



Schedule
IT-2210A
State Form 48437
(R9 / 9-09)

Indiana Department of Revenue
**2009 Annualized Income Schedule for the
Underpayment of Estimated Tax by Individuals**
Attach to Form IT-40, IT-40PNR or IT-40P

Enclosure
Sequence No. **14**

Names(s) shown on Form IT-40/IT-40PNR/IT-40P

Your Social
Security Number

Section I - Early Filers

Check box if you filed your 2009 tax return and paid the total tax due by Feb. 1, 2010. ☐

Section II - Required Annual Payment

A. 2009 tax	A	
B. 2009 credits (not including withholding credits or estimated tax)	B	
C. Subtract line B from line A	C	
D. Multiply line C by 90% (.90).....	D	
E. 2009 withholding tax credit	E	
F. Subtract line E from line C - If less than \$1,000, STOP HERE! You do not owe a penalty	F	
G. Prior year's tax. Check box if you are a qualified individual with a small business ☐	G	
H. Minimum required annual payment - Enter the lesser of line D or line G (if G is N/A, enter amount from D)	H	

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

	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
1. Indiana adjusted income for each period	1			1
2. Annualization amounts	2 4.0	2.4	1.5	2 1.0
3. Annualized income: Multiply line 1 by line 2	3			3
4. Exemptions: Line 5 of Form IT-40, Schedule 3, or line 7 of Form IT-40PNR, Schedule D	4			4
5. Annualized state taxable income (line 3 minus line 4).....	5			5
6. State income tax: Multiply line 5 by 3.4% (.034)	6			6
7. County income tax: See instructions	7			7
8. Annualized total tax: Add lines 6 and 7	8			8
9. Credits: See Instructions.....	9			9
10. Annualized tax: Subtract line 9 from line 8. If less than zero, enter -0-	10			10
11. Applicable installment percentages ...	11 .225	.450	.675	11 .900
12. Installment amount due: Multiply line 10 by line 11	12			12



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Schedule IT-2210A
Section III 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
STOP! 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 II	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 22 of Form IT-40/IT40PNR, or on line 28 of Form IT-40P				27



Annualized Income Schedule for the Underpayment of Estimated Tax by Individuals

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 and/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.

Farmers and Fishermen: If at least two-thirds of your income for 2008 or 2009 was from farming or fishing, you have only one payment due date for 2009 estimated tax – Jan. 15, 2010.

To show you meet this two-thirds rule, do not file this schedule. Instead, you must file Schedule IT-2210, and complete the Section D – Short Method. Get Schedule IT-2210 at www.in.gov/dor/4167.htm

Section I - Early Filers

If you file your individual income tax return and pay the tax due by Feb. 1, 2010, you will not be required to make a 4th installment estimated tax payment. For additional information see the instructions for line 22.

Section II - Required Annual Payments

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

Line A: 2009 Tax: Add together the state adjusted gross income tax and county income tax from lines 8 and 9 of Form IT-40 or Form IT-40PNR, plus any Indiana advance earned income credit payment and/or recapture of any CollegeChoice 529 credit from lines 3 and 4 of Indiana's Schedule 4 or Schedule E. Enter the total here.

Line B: 2009 Credits: Add together any credits from lines 4 through 8 of Indiana's Schedule 5 or Schedule F, plus any offset credits from line 13 of Form IT-40 or Form IT-40PNR. Enter the total here.

Line D: To determine 90 percent of your total expected tax, multiply line 3 by 90 percent (.90).

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

Line E: 2009 Withholding: Add together any state and county withholding amounts from lines 1 and 2 of Indiana's Schedule 5 or Schedule F. Enter the total here.

Line F: Subtract line 5 from line 3. 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: See if you are eligible for any of the following exceptions. Note: Skip to **Qualified individual with a small business** if you qualify.

- If you filed a 2008 Form IT-40, add lines 16 and 17 (your state and county income tax) from that return and subtract the total of the credits on lines 26 through 31 from that return. Enter the result here. **Note:** See **CAUTION** box on Page 2.

- If you filed a 2008 Form IT-40PNR as a **full-year nonresident**, add lines 12 and 13 from that return and subtract the total of the lines 22 through 28 from that return. Enter the result here. **Note:** See **CAUTION** box on page 2.

- If you filed a 2008 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 2008 IT-40PNR was filed as a part-year resident** on page 2.

Qualified individual with a small business. Check the box on line G if, in 2008, you filed a Form IT-40, or a Form IT-40PNR as a full-year nonresident, and:

- your 2008 federal AGI (Form 1040, line 37) was less than \$500,000 (\$250,000 if married filing separately), and
- at least 50% of the gross income shown on the 2008 federal tax return was income from a small trade or business. A small trade or business is one that employed no more than 500 persons, on average, during the preceding calendar year.

If you checked the box on line G, follow these instructions:

- **Full-Year Resident.** If you filed a 2008 Form IT-40, from that return add lines 16 and 17 (your state and county income tax) and subtract the total of the credits on lines 26 through 31. Multiply this total by 90% (.90), and enter the result here. **Note:** The **CAUTION** box on page 2 does not apply to you.
- **Full-Year Nonresident.** If you filed a 2008 Form IT-40PNR as a full-year nonresident, from that return add lines 12 and 13 (your state and county income tax) and subtract the total of the credits on lines 22 through 28. Multiply this total by 90% (.90), and enter the result here. **Note:** The **CAUTION** box on page 2 does not apply to you.

- **Part-Year Indiana Resident.** If you filed a 2008 Form IT-40PNR as a part-year resident, you are not eligible to claim an exception for qualified individuals with a small business. Do not check the box 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.

Section III - Annualized Method STOP!

Complete lines 1 through 25 for each column, beginning with Column A, before going to the next column.

Line 1: 2009 Indiana Adjusted Income:

You must use the amount from Form IT-40 or from Form IT-40PNR, line 5, 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 6 of Form IT-40 or 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.

Line 7: County Income Tax: Multiply the amount on line 5 by your resident county tax rate from Section 1, 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 Section 2, line 6, of your county tax schedule.

Line 9: Credits: Enter the applicable portion of credits from lines 4 through 8 of Indiana's Schedule 5 or Schedule F, plus any offset credits from line 13 of Form IT-40 or Form IT-40PNR, for each period. Example: If you made a contribution to a college in July, include this credit in Column C and Column D.

Example for when 2008 IT-40PNR was filed as a part-year resident: If you filed a 2008 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 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 2009 exemptions from the result and 2) multiplying that total by the combined state and applicable county tax rate(s) from your 2009 Indiana individual income tax return. See the example below. **Note:** See **CAUTION** box below.

Example:

- Jane moved to Indiana on Sept. 15, 2008, so she was a resident for 3.5 months.
- Her 2008 IT-40PNR line 1 income is \$10,000.
- Her 2009 total exemptions are \$3,500.
- The 2009 adjusted gross income tax rate is 3.4% (.034). Her 2009 county tax rate is 1% (for a 4.4% [.044] combined state and county tax rate.)

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

Step 1	\$ 10,000	2008 Indiana income
	x 12	months
	\$ 120,000	annualized income

Step 2	\$ 120,000	annualized income
	÷ 3.5	months of 2008 residency
	34,286	

Step 3	\$ 34,286	
	- 3,500	2009 exemptions
	30,786	

Step 4	\$ 30,786	
	x 4.4%	2009 combined state and county tax rate
	\$ 1,355*	

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

CAUTION: If your 2009 state taxable income (line 7 of Form IT-40 or Form IT-40PNR) is 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 2009 state taxable income from line 7 of Form IT-40 is \$158,000. They must take the following steps to arrive at the exception amount for line 7:

a) 2008 IT-40 total income tax (line 16 plus line 17).....	\$ 6,952
b) 2008 IT-40 credits (lines 26 through and including 31)	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 2009 state taxable income is less than \$150,000, they would enter \$5,000 instead of \$5,500 on line G.

Example: Jean and Jerry's 2009 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 2009	<u>*\$ 50,100</u>

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 1-1-09 through 3-31-09 (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 1-1-09 through 5-31-09 (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 1-1-09 through 8-31-09 (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 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 II) 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 from line 1 of Indiana's Schedule 5 or Schedule F 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 from line 2 of Indiana's Schedule 5 or Schedule F by four and enter the result in each column. See note above.

Line 22: 2009 Estimated Tax Payments: Enter the actual amount of estimated taxes paid timely. 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. 1, 2010, 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 Form 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 2010 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 overpayment 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** carryover 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 (.10). Enter the amount here and on line 20 of your Form IT-40 or Form IT-40PNR.

Be sure to attach Schedule IT-2210A to your income tax return.