

Subject 207

Farming and Fishing Income

Farmers report their income and expenses on federal Schedule F and fishermen report their income and expenses on federal Schedule C. The net income (or loss) is reported on **AR1000F** or **AR1000NR**.

If at least two thirds of your total gross income was from farming or fishing, you may be able to use a special rule for filing your return and paying your tax (instead of making estimated tax payments). If you qualify for and choose to use this special treatment, you must file your return and pay the entire tax due on or before the 15th day of the third month following the close of your tax year to avoid any penalties for not making estimated tax payments. (This is March 15th for most taxpayers.) Form **AR2210** must be filed with your tax return stating that you qualify for this exemption.