

REPLY TO:

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- ☐ 721 FEDERAL BUILDING
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United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

January 15, 2013

REPLY TO:

- ☐ 103 FEDERAL COURTHOUSE BUILDING
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- ☐ 210 WATERLOO BUILDING
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- ☐ 131 WEST 3RD STREET
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(563) 322-4331
- ☐ 307 FEDERAL BUILDING
8 SOUTH 6TH STREET
COUNCIL BLUFFS, IA 51501-4204
(712) 322-7103

The Honorable Timothy F. Geithner
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Steven T. Miller
Acting Commissioner
Internal Revenue Service
111 Constitution Avenue NW
Washington, DC 20224

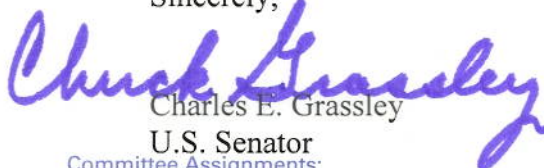
Dear Secretary Geithner and Acting Commissioner Miller:

I am writing regarding the March 1st tax filing deadline for farmers who qualify to file and pay their taxes using special estimated tax rules. Recently, the Internal Revenue Service made an announcement concerning the delay in tax filing primarily resulting from late action by the President and Congress on end of the year tax matters. According to the announcement, tax filing for most tax filers will begin on January 30th, instead of January 22nd as planned. However, the IRS has yet to set a date for when certain taxpayers with more complicated returns may begin filing, but indicated it could be as "late as February or early March."

Included in the group of taxpayers who may not be able to file until late February or early March are many family farmers. While this delay in filing is not ideal for any taxpayer, it is especially worrisome for farmers who are generally required to file by March 1st or face owing estimated payment penalties. The delay in filing means farmers may still be waiting on forms they need to file a complete return on March 1st. Farmers should not be penalized for the President and Congress' failure to act on tax legislation on a timely basis. The IRS should do all it can to ensure forms are ready as soon as possible, but should be prepared to grant penalty relief to farmers who are unable to meet the deadline due to the delay.

IRS has provided such relief in the past. Last year, the bankruptcy of MF Global delayed the issuance of Forms 1099 to its customers, many of which were farmers. As a result, the IRS implemented a process by which farmers could request a waiver of the estimated tax penalty they otherwise would owe for failing to meet the March 1st deadline. The IRS should implement similar procedures for farmers this year. These procedures should be announced sooner rather than later to save farmers from the headache and heartburn associated with the current uncertainty. Farmers already have enough to worry about given the recent drought and uncertainties surrounding congressional action on the Farm bill.

Sincerely,


Charles E. Grassley
U.S. Senator

Committee Assignments:

RANKING MEMBER,
JUDICIARY

AGRICULTURE
BUDGET
FINANCE

Co-CHAIRMAN,
INTERNATIONAL NARCOTICS
CONTROL CAUCUS