

**2007, Form 2210-F**  
**Underpayment of Estimated Tax by Farmers and Fisherman**

**Purpose:** This is the first circulation draft of Form 2210-F for your review and comments. The major changes are described below.

**TPCC Meeting:** No meeting is scheduled but one can be arranged upon request.

**Prior Versions:** The 2007 Form 2210-F is available at:  
<http://www.irs.gov/pub/irs-pdf/f2210f.pdf>

**Other products:** Circulation of draft tax forms, instructions, notices, and publications are posted at:  
[http://taxforms.web.irs.gov/draft\\_products.html](http://taxforms.web.irs.gov/draft_products.html)

**Comments:** Please email, fax, call or mail me using information below and Judy Pohlmann, (Reviewer) [judith.l.pohlmann@irs.gov](mailto:judith.l.pohlmann@irs.gov), with any comments by **July 18, 2007**.

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**Major Changes to the 2007 Form 2210-A**

**General changes:** The years were updated to 2006, 2007, and 2008, as applicable.

**Page 1**

- On line 9, a new line for the refundable credit for prior year minimum tax was added. Subsequent lines were renumbered. P.L. 109-432, Div A, Title IV, § 402 and IRC 6654(f)(3)
- On line 21, 2008 is a leap year; therefore the divisor was changed to 366.

**Page 2**

- Line references are updated to reflect renumbering of lines on page 1.
- Line 15 instructions show addition of line 9.

**Page 3**

- Line references are updated to reflect renumbering of lines on page 1.
- The rate (1<sup>st</sup> quarter 2008) is not yet known.

Form **2210-F**

Department of the Treasury  
Internal Revenue Service

**Underpayment of Estimated Tax by  
Farmers and Fishermen**

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

OMB No. 1545-0140

**2007**

Attachment  
Sequence No. **06A**

Name(s) shown on tax return

Identifying number

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 can use it to figure your penalty. Enter the amount from line 21 on the penalty line of your return but do not attach Form 2210-F.

**Part I Reasons for Filing**—If box 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 box 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 text above Part I and **do not file Form 2210-F**):
- a  You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See Waiver of Penalty on page 2.
  - b  Your required annual payment (line 16 below) is based on your 2006 tax and you filed, or are filing, a joint return for either 2006 or 2007 but not for both years.

**Part II Figure Your Underpayment**

2	Enter your 2007 tax after credits from Form 1040, line 57; Form 1040NR, line 52; or Form 1041, Schedule G, line 4 . . . . .				<b>2</b>		
3	Other taxes, including self-employment tax (see instructions) . . . . .				<b>3</b>		
4	Add lines 2 and 3. If less than \$1,000, you do not owe a penalty; <b>do not file Form 2210-F</b>				<b>4</b>		
5	Earned income credit . . . . .	<b>5</b>					
6	Additional child tax credit . . . . .	<b>6</b>					
7	Credit for federal tax paid on fuels . . . . .	<b>7</b>					
8	Health coverage tax credit . . . . .	<b>8</b>					
9	Refundable credit for prior year minimum tax . . . . .	<b>9</b>					
10	Add lines 5, 6, 7, 8, and 9 . . . . .				<b>10</b>		
11	Current year tax. Subtract line 10 from line 4. If less than \$1,000, you do not owe a penalty; <b>do not file Form 2210-F</b> . . . . .				<b>11</b>		
12	Multiply line 11 by 66⅔% (.667) . . . . .	<b>12</b>					
13	Withholding taxes. <b>Do not</b> include any estimated tax payments on this line (see instructions)				<b>13</b>		
14	Subtract line 13 from line 11. If less than \$1,000, you do not owe a penalty; <b>do not file Form 2210-F</b> . . . . .				<b>14</b>		
15	Enter the tax shown on your 2006 tax return. <b>Caution:</b> See instructions . . . . .				<b>15</b>		
16	<b>Required annual payment.</b> Enter the <b>smaller</b> of line 12 or line 15 . . . . . <b>Note:</b> If line 13 is equal to or more than line 16, stop here; you do not owe the penalty. <b>Do not file Form 2210-F unless you checked box 1b above.</b>				<b>16</b>		
17	Enter the estimated tax payments you made by January 15, 2008, and any federal income tax and excess social security or tier 1 railroad retirement tax withheld during 2007 . . . . .				<b>17</b>		
18	<b>Underpayment.</b> Subtract line 17 from line 16. If the result is zero or less, stop here; you do not owe the penalty. <b>Do not file Form 2210-F unless you checked box 1b above</b> . . . . .				<b>18</b>		

**Part III Figure the Penalty**

19	Enter the date the amount on line 18 was paid or April 15, 2008, whichever is earlier . . . . .	<b>19</b>	/	/	08
20	Number of days <b>from</b> January 15, 2008, <b>to</b> the date on line 19 . . . . .	<b>20</b>			
21	<b>Penalty.</b> Underpayment on line 18 × $\frac{\text{Number of days on line 20}}{366}$ × .08 . . . . . ▶	<b>21</b>			

- Form 1040 filers, enter the amount from line 21 on Form 1040, line 77.
- Form 1040NR filers, enter the amount from line 21 on Form 1040NR, line 75.
- Form 1041 filers, enter the amount from line 21 on Form 1041, line 26.

Section references are to the Internal Revenue Code.

## General Instructions

### Purpose of Form

If you are an individual or a fiduciary for an estate or trust and at least two-thirds of your 2006 or 2007 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 chapter 2 of 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, 2008, we will not charge you interest on the penalty if you pay by the date specified on the bill.



*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 2007 if you did not pay at least the smaller of (a) two-thirds of the tax shown on your 2007 return, or (b) 100% of the tax shown on your 2006 return.

**Return.** In these instructions, "return" refers to your original income tax 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.

- You file your return and pay the tax due by March 1, 2008.
- You had no tax liability for 2006, you were a U.S. citizen or resident alien for all of 2006 (or an estate of a domestic decedent or a domestic trust), and your 2006 return was (or would have been had you been required to file) for a full 12 months.

- The total tax shown on your 2007 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 14.

### Waiver of Penalty

If you have an underpayment on line 18, all or part of the penalty for that underpayment will be waived if the IRS determines that:

- The underpayment was due to a casualty, disaster, or other unusual circumstance, and it would be inequitable to impose the penalty, or
- In 2006 or 2007, you retired after reaching age 62 or became disabled, and your underpayment was due to reasonable cause.

To request either of the above waivers, do the following:

- Check the box on line 1a.
- Complete Form 2210-F up to line 21 without regard to the waiver. Enter the amount you want waived in parentheses on the dotted line to the left of line 21. Subtract this amount from the total penalty you figured without regard to the waiver, and enter the result on line 21.
- Attach Form 2210-F and a statement to your return explaining the reasons you were unable to meet the estimated tax requirements.
- If you are requesting a penalty waiver due to a casualty, disaster, or other unusual circumstance, attach documentation such as copies of police and insurance company reports.
- 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.
- Tax from recapture of investment credit, low-income housing credit, qualified electric vehicle credit, Indian employment credit, new markets credit, or credit for employer-provided childcare facilities.
- 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 distributions from a Coverdell education savings account or a qualified tuition program not used for qualified education expenses.
- Tax on Archer MSA, Medicare Advantage MSA, or health savings account distributions not used for qualified medical expenses.
- Section 72(m)(5) excess benefits tax.
- Advance earned income credit payments.
- Interest due under sections 453(l)(3) and 453A(c) on certain installment sales of property.
- Tax on income not effectively connected with a U.S. trade or business from Form 1040NR, lines 53 and 56.
- An increase or decrease in tax as a shareholder in a qualified electing fund.
- Tax on accumulation distribution of trusts.
- Tax on electing small business trusts included on Form 1041, Schedule G, line 7.
- Household employment taxes, before subtracting any advance EIC payments made to your employees. Do not include this amount if you will enter -0- on Form 2210-F, line 13, and the amount on line 11 (excluding household employment taxes) would be less than \$1,000.
- Additional tax on income received from a nonqualified deferred compensation plan that fails to meet certain requirements.

### Line 13

Enter the taxes withheld shown on Form 1040, lines 64 and 67; Form 1040NR, lines 59, 61, 66, 67, and 68. For an estate or trust, enter the amount from Form 1041, line 24e.

### Line 15

Figure your 2006 tax by using the taxes and credits shown on your 2006 tax return. Use the same taxes and credits shown on lines 2, 3, 5, 6, 7, 8, and 9 of this form.

If you are filing a joint return for 2007 but you did not file a joint return for 2006, add the tax shown on your 2006 return to the tax shown on your spouse's 2006 return and enter the total on line 15 (figured as explained above).

If you filed a joint return for 2006 but you are not filing a joint return for 2007, see chapter 4 of Pub. 505 to figure your share of the 2006 tax to enter on line 15.

If you did not file a return for 2006 or if your 2006 tax year was less than 12 months, do not complete line 15. Instead, enter the amount from line 12 on line 16. However, see *Exceptions to the Penalty* on page 2.

### Line 17

If you are a household employer and made advance EIC payments, include those payments as estimated tax 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 burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below. **Recordkeeping**, 39 min.; **Learning about the law or the form**, 9 min.; **Preparing the form**, 35 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.

