In my March 22, 2012 blog, I suggested farmers consider making an estimated tax payment on January 15 of each year as a way to extend their filing deadline to April 15 and still avoid the penalty for failing to make estimated payments. One example I gave for needing a post-March 1 filing was the late issuance of 1099 forms by MF Global trustees. Evidently, the IRS is aware of the problem and issued news release IR-2012-37 on March 23, 2012 to address the possible penalty problem.

MF Global filed for bankruptcy on Oct. 31, 2011, after revealing that hundreds of millions of dollars in customer money was missing. Court-appointed trustees are working to untangle MF Global’s records and issuance of the 1099 forms was delayed. Therefore, many MF Global customers did not receive their Forms 1099 until after March 1, 2012. Consequently, the IRS has authorized relief for these taxpayers if they are assessed an underpayment of estimated tax penalty for filing after March 1.

If you filed by March 1 but received a late Form 1099, you are required to file an amended return, Form 1040X, Amended U.S. Individual Income Tax Return. You should note in the “Explanation for Changes” section of the return that you received the MF Global 1099 after the original return was filed.

If you filed after March 1 because you were waiting on the MF Global 1099 and then receive a penalty, you must contact the IRS and identify the relief given in IR-2012-37. You should wait until you have received the penalty notice as the IRS will not grant penalty relief until after a penalty is assessed.

If you have not yet filed your return, there is a different process. You can prevent the penalty assessment if you attach a Form 2210-F, Understatement of Estimated Tax by Farmers and Fishermen, to your Form 1040, U.S. Individual Income Tax Return. You should attach a short statement to the form stating that you received a late Form 1099 from MF Global. At the top of the Form 2210-F, write “MF Global.” You will not be able to file the Forms 1040 and 2210-F electronically.

You can obtain the forms mentioned above from the IRS web site www.IRS.gov. Click on “Forms & Pubs”