to figure your underpayment. If you file an amended return after the due date of your original return, use the amounts shown on the original return.

**Exception.** If you and your spouse file a joint return after the due date to replace previously filed separate returns, use the amounts shown on the joint return to figure your underpayment.

#### Line 3

Enter the total of the following amounts on line 3:

- Self-employment tax,
- Alternative minimum tax,
- Tax from recapture of investment, low-income housing, qualified electric vehicle, or Indian employment credits,
- Tax on early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988,
- Tax on Education IRA distributions not used for qualified education expenses,
- Tax on medical savings account (MSA) distributions not used for qualified medical expenses,
- Section 72(m)(5) penalty tax,
- Tax on golden parachute payments,
- Advance EIC payments,
- Tax on accumulation distribution of trusts,
- Interest due under sections 453(l)(3) and 453A(c) on certain installment sales of property,

- An increase or decrease in tax as a shareholder in a qualified electing fund,
- Tax on electing small business trusts included on Form 1041, Schedule G, line 8 and,
- Household employment taxes (before subtracting advance EIC payments made to your employee(s); also see the instructions for line 15). But do not include that amount if you do not have an amount on Form 2210-F, line 11, and the amount on Form 2210-F, line 9 (excluding household employment taxes), is less than \$1,000. If so, do not file this form; you do not owe the penalty.

#### Line 11

Enter the taxes withheld from Form 1040, lines 57 and 62; Form 1040NR, lines 54, 58, 61, and 62; or Form 1041, line 24e.

#### Line 13

Figure your 1997 tax by using the taxes and credits from your 1997 tax return. Use the same taxes and credits as shown on lines 2, 3, 5, and 7 of this form.

If you are filing a joint return for 1998, but you **did not** file a joint return for 1997, add the tax shown on your 1997 return to the tax shown on your spouse's 1997 return and enter the total on line 13 (figured as explained above). If you filed a joint return for 1997 but you are **not** filing a joint return for 1998, see **Pub. 505** to figure your share of the 1997 tax to enter on line 13.

If you did not file a return for 1997 or if your 1997 tax year was less than 12 months, **do not** complete line 13. Instead, enter the amount from line 10 on line 14. However, see **Exceptions to the Penalty** on this page.

#### Line 15

If you are a household employer and made advance EIC payments, include those payments as of the date you paid the wages to your employee(s).

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 40 min.; **Learning about the law or the form**, 10 min.; **Preparing the form**, 34 min.; **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

