



News Release

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IRS Provides Penalty Relief to Farmers Affected by MF Global Bankruptcy

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WASHINGTON — The Internal Revenue Service announced today that it will provide penalty relief to farmers who incur estimated tax penalties because they did not timely receive Forms 1099 from MF Global or its court appointed trustee, and were unable to file their 2011 calendar year tax return by March 1, 2012. The IRS also today provided the affected farmers with instructions on how to apply for this penalty relief.

Generally, farmers can avoid an estimated tax penalty if they file their returns and pay the full amount of tax shown on their return by March 1, 2012. An individual is a farmer for these purposes if two-thirds of the individual's total gross income for the taxable year or the preceding taxable year is from farming. This rule and the relief being provided also apply for fishermen.

MF Global filed for bankruptcy on Oct. 31, 2011, after revealing that hundreds of millions of dollars in customer money was missing. While the court appointed trustees are working to untangle MF Global's financial records, the IRS understands that the magnitude of the records and the associated untangling delayed the issuance of Forms 1099 in a timely manner. Many former customers of MF Global did not receive their Forms 1099 by March 1, 2012.

While the IRS has been advised that former customers have recently received their 1099s, the delay in mailing the Forms 1099 may have affected the ability of many farmers to file their 2011 calendar year return by March 1, 2012.

If a taxpayer has an underpayment of estimated tax, all or part of the penalty for the underpayment may 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.

To request a waiver of the estimated tax penalty, complete Form 2210-F *Underpayment of Estimated Tax by Farmers and Fisherman*. As stated in the instructions to Form 2210-F, a short statement should be attached to the Form stating that you received a late 1099 from MF Global. At the top of your Form 2210-F, write "MF Global". Taxpayers should be aware that the Form 2210-F and accompanying Form 1040 cannot be submitted electronically. In the case of farmers who have filed their tax returns and an estimated tax penalty is assessed, please contact the IRS, identify this relief and the penalty will be abated.

Taxpayers may download forms and publications from this Web site or may order them by calling 1-800-TAX-FORM (1-800-829-3676). The IRS toll-free number for general tax questions is 1-800-829-1040.

For information about the liquidation of MF Global, including the trustee's statements on the issuance of Forms 1099, former customers may go to the trustee's webpage at www.mfglobaltrustee.com.