

2022 Instructions for Form FTB 5805F

Underpayment of Estimated Tax by Farmers and Fishermen

General Information

The instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the instructions. Taxpayers should not consider the instructions as authoritative law.

The California Mental Health Services Act imposes an additional 1% tax on taxable income over \$1,000,000 and is included in the calculation of the estimated tax.

Alternative Minimum Tax (AMT) is included in the calculation of estimated tax.

The underpayment of estimated tax penalty will not apply to the extent the underpayment of an installment was created or increased by any provision of law that is chaptered during and operative for the taxable year of the underpayment. To request a waiver of underpayment of estimated penalty, follow the directions under General Information E.

A Purpose

Use Part I of form FTB 5805F, Underpayment of Estimated Tax by Farmers and Fishermen, to determine if you, as a farmer or fisherman, paid the required amount of estimated tax. Use Part II to compute your estimated tax penalty if you did not pay enough estimated tax.

B Qualifications

You are a farmer or fisherman if at least two-thirds of your 2021 or 2022 gross income is from farming or fishing. If you need help determining your gross income, get federal Pub. 505, Tax Withholding and Estimated Tax. If you determine that you are not a farmer or fisherman, **do not** use this form. Instead, use form FTB 5805, Underpayment of Estimated Tax by Individuals and Fiduciaries, to determine if you owe an estimated tax penalty.

C Required Estimate Payment

If you are a farmer or fisherman, you are required to make an estimated tax payment of 66 $\frac{2}{3}$ % (.6667) of your 2022 tax or 100% of your 2021 tax, whichever is less. If you are a calendar year taxpayer, your payment must be paid by January 17, 2023. If you are a fiscal year taxpayer, your payment must be paid by the 15th day of the 1st month after the close of your taxable year.

When the estimate payment due date falls on a weekend or holiday, the deadline to pay without penalty is extended to the next business day.

D Exceptions to the Penalty

You do not owe a penalty for 2022 if any of the following apply:

1. You file your 2022 tax return and pay the full amount of tax due by March 1, 2023.
2. The tax for 2021, after credits, was less than \$500 (\$250 if married/registered domestic partner (RDP) filing separately) calculated as follows:
 - Form 540, add line 48, line 61, line 62, and any IRC Section 453A interest from line 63, less the tax on line 34 and less line 71, line 73, and line 74.
 - Form 540NR, add line 63, line 71, line 72, and any IRC Section 453A interest from line 73, less the tax on line 41 and less line 81, line 83, and line 84.
 - Form 541, line 28 less the tax on lump-sum distributions and accumulation distribution of trusts included on line 21b and less line 29 and line 31.
3. The tax for 2021 (from line 9) is less than \$500 (\$250 if married/RDP filing separately).
4. You had no tax liability for 2021 and your 2021 tax return was for a full 12 months (or would have been if you were required to file). You do not need to have had income in each month.

E Waiver of the Penalty

All or part of the penalty for underpayment may be waived if either of the following apply:

- You underpaid the estimated tax because of a casualty, disaster, or other unusual circumstance and it would be against equity and good conscience to impose the penalty.
- In 2021 or 2022, you retired after age 62 or became disabled and your underpayment was due to reasonable cause and not willful neglect.

To request a waiver, you must do all of the following:

- Complete form FTB 5805F through line 15 without regard to the waiver. Write the amount you want waived in parentheses on the dotted line next to line 16. Subtract this amount from the total penalty you figured without regard to the waiver, and enter the result on line 16.
- Check the box on line 16.
- Below line 16, explain why you are requesting a waiver of the estimate penalty. If you need more space, attach a statement. Be sure to include your name and tax ID number on each statement you attach.
- Enter the amount, if any, from line 16 on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44 and check the box on that line.

F Amended Tax Returns

If you file an amended tax return by the due date of your original tax return, use the amounts shown on your amended tax return to figure your underpayment. If you file an amended tax return after the due date of your original tax return, use the amounts shown on the original tax return.

Exception: If you and your spouse/RDP file a joint tax return after the due date to replace separate tax returns you originally filed by the due date, use the amounts shown on the joint tax return to figure your underpayment. This rule applies only if both original separate tax returns were filed on time.

Important: Even if you do not owe a penalty, do both of the following:

- Attach this form to the back of your Form 540, Form 540NR, or Form 541.
- Check the box on Form 540, line 113; Form 540NR, line 123; or Form 541, line 44 if you are a farmer or a fisherman. This helps the Franchise Tax Board (FTB) identify you as a farmer or fisherman and correctly process your tax return.

Franchise Tax Board Privacy Notice on Collection

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for 1131 to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection - Aviso de Privacidad del Franchise Tax Board sobre la Recaudación. To request this notice by mail, call 800.338.0505 and enter form code 948 when instructed.