



Your first name and last name \_\_\_\_\_

Spouse's first name and last name (if filing a joint return) \_\_\_\_\_

Your Social Security Number

Spouse's Social Security Number

**Section I - Farmers and Fishermen Only - See Instructions**

	Annual Gross Income from All Sources	X 66.7%=	Two-thirds of Gross Income	Gross Income from Farming and Fishing
2007	<input type="text"/>		<input type="text"/>	<input type="text"/>
2008	<input type="text"/>		<input type="text"/>	<input type="text"/>

**Section II  
Early Filers**  
Check box if you filed  
your 2008 tax return  
and paid the total tax  
due by Feb. 2, 2009.

**Section III - Required Annual Payment**

A. 2008 tax .....	<input type="text"/>
B. 2008 credits (not including withholding credits or estimated tax) .....	<input type="text"/>
C. Subtract line B from line A .....	<input type="text"/>
D. Multiply line C by 90% (.90) (Farmers/fisherman multiply by .667, see instructions) .....	<input type="text"/>
E. 2008 withholding tax credit .....	<input type="text"/>
F. Subtract line E from line C - <b>If less than \$1,000, STOP HERE! You do not owe a penalty</b> .....	<input type="text"/>
G. Prior year's tax - <b>(Read instructions)</b> .....	<input type="text"/>
H. Minimum required annual payment - Enter the lesser of line D or line G (if G is N/A, enter amount from D) .....	<input type="text"/>

**Section IV - STOP! Complete lines 1 through 12 for Columns A through D first.**

	<b>Column A 1-1 to 3-31</b>	<b>Column B 1-1 to 5-31</b>	<b>Column C 1-1 to 8-31</b>	<b>Column D 1-1 to 12-31</b>
1. Indiana adjusted income for each period .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Annualization amounts .....	<input type="text"/> 4.0	<input type="text"/> 2.4	<input type="text"/> 1.5	<input type="text"/> 1.0
3. Annualized income: Multiply line 1 by line 2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4. Exemptions: Line 14 of Form IT-40 or line 10 of Form IT-40PNR	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5. Annualized state taxable income (line 3 minus line 4) .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6. State income tax: Multiply line 5 by 3.4% (.034) .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7. County income tax: See instructions .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8. Annualized total tax: Add lines 6 and 7 .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9. Credits: <b>For each period</b> , enter the sum of lines 26 through 31 of Form IT-40 or lines 22 through 28 of Form IT-40PNR .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. Annualized tax: Subtract line 9 from line 8. If less than zero, enter -0- .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11. Applicable installment percentages ...	<input type="text"/> .225	<input type="text"/> .450	<input type="text"/> .675	<input type="text"/> .900
12. Installment amount due: Multiply line 10 by line 11 .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



**Schedule IT-2210A**  
Section IV cont'd...

	Column A 1-1 to 3-31	Column B 1-1 to 5-31	Column C 1-1 to 8-31	Column D 1-1 to 12-31
12a. Enter amounts carried from the front page, line 12 .....	12a			12a
<b>STOP!</b> Complete lines 13 through 25 for each column, beginning with Column A, before going to the next column.				
13. Amount from line 19 of all preceding columns (see instructions) .....	13			13
14. Total Tax: Subtract line 13 from line 12a. If less than zero, leave blank ...	14			14
15. Minimum tax due: Enter 25% (.25) of line H from Section III .....	15			15
16. Enter the amount from line 18 of the preceding column .....	16			16
17. Total minimum tax: Add lines 15 and 16 .....	17			17
18. Subtract line 14 from line 17. If less than zero, leave blank .....	18			18
19. Actual estimated tax due: Enter the lesser of line 14 or line 17 here. Carry to line 13 of the next column ..	19			19
20. Indiana state income tax withheld....	20			20
21. Indiana county income tax withheld.	21			21
22. Estimated tax payments .....	22			22
23. Total amount paid: Add lines 20 through 22 .....	23			23
24. Overpayment: If line 23 is greater than line 19, enter the difference here.....	24			24
25. Underpayment: If line 19 is greater than line 23, enter the difference here.....	25			25
26. Add line 25, Columns A + B + C + D and enter the total here.....				26
27. Penalty due. Multiply line 26 by 10% (.10) and enter total here <u>and</u> on line 39 of Form IT-40 or line 36 of Form IT-40PNR.....				27

**Annualized Income Schedule for the Underpayment of  
Indiana Individual Estimated Tax: Line-by-line Instructions**

**Who Should File Schedule IT-2210A?**

Most taxpayers have state and county income taxes withheld from their income by their employers; therefore, the income taxes are usually paid in "even" amounts throughout the year. However, if you are self-employed, earn seasonal income, have income which does not have state and county income taxes withheld or expect to owe more than \$1,000 of state or county income taxes at the time you file your annual income tax return, you might be required to pay estimated taxes during the tax year. Either Schedule IT-2210 or Schedule IT-2210A are used to determine if you paid enough estimated taxes each period. If you did not, then you can figure the penalty you might owe for the underpayment of the estimated taxes.

**Schedule IT-2210A or Schedule IT-2210: Which one to use**

You should use Schedule IT-2210A to: 1) figure your penalty, or 2) to show you paid enough estimated tax for a period if you received any seasonal income, such as Christmas tree sales, fireworks sales, etc., and you made any estimated tax payments that coincide with the receipt of that income. If the income you received (on which no Indiana income tax is withheld) is *evenly* distributed during the year, such as pension income, then you should file Schedule IT-2210 instead. See the line-by-line instructions for assistance.

**Section I - Farmers and Fishermen**

If at least two-thirds of your income for 2007 or 2008 was from farming or fishing, you have only one payment due date for 2008 estimated tax - Jan. 15, 2009.

To meet an exception to the underpayment penalty for 2008, you may use option 1 or 2:

1. Pay all your estimated tax by Jan. 15, 2009, and file your Form IT-40 by April 15, 2009, **OR**

2. File your Form IT-40 by March 2, 2009, 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.

**Note:** If at least two-thirds of your gross income was not from farming or fishing, you do not meet this exception. You must complete the rest of this schedule.

### Section II - Early Filers

If you file your individual income tax return and pay the tax due by Feb. 2, 2009, you will not be required to make a 4th installment estimated tax payment. For additional information see the instructions for line 22.

### Section III - Required Annual Payments

Section III will determine if you should have paid estimated taxes during the year and the minimum amount required.

**Line A: 2008 Tax:** Enter the state adjusted income tax, county income tax, Indiana advance earned income credit payment and recapture of Indiana's CollegeChoice 529 credit from your individual income tax return: add lines 16, 17, 20 and 21 from the IT-40 or lines 12, 13, 16 and 17 from the IT-40PNR and enter the total here.

**Line B: 2008 Credits:** Enter the credits (except withholding and estimated tax payments) from your tax return. Add lines 26 through 31 from the IT-40 or lines 22 through 28 from the IT-40PNR and enter the total here.

**Line D:** To determine 90 percent of your total expected tax, multiply line C by 90 percent.

**Note:** If at least two-thirds of your gross income is from farming or fishing, multiply line D by 66 2/3 percent (.667).

**Line E: 2008 Withholding:** Your 2008 state and county income taxes withheld from your earnings should equal the combined lines 23 and 24 amounts from the IT-40 or the combined lines 19 and 20 from the IT-40PNR. Enter the total here.

**Line F:** Subtract line E from line C. If this amount is less than \$1,000, you **do not** owe a penalty. **Stop** here and **attach a copy of this schedule** to your individual income tax return.

**Line G: Prior Year's Tax Exception:** If you filed a 2007 IT-40 as a **full year resident**, add lines 16 and 17 (your income tax) and subtract the totals of lines 26 through 30 (your credits). Enter the result here. If you filed a 2007 IT-40PNR as a **full-year nonresident**, add lines 12 and 13 from that return and subtract the total of the lines 22 through 26 credits. Enter the result here. **Note: See CAUTION box below.**

If you filed a 2007 IT-40PNR as a **part-year resident** of Indiana, you must figure the tax for that prior year on an annualized basis. You can accomplish this by multiplying the IT-40PNR line 1 income by 12 months 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 subtracting your 2008 exemptions from the result and

multiply that total by the tax rate(s) from your 2008 Indiana individual income tax return. See the example below. **Note: See CAUTION box below.**

#### Example:

- Kay moved to Indiana on Sept. 15, 2007, so she was a resident for 3.5 months.
- Her 2007 IT-40PNR line 1 income is \$10,000.
- Her 2008 total exemptions are \$3,500.
- The 2008 adjusted income tax rate is 3.4% (.034). Her 2008 county tax rate is 1% (for a 4.4% [.044] combined state and county tax rate).

Use Steps 1 through 4 below to figure the prior year's tax exception for line G of Kay's IT-2210A.

<p><b>Step 1</b> \$ 10,000 (2007 Indiana income)  <math>\times \frac{12 \text{ months}}{12}</math>            \$ 120,000 annualized income</p>	$\rightarrow$	<p><b>Step 3</b> \$ 34,286            - \$ 3,500 (2008 exemptions)            \$ 30,786</p>
<p><b>Step 2</b> \$ 120,000 annualized income  <math>\div 3.5 \text{ months (2007) residency}</math>            \$ 34,286</p>	$\rightarrow$	<p><b>Step 4</b> \$ 30,786 (2008 combined state  <math>\times 4.4\% \text{ and county tax rate}</math>            \$ 1,355*</p>

\*The \$1,355 Step 4 total should be entered as an exception on line G of Kay's Schedule IT-2210A.

**CAUTION:** If your 2008 state taxable income (line 15 of Form IT-40 or line 11 of Form IT-40PNR) was more than \$150,000 (\$75,000 for married individuals filing separately), you must enter **110% of last year's tax** (instead of 100%) on line G.

**Example:** Chris and Kate's 2008 state taxable income from line 15 of Form IT-40 was \$158,000. They would take the following steps to arrive at the exception amount for line G:

a) 2007 IT-40 total income tax (line 16 plus line 17) .....	\$ 6,952
b) 2007 IT-40 credits (lines 26, 27, 28, 29 and 30) .....	- 1,952
c) Subtotal.....	\$ 5,000
d) Exception to the penalty percentage .....	x 110%
e) Amount for line G of Schedule IT-2210A .....	\$ 5,500

**Note:** If Chris and Kate's 2008 state taxable income had been less than \$150,000, they would have entered \$5,000 instead of \$5,500 on Line G.

**Line H: Minimum Required Annual Payment:** Enter the lesser of line D or line G. If the line G entry is N/A, enter the amount from line D on this line. Continue to Section IV.

**Section IV - Annualized Method STOP!** Complete lines 1 through 25 for each column, beginning with Column A, before going to the next column.

**Line 1:** 2008 Indiana Adjusted Income: You must use the amount from Form IT-40, line 9 or from Form IT-40PNR, line 3, and figure how much of this income was earned during each period. Note that each column includes the income totals from all previous columns. See the example at the top of the next page.

**Line 4:** Exemptions: Enter the total amount of exemptions shown on line 14 of Form IT-40 or line 10 of Form IT-40PNR. Enter the total amount in each column.

**Line 5:** Annualized State Taxable Income: Subtract line 4 from line 3. If the difference is a negative number, put no entry on this line.

**Example:** Jean and Jerry's 2008 Indiana adjusted income was figured using the following information:

Jean's wage income earned evenly throughout the year.....	\$ 30,000
Jerry's net income from fireworks sales earned in June and July.....	22,000
Total joint interest income (\$50 received monthly) .....	600
Renter's <i>deduction</i> for renting all year .....	<u>-2,500</u>
Indiana adjusted income for 2008 .....	*\$ 50,100

They will have to figure how much wage and interest income was earned on a monthly basis, and how much renter's deduction is available for each month. Then they can figure the portion of their Indiana adjusted income for each of the time periods shown on line 1, Columns A - D.

\*This \$50,100 amount will be entered on line 1, Column D of their Schedule IT-2210A.

**Figure their Indiana adjusted income for:**

- The period 1-1-08 through 3-31-08 (first 3 months (mos) of the year):  
 3 mos/12 mos (or .25) x \$30,000 wage = ..... \$7,500  
 \$50 a month interest x 3 months = ..... 150  
 3 mos/12 mos (or .25) x \$2,500 renter's *deduction* = ..... -625  
 Line 1, Column A Indiana Adjusted Income = ..... \$7,025
- The period 1-1-08 through 5-31-08 (first 5 months (mos) of the year):  
 5 mos/12 mos (or .42) x \$30,000 wage = ..... \$12,600  
 \$50 a month interest x 5 months = ..... 250  
 5 mos/12 mos (or .42) x \$2,500 renter's *deduction* = ..... -1,050  
 Line 1, Column B Indiana Adjusted Income = ..... \$11,800
- The period 1-1-08 through 8-31-08 (first 8 months (mos) of the year):  
 8 mos/12 mos (or .67) x \$30,000 wage = ..... \$20,100  
 \$50 a month interest x 8 months = ..... 400  
 Jerry's net income (all received in June and July) = ..... 22,000  
 8 mos/12 mos (or .67) x \$2,500 renter's *deduction* = ..... -1,675  
 Line 1, Column C Indiana Adjusted Income = ..... \$40,825

**Line 7:** County Income Tax: Multiply the amount on line 5 by your resident county tax rate from line 4 of your county tax schedule (CT-40 or CT-40PNR) **or** multiply the amount on line 5 that is principal employment income (less allowable exemptions) by the nonresident county tax rate from line 6 of your county tax schedule.

**Line 9:** Credits: Enter the applicable portion of credits from lines 26 through 31 of Form IT-40 or lines 22 through 28 of Form IT-40PNR for each period. Example: If you made a contribution to a college in July, this credit may be taken in Column C and Column D.

**Line 13:** Enter the amount (if any) from line 19 of all preceding columns. Example: To complete line 13, Column D, add line 19 amounts from Columns A, B and C. Enter this amount in Column D.

**Line 15:** Minimum Tax Due: Enter 25 percent of line H (from Section III) in each column.

**Line 16:** Tax Carryover: Enter the amount from line 18 of the preceding column. This line keeps track of the portion of your average tax that was not imposed for the previous period.

**Line 19:** Actual Estimated Tax Due: Enter the smaller amount from line 14 or line 17 on this line. This is the actual amount of estimated tax you should have paid for this period. Also, enter this amount on line 13 of the next column. (Because this is subtracted in columns B, C, and D, you will not pay a penalty on the same underpayment twice.)

**Line 20:** Indiana State Tax Withheld: Divide the amount on line 23 of Form IT-40 or line 19 of Form IT-40PNR by four and enter the result in each column.

**Note: If your withholding should change during the year, please show the increase or decrease in the period when the change occurred.**

**Line 21:** Indiana County Tax Withheld: Divide the amount on line 24 of Form IT-40 or line 20 of Form IT-40PNR by four and enter the result in each column. See note above.

**Line 22:** 2008 Estimated Tax Payments: Enter the actual amount of estimated taxes paid timely by the 15th day following the close of the period. Payments made after the due dates are to be reported in the next column.

**Note for Early Filers:** If you file your individual income tax return and pay the *total* tax due by Feb. 2, 2009, you will not be required to make a 4th installment estimated tax payment. You should include on line 22, Column D, the amount of tax you paid with your tax return (Form IT-40 or IT-40PNR) minus any household employment tax, use tax, advance earned income payments, recapture of Indiana's CollegeChoice 529 plan credit and/or the amount shown on the return to be applied to your 2008 estimated tax account.

**Line 24:** Installment Period Overpayment: If the total payment (line 23) is more than the required payment due (line 19) for an installment period, enter the difference on this line. This amount should then be added to line 22 in the next column **after** subtracting any underpayment(s) shown on line 25 in the previous column(s).

**Example:** Mike had a \$100 underpayment on line 25, Column A. He had a \$130 *overpayment* on line 24, Column B. The net overpayment from the first two installment periods is \$30 (\$130 - \$100). He'll add this net overpay-

ment to any estimated tax paid for the third installment period on line 22, Column C.

**Note:** If, after subtracting any previous 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. For example, a first period underpayment of \$80 plus a second period overpayment of \$50 results in a \$30 net underpayment. This amount is not to be used to decrease any credits for the next installment period.

**Line 25:** Underpayment: If line 23 is less than line 19, enter the difference on this line.

**Line 26:** Add lines 25A + 25B + 25C + 25D and enter the total here.

**Line 27:** Penalty for the underpayment of estimated tax: Multiply line 26 by 10 percent. Enter the amount here and on line 39 of Form IT-40 or line 36 of Form IT-40PNR. Be sure to attach Schedule IT-2210A to your income tax return.