

FARM Library

Financial and Risk Management Database

Improving farm management skills one topic at a time

10/16/2020

January 15th Estimates for Qualified Farmers

As we approach tax planning season, we would like to make you aware of a tool we strongly encourage our qualified farmers to use this year. Qualified farmers can make a payment of estimated tax by January 15th in order to move the March 1st tax filing deadline to April 15th. This option would require qualified farmers to pay the lesser of:

1. 66.67% of your 2020 expected tax, or
2. 100% of 2019 tax.

This year especially, there could be large benefits to using this option and delaying your tax filing deadline. There is potential for many things to disrupt our normal process of filing returns. This ranges from consultants being sick with COVID, to stay home mandates, and even potential tax law changes that delay form availability with no guarantee of extended deadlines from IRS.

2020 has been a year like no other. We fully expect to feel the effects of this year's events through the tax filing season, either due to illness in the office or as tax laws and clarifications are issued. As you meet with your consultant this fall, they will strongly encourage qualified farmers to make estimated tax payments by January 15th to push back the filing deadline.