

# Waiver of Underpayment of Estimated Tax Penalty for Farmers and Fishermen

## Cross References

- Notice 2026-24

For taxpayers required to make estimated income tax payments, taxpayers are generally required to make four installments during the year, each of which is 25% of the required annual payment. With some exceptions, IRC section 6654 imposes a penalty for failure to make sufficient and timely payments of estimated income taxes.

A special rule applies in the case of an individual taxpayer who is a farmer or fisherman. A qualifying farmer or fisherman is only required to make one annual installment payment (instead of four quarterly payments). The annual installment payment is due by January 15 of the year following the tax year. This special rule applies if at least two-thirds of the taxpayer's total gross income was from farming or fishing.

If the farmer or fisherman does not make the required estimated tax installment payment by January 15 of the year following the tax year, the underpayment of estimated tax penalty will not apply if the taxpayer files the return and pays the full amount of tax due by March 1 of the year following the tax year.

The IRS has determined that for calendar year 2025, some qualifying farmers and fishermen may have had difficulty preparing their tax return that includes Form 8995, *Qualified Business Income Deduction Simplified Computation*. The IRS corrected the 2025 instructions for Form 8995 on January 27, 2026, and some taxpayers and preparers reported that they could not complete returns until February 23, 2026, when updated tax software became available.

As a result, the IRS is waiving the underpayment of estimated income tax penalty for qualifying farmers and fishermen who file their calendar year 2025 tax return and pay in full any tax due by April 15, 2026. The waiver will apply automatically to any taxpayer who qualifies for the waiver and does not report an addition to tax under IRC section 6654 on the calendar year 2025 income tax return.

Taxpayers who otherwise satisfy the criteria for relief under Notice 2026-24, but already filed a return and reported an addition to tax under IRC section 6654, may request an abatement of the penalty by filing Form 843, *Claim for Refund and Request for Abatement*, in accordance with the instructions for Form 843 and as follows:

- Write "Request for Relief under Notice 2026-24" at the top of Form 843.
- Check the top-of-form box for "Penalty-Abatement or refund of a penalty or addition to tax due to reasonable cause or other reason allowed under the law."

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- On line 3, show the dates of any payment of tax liability and addition to tax under IRC section 6654 for the tax period involved.
- On line 4, check the box for “income.”
- Enter “6654” on line 6.
- Check box c on line 7.
- On line 8, state why the taxpayer’s circumstances satisfy the criteria for relief under Notice 2026-24. Generally, this would include the status of the taxpayer as a qualifying farmer or fisherman, filing a calendar year 2025 tax return, and paying in full any tax due on the return by April 15, 2026.

A taxpayer eligible for relief under Notice 2026-24 is not required to attach Form 2210-F, *Underpayment of Estimated Tax by Farmers and Fishermen*, solely to claim the waiver provided by Notice 2026-24.