Schedule IT-2210
State Form 46002
(R27 / 9-25)

Indiana Department of Revenue

2025 Underpayment of Estimated Tax by Individuals

Enclose with Form IT-40 or Form IT-40PNR.

Enclosure Sequence No. **13**

Name(s) shown on Form IT-40/Form IT-40PNR

Your Social Security Number

Section A – Farmers and Fishermen Only – See Instructions

	Annual Gross Income from All Sources			Two-Thirds of Gross Income		Gross Income from Farming and Fishing	
2024		00	X 66.7% =		00		00
2025		00	X 66.7% =		00		00

Section B – Early Filers

Check box if you filed your 2025 tax return and paid the total tax due by Feb. 2, 2026. ☐

Section C – Required Annual Payment

Round all entries

1.	2025 tax	1		00
2.	2025 credits (not including withholding credits, PTET credits, or estimated tax payments)	2		00
3.	Subtract line 2 from line 1	3		00
4.	Multiply line 3 by 90% (.90) (farmers/fishermen multiply by .667, see instructions)	4		00
5.	2025 withholding tax and PTET credit	5		00
6.	Subtract line 5 from line 3 - If less than $1,000, STOP HERE! You do not owe a penalty	6		00
7.	Prior year's tax (see instructions)	7		00
8.	Minimum required annual payment - Enter the lesser of line 4 or line 7 - If less than or equal to the amount on line 5, STOP HERE! You do not owe a penalty	8		00

Section D – Short Method – Read the instructions to determine if you can use the short method.

9.	Enter the withholding tax and PTET credit amount from line 5 above	9		00
10.	Enter the total amount, if any, of estimated tax payments you made for tax year 2025	10		00
11.	Add lines 9 and 10	11		00
12.	Total Underpayment. Subtract line 11 from line 8. If zero or less, STOP HERE! You do not owe a penalty. Attach this schedule to your tax return	12		00
13.	Multiply line 12 by 10% (.10). Enter this amount on line 20 on Form IT-40 or Form IT-40PNR	13		00

Section E – Regular Method

Installment Period Due Dates

	Column A		**Column B**		**Column C**		**Column D**	
	1st Installment April 15, 2025		2nd Installment June 16, 2025		3rd Installment September 15, 2025		4th Installment January 15, 2026	
14. Minimum required installment payment. Divide amount on line 8 by 4		00		00		00		00
15. 2025 withholding and PTET - Divide line 5 by 4		00		00		00		00
STOP! Complete lines 16 through 19 for each column before going to the next one.								
16. 2025 estimated taxes paid per period		00		00		00		00
17. Total installment payments (add lines 15 and 16)		00		00		00		00
18. Installment period overpayment		00		00		00		00
19. Installment period underpayment		00		00		00		00
20. Total underpayment. Add line 19, Columns A + B + C + D and enter total here								00
21. Underpayment penalty. Multiply line 20 by 10%. Enter this amount on line 20 on Form IT-40 or IT-40PNR								00

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Instructions for Schedule IT-2210, Underpayment of Estimated Tax by Individuals

What is the purpose of Schedule IT-2210?
This schedule is used for one of **two** reasons:

1. To help you figure any penalty you owe for not paying enough tax throughout the year, **or**

2. To show you paid enough tax throughout the year to be exempt from the penalty.

Why is a penalty charged?
The Indiana income tax system is a "pay as you go" system. Many taxpayers have enough taxes withheld from their income throughout the year to cover their year-end total tax due. However, if you don't have taxes withheld from your income, or if you don't have *enough* tax withheld from your income, you may owe a penalty for underpaying estimated tax.

Who should use Schedule IT-2210?
You should complete this schedule if:

- The amount you owe for tax year 2025, after credits, is $1,000 or more. The amount you owe is from Form IT-40 and Form IT-40PNR, line 15 minus line 14, **or**

- You underpaid the minimum amount due for one or more of the installment periods. This is true even if you are due a refund.

How much is the penalty?
The penalty is 10% of the underpayment for each underpaid installment period. That is why Section E of this schedule is set up by periods, and should be filled out one column at a time.

What do I need to complete this form?
You'll need a copy of:

- Your completed 2025 Form IT-40 or Form IT-40PNR,

- Your 2024 Form IT-40 or Form IT-40PNR, **and**

- Records of actual estimated tax payments you made for 2025.

What else do i need to know about this schedule?

- If you are a farmer or fisherman, you should review Section A below and *Section D - Short Method* instructions on page 2.

- All taxpayers need to know about the short method of figuring the penalty in Section D.

- If you received seasonal income (i.e., you had fireworks sales, you worked during a Christmas season, etc.) that is not evenly received throughout the year, you might want to complete Schedule IT-2210A, Annualized Income Schedule. Annualization could possibly reduce your required installment tax payments. You may download Schedule IT-2210A from the following web address: www.in.gov/dor/tax-forms/individual/current.

Section A – Farmers and Fishermen
If at least two-thirds of your gross income for 2024 or 2025 was from farming or fishing, you have only one payment due date for 2025 estimated tax - Jan. 15, 2026.

To meet an exception to the underpayment penalty for 2025, you may use Option 1 or Option 2.

If you are eligible for treatment as a farmer or fisherman, please mark "F" in the box on Line 20a of Form IT-40 or Form IT-40PNR.

Option 1. Pay all your estimated tax by Jan. 15, 2026, and file your Form IT-40 by April 15, 2026, **OR**

Option 2. File your Form IT-40 by March 2, 2026, and pay all the tax due. You are not required to make an estimated tax payment if you choose this second option. If you pay all the tax due, you will not be penalized for failure to pay estimated tax.

Section B – Early Filers
If you file your individual income tax return and pay the tax due by Feb. 2, 2026, you will not be required to make a fourth installment estimated tax payment. For additional information see the instructions for line 16.

Section C – Required Annual Payments
Section C will determine if you should have paid estimated taxes during the year and the minimum amount required.

Line 1 – 2025 Tax. Add together the state adjusted gross income tax and county income tax from lines 8 and 9 of either Form IT-40 or Form IT-40PNR, any recapture of certain Indiana credits from line 3 of Indiana's Schedule 4 or Schedule E, plus any nonresident professional team member's county tax from Schedule E, line 4. Enter the total here.

Line 2 – 2025 Credits. Add together any credits from lines 5 through 11 of Indiana's Schedule 5 or Schedule F, plus any offset credits from line 8 of Indiana's Schedule 6 or Schedule G. Enter the total here.

Line 4. To determine 90% of your total expected tax, multiply line 3 by 90% (.90).

Note. If at least 2/3 of your gross income is from farming or fishing, multiply line 3 by 66 2/3% (.667).

Line 5 – 2025 Withholding and Pass Through Entity Tax. Add together any state and county withholding amounts from lines 1 and 2 along with any pass through entity tax (PTET) from line 3 of Indiana's Schedule 5 or Schedule F. Enter the total here.

Line 6. Subtract line 5 from line 3. If this amount is less than $1,000, you do not owe a penalty. Stop here and keep a copy as DOR may request to see it at a later date.

Line 7 – Prior Year's Tax Exception. See if you are eligible for any of the following exceptions.

- If you filed a 2024 Form IT-40, add the tax from lines 8 and 9; subtract the total of the credits on line 13 plus any amounts on Schedule 5, lines 4 through 11. Enter the result here. **Note.** See **CAUTION** box below.
- If you filed a 2024 Form IT-40PNR as a **full-year nonresident**, add the tax from lines 8 and 9; subtract the total of the credits on line 13 plus any amounts on Schedule F, lines 4 through 11. Enter the result here. **Note.** See **CAUTION** box below.
- If your federal AGI for 2024 was more than $150,000 ($75,000 if married filing separately) and you are not subject to the special rules for farmers or fishermen, enter the result multiplied by 110% (1.10). See the **CAUTION** box on this page for this calculation.
- If you filed a 2024 Form IT-40PNR as a **part-year resident** of Indiana, you must figure the tax for that year on an annualized basis. See the instruction and ***Example* for when 2024 Form IT-40PNR was filed as a part-year resident** in the right-hand column.
- If you did not file a 2024 tax return, enter "N/A" for line 7 and see instructions for line 8.

Line 8 – Minimum required annual payment. Enter the lesser of line 4 or line 7. If the line 7 entry is N/A, enter the amount from line 4 on this line. Continue to Section D or Section E, whichever applies.

Section D – Short Method
You can use the short method **only if**:

- You made no estimated tax payments, **or**
- You paid estimated tax in four equal amounts by the due dates, **or**
- At least two-thirds of your gross income from 2024 or 2025 was from farming or fishing and an estimated tax payment (if any) was made by Jan. 15, 2026.

***Example* for when 2024 Form IT-40PNR was filed as a part-year resident.** If you filed a 2024 Form IT-40PNR as a part-year resident of Indiana, you must figure the tax for that year on an annualized basis. You can accomplish this by multiplying the Form IT-40PNR line 1 income by 12 and dividing the result by the number of months you were an Indiana resident. Then figure the state tax and county tax, if applicable, by 1) subtracting your 2024 exemptions from the result and 2) multiplying that total by the combined state and applicable county tax rate(s) from your 2024 Indiana individual income tax return. See the example below. **Note**. See **CAUTION** box below.

Example.

- Jane moved to Indiana on Sept. 15, 2024, so she was a resident for 3.5 months.
- Her 2024 Form IT-40PNR line 1 income is $10,000.
- Her 2025 total exemptions are $3,500.
- The 2025 adjusted gross income tax rate is 3% (.03). Her 2025 county tax rate is .01 (for a 4% [.04] combined state and county tax rate).

Use Steps 1 – 4 below to figure her prior year's tax exception for line 7 of the IT-2210.

Step 1	$ 10,000	2024 Indiana income
	x 12	months
	$ 120,000	annualized income
Step 2	$ 120,000	annualized income
	÷ 3.5	months of 2024 residency
	34,286	
Step 3	$ 34,286	
	- 3,500	2025 exemptions
	30,786	
Step 4	$ 30,786	
	x 4%	2025 combined state and county tax rate
	$ 1,231*	

* The $1,231 Step 4 amount should be entered as an exception on line 7 of Jane's Schedule IT-2210.

CAUTION. If your 2024 federal adjusted gross income is more than $150,000 ($75,000 if your 2024 filing status is married filing separately), and you are not subject to the special rules for farmers and fishermen, you must enter **110%** of last year's tax (instead of 100%) on line 7.

Example. Chris and Kate's 2024 federal adjusted gross income is $158,000. They must take the following steps to arrive at the exception amount for line 7:

a.	2024 IT-40 total income tax (line 8 plus line 9)	$ 6,952
b.	2024 IT-40 credits (line 13 plus Schedule 5, lines 4 through 10)	- 1,952
c.	Subtotal	$ 5,000
d.	Exception to the penalty percentage	x 110%
e.	Amount for line 7 of Schedule IT-2210	$ 5,500

Note. If Chris and Kate's 2024 federal adjusted gross income is less than or equal to $150,000, they would enter $5,000 instead of $5,500 on line 7.

You can't use the short method if either of the following applies:

- You made any estimated tax payments late, **or**
- You made estimated payments in unequal amounts.

Section E – Regular Method
Use the regular method if you aren't eligible to use the short method.

If you are a fiscal year taxpayer, you must change the dates in Columns A through D to correspond with your fiscal year.

Line 14 – Minimum Required Installment. Divide the amount on line 8 by four and enter the result in each column.

If you are filing this year as a part-year resident on Form IT-40PNR, you must divide line 8 by the number of installment periods during which you were a resident of Indiana.

Installment Periods Are:
1st Period .... Jan. 1 to March 31
2nd Period .... April 1 to May 31
3rd Period .... June 1 to Aug. 31
4th Period .... Sept. 1 to Dec. 31

Line 15 – 2025 Withholding and PTET. To determine your installment period withholding credit, divide the amount on line 5 by four and enter the result in each column. See Income Tax Information Bulletin #3 for special instructions related to withholding that does not occur evenly throughout the year or for withholding and PTET for nonresidents by partnerships, S corporations, estates, or trusts.

STOP. Complete lines 16 through 19 for each column before going to the next column.

Line 16 – 2025 Estimated Taxes Paid. Enter the actual amount of estimated tax you timely paid for each installment period. Payments made after the due dates are to be reported in the next column.

Example. Joe paid $800 in estimated taxes for 2025. His third installment payment of $200 was not made until Oct. 1 (after the Sept. 15 due date). The $200 payment should be reported as a 4th period installment payment.

Note for Early Filers. If you file your individual income tax return and pay the tax due by Feb. 2, 2026, you will not be required to make a 4th installment estimated tax payment. You should include on line 16, Column D, the amount of tax you paid with your tax return (Form IT-40 or Form IT-40PNR) minus any household employment tax, use tax, recapture of certain Indiana credits, nonresident professional team member's county tax from Schedule F, and/or the amount shown on the return to be applied to your 2026 estimated tax account.

Line 17 – Total Installment Payments. To determine your total installment payments, add lines 15 and 16 in each column and enter that column's total here.

Line 18 – Installment Period. Overpayment: If the total payment (line 17) is more than the required payment due (line 14) for an installment period, enter the difference on this line. This amount should then be added to line 16 in the next column after subtracting any underpayment(s) shown on line 19 in the previous column(s).

Note. If, after subtracting any underpayments, this amount is less than zero, no overpayment will be available to carry over to the next installment period. Also, **do not** carry over a negative figure if this amount is less than zero.

Example. Dana had a $100 underpayment on line 19, Column A. She had a $130 overpayment on line 18, Column B. The net *overpayment* from the first two installment periods is $30 ($130 minus $100). She will add this net overpayment to any estimated tax paid for the third installment period on line 16, Column C.

Line 19 – Installment Period Underpayment. If the total payment (line 17) is less than the required tax (line 14) for an installment period, enter the difference on this line.

Line 21 – Underpayment Penalty. This amount must also be entered on line 20 of your 2025 Form IT-40 or Form IT-40PNR.

Who Must Submit Schedule IT-2210?

- A farmer/fisherman utilizing Section A, Option 1 or 2
- Early filers checking box in Section B
- Anyone completing Section D or Section E.

Important. If you are filing your IT-40 or IT-40PNR by mail, you <u>must</u> enclose a copy of Schedule IT-2210 to your tax return if you are claiming an exception to the penalty for the underpayment of estimated tax.