

Underpayment of Estimated Tax by Individuals, Estates, and Trusts

▶ See separate instructions.

▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Name(s) shown on tax return

Identifying number

Note: In most cases, you **do not** need to file Form 2210. The IRS will figure any penalty you owe and send you a bill. File Form 2210 **only** if one or more boxes in Part I apply to you. If you do not need to file Form 2210, you still may use it to figure your penalty. Enter the amount from line 20 or line 32 on the penalty line of your return, but **do not** attach Form 2210.

Part I Reasons for Filing—If 1a, b, or c below applies to you, you may be able to lower or eliminate your penalty. But you **MUST** check the boxes that apply and file Form 2210 with your tax return. If 1d below applies to you, check that box and file Form 2210 with your tax return.

- 1 Check whichever boxes apply (if none apply, see the **Note** above):
 - a You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See **Waiver of Penalty** on page 1 of the instructions.
 - b You use the **annualized income installment method**. If your income varied during the year, this method may reduce the amount of one or more required installments. See page 4 of the instructions.
 - c You had Federal income tax withheld from wages and, for estimated tax purposes, you treat the withheld tax as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. See the instructions for line 22 on page 3.
 - d Your required annual payment (line 13 below) is based on your 1996 tax and you filed or are filing a joint return for either 1996 or 1997 but not for both years.

Part II Required Annual Payment

2 Enter your 1997 tax after credits (see page 2 of the instructions). Caution: Also see page 2 for a special rule if claiming the research credit	2	
3 Other taxes (see page 2 of the instructions)	3	
4 Add lines 2 and 3	4	
5 Earned income credit	5	
6 Credit for Federal tax paid on fuels	6	
7 Add lines 5 and 6	7	
8 Current year tax. Subtract line 7 from line 4	8	
9 Multiply line 8 by 90% (.90)	9	
10 Withholding taxes. Do not include any estimated tax payments on this line (see page 2 of the instructions)	10	
11 Subtract line 10 from line 8. If less than \$500, stop here; do not complete or file this form. You do not owe the penalty	11	
12 Enter the tax shown on your 1996 tax return (110% of that amount if the adjusted gross income shown on that return is more than \$150,000, or if married filing separately for 1997, more than \$75,000). Caution: See page 2 of the instructions	12	
13 Required annual payment. Enter the smaller of line 9 or line 12	13	

Note: If line 10 is equal to or more than line 13, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above.

Part III Short Method (Caution: See page 2 of the instructions to find out if you can use the short method. If you checked box 1b or c in Part I, skip this part and go to Part IV.)

14 Enter the amount, if any, from line 10 above	14	
15 Enter the total amount, if any, of estimated tax payments you made	15	
16 Add lines 14 and 15	16	
17 Total underpayment for year. Subtract line 16 from line 13. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box 1d above	17	
18 Multiply line 17 by .05986	18	
19 ● If the amount on line 17 was paid on or after 4/15/98, enter -0-.		
● If the amount on line 17 was paid before 4/15/98, make the following computation to find the amount to enter on line 19.		
Amount on line 17 × Number of days paid before 4/15/98 × .00025	19	
20 PENALTY. Subtract line 19 from line 18. Enter the result here and on Form 1040, line 65; Form 1040A, line 34; Form 1040NR, line 65; Form 1040NR-EZ, line 26; or Form 1041, line 27 . . ▶	20	

Part IV Regular Method (See page 2 of the instructions if you are filing Form 1040NR or 1040NR-EZ.)

Section A—Figure Your Underpayment	Payment Due Dates			
	(a) 4/15/97	(b) 6/15/97	(c) 9/15/97	(d) 1/15/98
21 Required installments. If box 1b applies, enter the amounts from Schedule AI, line 26. Otherwise, enter 1/4 of line 13, Form 2210, in each column	21			
22 Estimated tax paid and tax withheld (see page 3 of the instructions). For column (a) only, also enter the amount from line 22 on line 26. If line 22 is equal to or more than line 21 for all payment periods, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked a box in Part I <i>Complete lines 23 through 29 of one column before going to the next column.</i>	22			
23 Enter amount, if any, from line 29 of previous column	23			
24 Add lines 22 and 23	24			
25 Add amounts on lines 27 and 28 of the previous column	25			
26 Subtract line 25 from line 24. If zero or less, enter -0-. For column (a) only, enter the amount from line 22	26			
27 If the amount on line 26 is zero, subtract line 24 from line 25. Otherwise, enter -0-	27			
28 Underpayment. If line 21 is equal to or more than line 26, subtract line 26 from line 21. Then go to line 23 of next column. Otherwise, go to line 29	28			
29 Overpayment. If line 26 is more than line 21, subtract line 21 from line 26. Then go to line 23 of next column	29			

Section B—Figure the Penalty (Complete lines 30 and 31 of one column before going to the next column.)

	4/15/97	6/15/97	9/15/97	1/15/98
30 Number of days FROM the date shown above line 30 TO the date the amount on line 28 was paid or 4/15/98, whichever is earlier	30 Days:	Days:	Days:	Days:
31 Underpayment on line 28 (see page 3 of the instructions) × $\frac{\text{Number of days on line 30}}{365}$ × .09 ▶	31 \$	\$	\$	\$
32 PENALTY. Add the amounts in each column of line 31. Enter the total here and on Form 1040, line 65; Form 1040A, line 34; Form 1040NR, line 65; Form 1040NR-EZ, line 26; or Form 1041, line 27	32 \$			\$

Schedule AI—Annualized Income Installment Method (see pages 4 and 5 of the instructions)

Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/28/97, 4/30/97, 7/31/97, and 11/30/97.

	(a) 1/1/97-3/31/97	(b) 1/1/97-5/31/97	(c) 1/1/97-8/31/97	(d) 1/1/97-12/31/97
Part I Annualized Income Installments Caution: Complete lines 20–26 of one column before going to the next column.				
1 Enter your adjusted gross income for each period (see instructions). (Estates and trusts, enter your taxable income without your exemption for each period.)				
2 Annualization amounts. (Estates and trusts, see instructions.)	4	2.4	1.5	1
3 Annualized income. Multiply line 1 by line 2				
4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter -0- and skip to line 7. (Estates and trusts, enter -0-, skip to line 9, and enter the amount from line 3 on line 9.)				
5 Annualization amounts	4	2.4	1.5	1
6 Multiply line 4 by line 5 (see instructions if line 3 is more than \$60,600)				
7 In each column, enter the full amount of your standard deduction from Form 1040, line 35, or Form 1040A, line 19 (Form 1040NR or 1040NR-EZ filers, enter -0-. Exception: Indian students and business apprentices, enter standard deduction from Form 1040NR, line 34 or Form 1040NR-EZ, line 10.)				
8 Enter the larger of line 6 or line 7.				
9 Subtract line 8 from line 3				
10 In each column, multiply \$2,650 by the total number of exemptions claimed (see instructions if line 3 is more than \$90,900). (Estates and trusts and Form 1040NR or 1040NR-EZ filers, enter the exemption amount shown on your tax return.)				
11 Subtract line 10 from line 9				
12 Figure your tax on the amount on line 11 (see instructions)				
13 Form 1040 filers only, enter your self-employment tax from line 35 below				
14 Enter other taxes for each payment period (see instructions)				
15 Total tax. Add lines 12, 13, and 14				
16 For each period, enter the same type of credits as allowed on Form 2210, lines 2, 5, and 6 (see instructions)				
17 Subtract line 16 from line 15. If zero or less, enter -0-				
18 Applicable percentage	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18				
20 Add the amounts in all preceding columns of line 26				
21 Subtract line 20 from line 19. If zero or less, enter -0-				
22 Enter ¼ of line 13 on page 1 of Form 2210 in each column				
23 Enter amount from line 25 of the preceding column of this schedule				
24 Add lines 22 and 23 and enter the total				
25 Subtract line 21 from line 24. If zero or less, enter -0-				
26 Enter the smaller of line 21 or line 24 here and on Form 2210, line 21 ▶				

Part II Annualized Self-Employment Tax

27a Net earnings from self-employment for the period (see instructions)				
b Annualization amounts	4	2.4	1.5	1
c Multiply line 27a by line 27b				
28 Social security tax limit	\$65,400	\$65,400	\$65,400	\$65,400
29 Enter actual wages subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax				
30 Annualization amounts	4	2.4	1.5	1
31 Multiply line 29 by line 30				
32 Subtract line 31 from line 28. If zero or less, enter -0-				
33 Multiply the smaller of line 27c or line 32 by .124				
34 Multiply line 27c by .029				
35 Add lines 33 and 34. Enter the result here and on line 13 above ▶				

