

**Order 2022-01, Granting Extension due to IRS Delay under Iowa Administrative Code**  
**Rule 701—49.6(2)“a”**

**I. Extension Through May 2, 2022, for Certain Farm Returns**

Under current law, a taxpayer who earns at least two-thirds of their income from farming or commercial fishing is generally permitted to avoid the assessment of penalty resulting from underpayment of estimated Iowa income tax as long as they file a return and remit payment of Iowa income tax by March 1 following the end of the tax year.

On March 15, 2022, the Internal Revenue Service (“IRS”) issued Notice N-2022-13 which provides an extension, through April 18 or 19, 2022, for farmers and fishermen to file a return and remit payment of income tax without incurring the penalty resulting from underpayment of estimated tax.

Iowa Administrative Code rule 701—49.6(2)“a” allows the Director of the Department of Revenue (“Director”) to waive Iowa’s penalty for underpayment of estimated tax under the following situations:

The underpayment was due to casualty, disaster, or other unusual circumstances and imposition of the penalty would be against equity and good conscience.

The Director finds that this extension and waiver by the IRS is an unusual circumstance warranting a similar extension and waiver for Iowa income tax purposes. Therefore, a taxpayer who earns at least two-thirds of their income from farming or commercial fishing as described in 26 U.S.C. section 6654(i) is hereby granted an extension through May 2, 2022, to file their 2021 Iowa income tax returns and to remit payment without incurring the penalty for underpayment of Iowa estimated tax.

Issued at Des Moines, Iowa on this 22 day of March, 2022.

IOWA DEPARTMENT OF REVENUE

By \_\_\_\_\_

Kraig Paulsen, Director