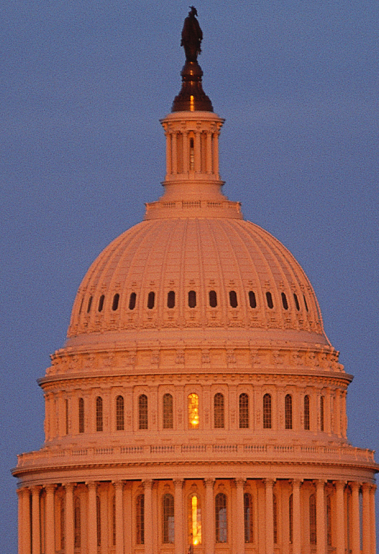




TaxNewsFlash

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Notice 2022-13: Waiver of addition to tax under section 6654 for certain farmers, fishermen

The IRS today released an advance version of Notice 2022-13 that provides a waiver of the addition to tax under section 6654 for underpayment of estimated income tax by qualifying farmers and fishermen.

Notice 2022-13 [PDF 82 KB] explains that the addition to tax is waived for farmers and fishermen who, by April 18, 2022 (or for those taxpayers who reside in Maine or Massachusetts, by April 19, 2022) file their 2021 federal income tax return and also pay in full any tax reported as due on the return.

As further explained by today's notice:

- The IRS and Treasury can waive the section 6654 addition to tax for an underpayment of estimated tax in unusual circumstances to the extent its imposition would be against equity and good conscience.
- For the 2021 tax year, some qualifying farmers and fishermen have been unable to electronically file Form 7203, *S Corporation Shareholder Stock and Debt Basis Limitations*, that may be required to be included in their federal income tax returns for tax year 2021 (that is, on their 2021 tax returns).
- Because of this situation, farmers and fishermen may have had difficulty filing their 2021 tax returns electronically by the March 1, 2022 due date.
- Accordingly, the IRS and Treasury have determined it is appropriate to waive certain penalties for qualifying farmers and fishermen "due to these unusual circumstances" if certain requirements are satisfied.

For more information, contact KPMG's National Director of Cooperative Tax Services:
David Antoni | +1 (267) 256-1627 | dantoni@kpmg.com

Associate National Director of KPMG's Cooperative Tax Services:
Brett Huston | +1 (916) 554-1654 | bhuston@kpmg.com

kpmg.com/socialmedia



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