No. 2025-362
December 22, 2025

Notice 2026-3: Estimated tax penalty relief for elections under section 1062 to defer gain from sale of qualified farmland property

The IRS today released **Notice 2026-3** providing relief from the additions to tax under sections 6654 and 6655 for underpayment of estimated income tax by a taxpayer that makes a valid election under section 1062(a) to defer gain from a sale of qualified farmland property.

The notice states that the instructions to forms relevant to estimated income tax requirements will be modified, as necessary, to reflect the relief granted by the notice.

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