



NORTH
CAROLINA
DEPARTMENT
OF REVENUE

February 25, 2022

Important Notice: Estimated Tax Interest Relief for Farmers and Fishermen Who File Income Tax Returns and Pay Tax Due by April 15, 2022

The purpose of this important notice is to inform eligible farmers and fishermen of a recently enacted law that affects an exception to the requirement to make estimated tax payments for tax year 2021.

North Carolina Law

[G.S. 105-163.15\(a\)](#) requires the Department to propose an assessment of interest against an individual when the individual fails to make required estimated income tax payments for the tax year.

[G.S. 105-163.15\(i\)\(1\)](#) requires an individual who is a farmer or fisherman to make a single estimated income tax payment. For a farmer or fisherman whose tax year ends on December 31, the estimated income tax payment is due on January 15 following the end of the individual's tax year.

[G.S. 105-163.15\(i\)\(2\)](#) provides that if a calendar-year individual who is a farmer or fisherman files a North Carolina individual income tax return and pays the entire amount of tax shown due on the return on or before March 1 of the following taxable year, the Department will not assess the individual estimated tax interest for the tax year.

[G.S. 105-163.15\(i\)\(3\)](#) provides that an individual is a farmer or fisherman for any taxable year if:

- (1) The individual's gross income from farming or fishing, including oyster farming, for the taxable year is at least sixty-six and two-thirds percent (66 2/3%) of the total gross income from all sources shown on the income tax return, or
- (2) The individual's gross income from farming for fishing, including oyster farming, shown on the individual's income tax return for the preceding tax year is at least sixty-six and two-thirds percent (66 2/3%) of the total gross income from all sources shown on the income tax return.

Estimated Tax Interest Relief for Tax Year 2021

On February 24, 2022, Governor Roy Cooper signed [Session Law 2022-5](#) (House Bill 797). Under the new law, the State will not assess estimated tax interest on any farmer or fisherman if the individual files a North Carolina individual income tax return and pays the tax shown due on the tax return by Friday, April 15, 2022.¹

North Carolina is providing this relief due to the later-than-usual signing of the State budget, which caused a delay in the opening of the 2022 State tax filing season. As such, a farmer or fisherman whose tax year ends on December 31, 2021, may have difficulty electronically filing their 2021 North Carolina individual income tax return by March 1, 2022, the normal deadline for filing the tax return if the farmer or fisherman wishes to avoid an assessment of interest for the underpayment of estimated tax.

How to Obtain the Estimated Tax Interest Relief for Tax Year 2021

The estimated tax interest relief for a farmer and fisherman for tax year 2021 is automatic if the individual files their [2021 North Carolina individual income tax return](#), Form D-400, on or before April 15, 2022, and pays the full amount of tax shown due on the return.

As a reminder, any farmer or fisherman who qualifies for an exception to the estimated income tax requirements located under [G.S. 105-163.15\(i\)](#), must enter an “F” in the “Exception to Underpayment of Estimated Tax” box located on the right-side of box 26e of the 2021 Form D-400.

Assistance

If you have any questions about this notice, you may call the Department’s Contact Center at 877-252-3052 (8:00 am until 4:30 pm EST, Monday through Friday), or write the Department at P.O. Box 1168, Raleigh, NC 27602-1168.

To the extent there is any change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance regarding the subject of this notice and issued prior to this notice conflict with this notice, the provisions contained in this notice supersede the previous guidance.

¹ Because April 15, 2022, falls on both a State holiday (Good Friday) and a District of Columbia legal holiday (Emancipation Day), the income tax return will be considered timely filed if the tax return is filed on or before Monday, April 18, 2022. See [Directive TA-16-1](#).