

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

Do You Have To File Form 2210?

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	Do not file Form 2210. You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. Do not file Form 2210 (but if box E in Part II applies, you must file page 1 of Form 2210).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You must file Form 2210. Does box B , C , or D in Part II apply?
No		
Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but do not file Form 2210.	No	You must figure your penalty.
	Yes	You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.

Part I Required Annual Payment

1 Enter your 2008 tax after credits from Form 1040, line 56 (see instructions if not filing Form 1040)	1		
2 Other taxes, including self-employment tax (see page 2 of the instructions)	2		
3 Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, health coverage tax credit, refundable credit for prior year minimum tax, first-time homebuyer credit, and recovery rebate credit	3	()
4 Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, you do not owe a penalty; do not file Form 2210	4		
5 Multiply line 4 by 90% (.90)	5		
6 Withholding taxes. Do not include estimated tax payments. (see page 2 of the instructions)	6		
7 Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210	7		
8 Maximum required annual payment based on prior year's tax (see page 2 of the instructions)	8		
9 Required annual payment. Enter the smaller of line 5 or line 8	9		

Next: Is line 9 more than line 6?

- No.** You **do not** owe a penalty. **Do not file Form 2210** unless box **E** below applies.
- Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
 - If box **B**, **C**, or **D** applies, you must figure your penalty and file Form 2210.
 - If only box **A** or **E** (or both) applies, file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.**

Part II Reasons for Filing. Check applicable boxes. If none apply, **do not file Form 2210.**

- A** You request a **waiver** (see page 2 of the instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B** You request a **waiver** (see page 2 of the instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C** Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.
- D** Your penalty is lower when figured by treating the federal income tax withheld from your income as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E** You filed or are filing a joint return for either 2007 or 2008, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box **B**, **C**, or **D** applies).

Part III Short Method

Can You Use the Short Method?

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), **or**
- You paid the same amount of estimated tax on each of the four payment due dates.

Must You Use the Regular Method?

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part II, **or**
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

Note: *If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.*

10	Enter the amount from Form 2210, line 9		10														
11	Enter the amount, if any, from Form 2210, line 6	11															
12	Enter the total amount, if any, of estimated tax payments you made	12															
13	Add lines 11 and 12		13														
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E in Part II		14														
15	Multiply line 14 by .03571		15														
16	<ul style="list-style-type: none"> ● If the amount on line 14 was paid on or after 4/15/09, enter -0-. ● If the amount on line 14 was paid before 4/15/09, make the following computation to find the amount to enter on line 16. <div style="margin-left: 40px;"> <table style="border: none;"> <tr> <td style="padding-right: 10px;">Amount on</td> <td style="padding-right: 10px;">×</td> <td style="padding-right: 10px;">Number of days paid</td> <td style="padding-right: 10px;">×</td> <td style="padding-right: 10px;">.00014</td> <td style="padding-right: 10px;">.</td> </tr> <tr> <td style="padding-right: 10px;">line 14</td> <td></td> <td style="padding-right: 10px;">before 4/15/09</td> <td></td> <td></td> <td></td> </tr> </table> </div>	Amount on	×	Number of days paid	×	.00014	line 14		before 4/15/09					16		
Amount on	×	Number of days paid	×	.00014												
line 14		before 4/15/09															
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26. Do not file Form 2210 unless you checked a box in Part II ▶		17														

Part IV Regular Method (See page 3 of the instructions if you are filing Form 1040NR or 1040NR-EZ.)

Section A—Figure Your Underpayment		Payment Due Dates			
		(a) 4/15/08	(b) 6/15/08	(c) 9/15/08	(d) 1/15/09
18	Required installments. If box C in Part II applies, enter the amounts from Schedule AI, line 25. Otherwise, enter 25% (.25) of line 9, Form 2210, in each column	18			
19	Estimated tax paid and tax withheld (see page 3 of the instructions). For column (a) only, also enter the amount from line 19 on line 23. If line 19 is equal to or more than line 18 for all payment periods, stop here; you do not owe a penalty. Do not file Form 2210 unless you checked a box in Part II Complete lines 20 through 26 of one column before going to line 20 of the next column.	19			
20	Enter the amount, if any, from line 26 in the previous column	20			
21	Add lines 19 and 20	21			
22	Add the amounts on lines 24 and 25 in the previous column	22			
23	Subtract line 22 from line 21. If zero or less, enter -0-. For column (a) only, enter the amount from line 19	23			
24	If line 23 is zero, subtract line 21 from line 22. Otherwise, enter -0-	24			
25	Underpayment. If line 18 is equal to or more than line 23, subtract line 23 from line 18. Then go to line 20 of the next column. Otherwise, go to line 26 ▶	25			
26	Overpayment. If line 23 is more than line 18, subtract line 18 from line 23. Then go to line 20 of the next column	26			

Section B—Figure the Penalty (Complete lines 27 through 34 of one column before going to the next column.)

		4/15/08	6/15/08		
Rate Period 1	April 16, 2008—June 30, 2008				
	27 Number of days from the date shown above line 27 to the date the amount on line 25 was paid or 6/30/08, whichever is earlier	<i>Days:</i>	<i>Days:</i>		
	28 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 27}}{366} \times .06$ ▶	28 \$	\$		
Rate Period 2	July 1, 2008—September 30, 2008	6/30/08	6/30/08	9/15/08	
	29 Number of days from the date shown above line 29 to the date the amount on line 25 was paid or 9/30/08, whichever is earlier	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>	
	30 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 29}}{366} \times .05$ ▶	30 \$	\$	\$	
Rate Period 3	October 1, 2008—December 31, 2008	9/30/08	9/30/08	9/30/08	
	31 Number of days from the date shown above line 31 to the date the amount on line 25 was paid or 12/31/08, whichever is earlier	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>	
	32 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 31}}{366} \times .06$ ▶	32 \$	\$	\$	
Rate Period 4	January 1, 2009—April 15, 2009	12/31/08	12/31/08	12/31/08	1/15/09
	33 Number of days from the date shown above line 33 to the date the amount on line 25 was paid or 4/15/09, whichever is earlier	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>	<i>Days:</i>
	34 Underpayment on line 25 (see page 4 of the instructions) × $\frac{\text{Number of days on line 33}}{365} \times .05$ ▶	34 \$	\$	\$	\$

35	Penalty. Add all amounts on lines 28, 30, 32, and 34 in all columns. Enter the total here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26. Do not file Form 2210 unless you checked a box in Part II ▶	35	\$		
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Schedule AI—Annualized Income Installment Method (See pages 5 and 6 of the instructions.)

Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/29/08, 4/30/08, 7/31/08, and 11/30/08.

	(a) 1/1/08–3/31/08	(b) 1/1/08–5/31/08	(c) 1/1/08–8/31/08	(d) 1/1/08–12/31/08
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Part I Annualized Income Installments

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	If you itemize, enter itemized deductions for the period shown in each column. All others enter -0-, and skip to line 7. Exception: Estates and trusts, skip to line 9 and enter amount from line 3				
5	Annualization amounts	4	2.4	1.5	1
6	Multiply line 4 by line 5 (see instructions if line 3 is more than \$79,975)				
7	In each column, enter the full amount of your standard deduction from Form 1040, line 40, or Form 1040A, line 24 (Form 1040NR or 1040NR-EZ filers, enter -0-. Exception: Indian students and business apprentices, see instructions.)				
8	Enter the larger of line 6 or line 7				
9	Subtract line 8 from line 3				
10	In each column, multiply \$3,500 by the total number of exemptions claimed (see instructions if line 3 is more than \$119,975). (Estates, trusts, and Form 1040NR or 1040NR-EZ filers, (see instructions)				
11	Subtract line 10 from line 9. If zero or less, enter -0-				
12	Figure your tax on the amount on line 11 (see instructions)				
13	Self-employment tax from line 34 (complete Part II 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, Part I, lines 1 and 3 (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				
	Complete lines 20–25 of one column before going to line 20 of the next column.				
20	Enter the total of the amounts in all previous columns of line 25				
21	Subtract line 20 from line 19. If zero or less, enter -0-				
22	Enter 25% (.25) of line 9 on page 1 of Form 2210 in each column				
23	Subtract line 25 of the previous column from line 24 of that column				
24	Add lines 22 and 23				
25	Enter the smaller of line 21 or line 24 here and on Form 2210, line 18 ▶				

Part II Annualized Self-Employment Tax (Form 1040 filers only)

26	Net earnings from self-employment for the period (see instructions)				
27	Prorated social security tax limit	\$25,500	\$42,500	\$68,000	\$102,000
28	Enter actual wages for the period subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax				
29	Subtract line 28 from line 27. If zero or less, enter -0-				
30	Annualization amounts	0.496	0.2976	0.186	0.124
31	Multiply line 30 by the smaller of line 26 or line 29				
32	Annualization amounts	0.116	0.0696	0.0435	0.029
33	Multiply line 26 by line 32				
34	Add lines 31 and 33. Enter here and on line 13 above ▶				



Instructions for Form 2210

Underpayment of Estimated Tax by Individuals, Estates, and Trusts

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

What's New—Disaster Areas

Generally, required estimated tax payment deadlines were extended for taxpayers affected by federally declared disasters. You will be granted a waiver of all or part of your underpayment of tax penalty for late payments due to such disaster. See *Federally declared disaster* under *Waiver of Penalty* on page 2.

Purpose of Form

Generally, use Form 2210 to see if you owe a penalty for underpaying your estimated tax and, if you do, to figure the amount of the penalty. If you are not required to file Form 2210, you can use it to figure your penalty if you wish to do so. In that case, enter the penalty on your return, but do not file Form 2210.

Who Must File Form 2210

In most cases, you do not need to file Form 2210. The IRS will figure any penalty you owe and send you a bill. See *The IRS Will Figure the Penalty for You* below. Use the flowchart at the top of page 1 of Form 2210 to see if you must file the form.

The IRS Will Figure the Penalty for You

Because Form 2210 is complicated, we strongly encourage you to let the IRS figure the penalty. If you owe a penalty, we will send you a bill. If you file your return by April 15, 2009, we will not charge you interest on the penalty if you pay by the date specified on the bill.

If you want us to figure the penalty for you, complete your return as usual. Leave the penalty line on your return blank; do not file Form 2210.



See Part II of the form. If box B, C, or D is checked, you must figure the penalty yourself and attach a completed Form 2210 to your return.

Other Methods of Figuring the Penalty

We realize that there are different ways to figure the correct penalty. You do not have to use the method used on Form 2210 as long as you enter the correct penalty amount on the penalty line of your return.

However, if you are required to file Form 2210 because one or more of the boxes in Part II applies to you, you must complete certain lines and enter the penalty on the estimated tax penalty line of your return.

- If you use the short method, check the applicable boxes in Part II, complete lines 1 through 14, and enter the penalty on line 17 and the applicable line of your tax return.
- If you use the regular method, check the applicable boxes in Part II, complete lines 1 through 9 and lines 18 through 26, and enter the penalty on line 35 and the applicable line of your tax return.
- If you use the annualized income installment method, check the applicable boxes in Part II, complete lines 1 through 9, Schedule AI, and then lines 18 through 26. Enter the penalty on line 35 and the applicable line of your tax return.

Who Must Pay the Underpayment Penalty

In general, you may owe the penalty for 2008 if you did not pay at least the smaller of:

- 90% of the tax shown on your 2008 tax return, or
- 100% of the tax shown on your 2007 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income (AGI) shown on that return is more than \$150,000, or, if married filing separately for 2008, more than \$75,000).

The penalty is figured separately for each installment due date. Therefore, you may owe the penalty for an earlier due date even if you paid enough tax later to make up the underpayment. This is true even if you are due a refund when you file your tax return. However, you may be able to reduce or eliminate the penalty by using the annualized income installment method. For details, see the Schedule AI instructions beginning on page 5.

Return. In these instructions, "return" refers to your original return. However, an amended return is considered the original return if it is filed by the due date (including extensions) of the original return. Also, a joint return that replaces previously filed separate returns is considered the original return.

Exceptions to the Penalty

You will not have to pay the penalty if either (1) or (2) applies.

1. You had no tax liability for 2007, you were a U.S. citizen or resident alien for the entire year (or an estate of a domestic decedent or a domestic trust), and your 2007 tax return was (or would have been had you been required to file) for a full 12 months.

2. The total tax shown on your 2008 return minus the amount of tax you paid through withholding is less than \$1,000. To determine whether the total tax is less than \$1,000, complete lines 1 through 7.

Estates and trusts. No penalty applies to either of the following.

- A decedent's estate for any tax year ending before the date that is 2 years after the decedent's death.
- A trust that was treated as owned by the decedent if the trust will receive the residue of the decedent's estate under the will (or if no will is admitted to probate, the trust primarily responsible for paying debts, taxes, and expenses of administration) for any tax year ending before the date that is 2 years after the decedent's death.

Special Rules for Farmers and Fishermen

If you meet both tests 1 and 2 below, you do not owe a penalty for underpaying estimated tax.

1. Your gross income from farming or fishing is at least two-thirds of your annual gross income from all sources for 2007 or 2008.
2. You filed Form 1040 or 1041 and paid the entire tax due by March 2, 2009.

See chapter 2 of Pub. 505, Tax Withholding and Estimated Tax, for the definition of gross income from farming and fishing.

If you meet test 1 but not test 2, use Form 2210-F, Underpayment of Estimated Tax by Farmers and Fishermen, to

see if you owe a penalty. If you do not meet test 1, use Form 2210.

Waiver of Penalty

If you have an underpayment, all or part of the penalty for that underpayment will be waived if the IRS determines that:

- In 2007 or 2008, you retired after reaching age 62 or became disabled, and your underpayment was due to reasonable cause, or
- The underpayment was due to a casualty, disaster, or other unusual circumstance, and it would be inequitable to impose the penalty.

Federally declared disaster. Certain estimated tax payment deadlines for taxpayers who reside or have a business in a federally declared disaster area are postponed for a period during and after the disaster. During the processing of your tax return, the IRS automatically identifies taxpayers located in a covered disaster area (by county or parish) and applies the appropriate penalty relief. **Do not** file Form 2210 if your underpayment was due to a federally declared disaster. If you still owe a penalty after the automatic waiver is applied, we will send you a bill.

Individuals, estates, and trusts not in a covered disaster area but whose books, records, or tax professionals' offices are in a covered area are also entitled to relief. Also eligible are relief workers affiliated with a recognized government or charitable organization assisting in the relief activities in a covered disaster area. If you meet either of these eligibility requirements, you must call the IRS disaster hotline at 1-866-562-5227 and identify yourself as eligible for this relief.

Details on the applicable disaster postponement period can be found at <http://www.irs.gov/individuals/index.html>. Select *Tax Relief in Disaster Situations* and then the federally declared disaster that affected you.

If requesting a waiver, do the following.

- Check box A or box B in Part II.
- If you checked box A, complete only page 1 of Form 2210 and attach it to your tax return (you are not required to figure the amount of penalty to be waived).
- If you checked box B, complete Form 2210 through line 16 (line 34 if you use the regular method) without regard to the waiver. Enter the amount you want waived in parentheses on the dotted line next to line 17 (line 35 for the regular method). Subtract this amount from the total penalty you figured without regard to the waiver, and enter the result on line 17 (line 35 for the regular method).
- Attach Form 2210 and a statement to your return explaining the reasons you were unable to meet the estimated tax requirements and the time period for which you are requesting a waiver.
- If you are requesting a waiver due to retirement or disability, attach documentation that shows your retirement date (and your age on that date) or the date you became disabled.
- If you are requesting a waiver due to a casualty, disaster (other than a federally declared disaster as discussed above), or other unusual circumstance, attach documentation such as copies of police and insurance company reports.

The IRS will review the information you provide and decide whether to grant your request for a waiver.

Additional Information

See Pub. 505, chapter 4, for more details and examples of filled-in Forms 2210.

For guidance on figuring estimated taxes for trusts and certain estates, see Notice 87-32, 1987-1 C.B. 477.

Specific Instructions

Part I—Required Annual Payment

Complete lines 1 through 9 to figure your required annual payment.

If you file an amended return by the due date of your original return, use the amounts shown on your amended return to figure your underpayment. If you file an amended return after the due date, use the amounts shown on the original return.

Exception. If you and your spouse file a joint return after the due date to replace previously filed separate returns, use the amounts shown on the joint return to figure your underpayment.

Line 1

Enter the amount from Form 1040, line 56; Form 1040A, line 35; Form 1040NR, line 51; or Form 1040NR-EZ, line 15. For an estate or trust, enter the amount from Form 1041, Schedule G, line 4.

Line 2

Enter the total of the following amounts on line 2.

- Self-employment tax.
- Tax from recapture of investment credit, low-income housing credit, qualified electric vehicle credit, Indian employment credit, new markets credit, alternative motor vehicle credit, alternative fuel vehicle refueling property credit, or credit for employer-provided childcare facilities.
- Tax on early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988.
- Tax on distributions from a Coverdell education savings account or a qualified tuition program not used for qualified education expenses.
- Tax on Archer MSA, Medicare Advantage MSA, or health savings account distributions not used for qualified medical expenses.
- Additional tax on a health savings account because you did not remain an eligible individual during the test period.
- Section 72(m)(5) excess benefits tax.
- Advance earned income credit payments.
- Tax on accumulation distribution of trusts.
- Interest due under sections 453(l)(3) and 453A(c) on certain installment sales of property.
- An increase or decrease in tax as a shareholder in a qualified electing fund.
- Tax on electing small business trusts included on Form 1041, Schedule G, line 7.
- Tax on income not effectively connected with a U.S. trade or business from Form 1040NR, lines 52 and 55.
- Additional tax on income you received from a nonqualified deferred compensation plan that fails to meet certain requirements.
- Household employment taxes, before subtracting any advance EIC payments made to your employees. Do not include this amount if you will enter -0- on Form 2210, line 6, and the amount on line 4 (excluding household employment taxes) would be less than \$1,000.
- Additional tax on recapture of a charitable contribution deduction relating to a fractional interest in tangible personal property.

Line 6

Enter the taxes withheld from Form 1040, lines 62 and 65; Form 1040A, line 38, plus any excess social security and tier 1 railroad retirement tax entered on line 43; Form 1040NR, lines 58, 60, 65, 66a, 66b, 67a, and 67b; or Form 1040NR-EZ, line 18. For an estate or trust, enter the amount from Form 1041, line 24e.

Line 8

Enter the tax shown on your 2007 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 2008, more than \$75,000). Figure your 2007 tax using the taxes and credits shown on your 2007 tax return. Use the same type of taxes and credits as shown on lines 1, 2, and 3 of this Form 2210.

If you are filing a joint return for 2008, but you did not file a joint return for 2007, add the tax shown on your 2007 return to

the tax shown on your spouse's 2007 return and enter the total on line 8 (both taxes figured as explained above).

If you filed a joint return for 2007 but you are not filing a joint return for 2008, see Pub. 505, chapter 4, *General Rule*, to figure your share of the 2007 tax to enter on line 8.

If you did not file a return for 2007 or your 2007 tax year was less than 12 months, do not complete line 8. Instead, enter the amount from line 5 on line 9. However, see *Exceptions to the Penalty* on page 1.

Part III—Short Method

If you can use the short method (see Form 2210, Part III, *Can You Use the Short Method?*), complete lines 10 through 14 to figure your total underpayment for the year, and lines 15 through 17 to figure the penalty.

In certain circumstances, the IRS will waive all or part of the underpayment penalty. See *Waiver of Penalty* on page 2.

Line 12

If you are a household employer and made advance EIC payments, include those payments as estimated tax payments as of the date you paid the wages to your employees.

Part IV—Regular Method

Use the regular method if you are not eligible to use the short method. See Form 2210, Part III, *Must You Use the Regular Method*.

If you checked box C in Part II, complete Schedule AI before Part IV.

Form 1040NR or 1040NR-EZ filers. If you are filing Form 1040NR or 1040NR-EZ and did not receive wages as an employee subject to U.S. income tax withholding, the instructions for completing Part IV are modified as follows.

1. Skip column (a).
2. On line 18, column (b), enter one-half of the amount on line 9 of Part I (unless you are using the annualized income installment method).
3. On line 19, column (b), enter the total tax payments made through June 15, 2008, for the 2008 tax year. If you are treating federal income tax (and excess social security or tier 1 railroad retirement tax) as having been withheld evenly throughout the year, you are considered to have paid one-third of these amounts on each payment due date.
4. Skip all lines in column (b) that are shaded in column (a).

Section A—Figure Your Underpayment

Line 18

Enter on line 18, columns (a) through (d), the amount of your required installment for the due date shown in each column heading. For most taxpayers, this is one-fourth of the required annual payment shown in Part I, line 9. However, it may be to your benefit to figure your required installments by using the annualized income installment method. See the Schedule AI instructions beginning on page 5.

Line 19

Table 1—List your estimated tax payments for 2008.

Before completing line 19, enter in Table 1 the payments you made for 2008. Include the following payments.

- Any overpayment from your 2007 return applied to your 2008 estimated tax payments. Generally, treat the payment as made on April 15, 2008.
- Estimated tax payments you made for the 2008 tax year, plus any federal income tax and excess social security and tier 1 railroad retirement tax withheld.
- Any advance EIC payments you made as a household employer. Include those payments as estimated tax payments as of the date you paid the wages to your employees.

- Any payment made on your balance due return for 2008. Use the date you filed (or will file) your return or April 15, 2009, whichever is earlier, as the payment date.

Table 1. Estimated Tax Payments

Date	Payments	Date	Payments

Entries on Form 2210. In column (a), enter the tax payments you made by April 15, 2008; in column (b), enter payments you made after April 15 through June 15, 2008; in column (c), enter payments you made after June 15 through September 15, 2008; and in column (d), enter payments you made after September 15, 2008, through January 15, 2009.

When figuring your payment dates and the amounts to enter on line 19 of each column, apply the following rules.

- For withheld federal income tax and excess social security or tier 1 railroad retirement tax (RRTA), you are considered to have paid one-fourth of these amounts on each payment due date unless you can show otherwise. You will find these amounts on Form 1040, lines 62 and 65; Form 1040A, line 38 plus any excess social security and tier 1 RRTA included on line 43; Form 1040NR, lines 58, 60, 65, 66a, 66b, 67a, and 67b; Form 1040NR-EZ, line 18; and Form 1041, line 24e.



If you treat withholding as paid for estimated tax purposes when it was actually withheld, you must check box D in Part II and complete and attach Form 2210 to your return.

- Include all estimated tax payments you made, from Table 1 above, for each period. Include any overpayment from your 2007 tax return you elected to apply to your 2008 estimated tax. If your 2007 return was fully paid by the due date, treat the overpayment as a payment made on April 15, 2008.
- If an overpayment is generated on your 2007 return from a payment made after the due date, treat the payment as made on the date of payment. For example, you paid \$500 due on your 2007 return on July 1 and later amended the return and were due a \$400 refund which you elected to have applied to your estimated taxes. The \$400 overpayment would be treated as paid on July 1.
- If you file your return and pay the tax due by February 2, 2009, include on line 19, column (d), the amount of tax you pay with your tax return. In this case, you will not owe a penalty for the payment due on January 15, 2009.
- If you paid estimated tax on June 16, 2008, it is considered paid on June 15, 2008, to the extent it is applied to the second required installment.

Example 1. You filed your 2007 tax return on June 1, 2008, showing a \$2,000 refund. You elected to have \$1,000 of your 2007 overpayment applied to your 2008 estimated tax payments. In 2008, you had \$4,000 of federal income tax withheld from wages. You also made \$500 estimated tax payments on 9/15/08 and 1/15/09. On line 19, column (a), enter \$2,000 (\$1,000 withholding + \$1,000 overpayment), \$1,000 (withholding) in column (b), and \$1,500 (\$1,000 withholding + \$500 estimated tax payment) in columns (c) and (d).

Line 25

If line 25 is zero for all payment periods, you do not owe a penalty. But if you checked box C or D in Part II, you must file Form 2210 with your return. If you checked box E, you must file page 1 of Form 2210 with your return.

In certain circumstances, the IRS will waive all or part of the underpayment penalty. See *Waiver of Penalty* on page 2.

Section B—Figure the Penalty

Before completing *Section B*, read the following instructions through *Rate Periods 3 and 4* on page 5.

Figure the penalty for each period by applying the appropriate rate against each underpayment shown on line 25. The penalty is figured for the number of days that the underpayment remained unpaid.

Your payments are applied first to any underpayment balance on an earlier installment. It does not matter if you designate a payment for a later period. See *Example 2* below.

The rates are established at various times throughout the year. For the period covered by the 2008 Form 2210, there are four rates in effect over four rate periods. If an underpayment remained unpaid for more than one rate period, the penalty on that underpayment will be figured using more than one computation.

Use lines 27, 29, 31, and 33 to figure the number of days the underpayment remained unpaid. Use lines 28, 30, 32, and 34 to figure the actual penalty amount by applying the rate to the underpayment for the number of days it remained unpaid.

Example 2. You had a \$500 underpayment remaining after your April 15 payment. The June 15 installment required a payment of \$1,200. On June 10, you made a payment of \$1,200 to cover the June 15 installment. However, \$500 of this payment is applied first to the April 15 installment. The penalty for the April 15 installment is figured from April 15 to June 10 (56 days). The amount remaining to be applied to the June 15 installment is \$700.

Total days per rate period. If an underpayment remained unpaid for an entire rate period, use the chart below to determine the number of days to enter in each column. The chart is organized in the same format as Form 2210, Part IV, Section B.

Table 2. Chart of Total Days

Rate Period	(a)	(b)	(c)	(d)
1 (line 27)	76	15	—	—
2 (line 29)	92	92	15	—
3 (line 31)	92	92	92	—
4 (line 33)	105	105	105	90

For example, if you have an underpayment on line 25, column (a), but Table 1 shows no payments made by 4/15/08, you would enter “76” on line 27, column (a).

TIP When you make a payment during a rate period, see Table 4-1 (*Pub. 505, chapter 4*) for an easy way to figure the number of days the payment is late.

Rate Period 1

First, complete Section B, column (a), lines 27 through 34, for an underpayment shown on line 25, column (a). If there is also an underpayment shown in column (b), (c), or (d) on line 25, then complete lines 27 through 34 for those columns in a similar manner.

Line 27

If there was only one payment made between 4/15/08 and 6/30/08, enter on line 27, column (a), the number of days from 4/15/08 to the date that payment was made. If no payments are

listed, enter “76” (see Table 2 on this page), the number of days until 6/30/08, the end of the first rate period.

Example 3. You had an underpayment of \$5,000 on line 25, column (a), and your first payment shown in Table 1 was made on 4/30/08 in the amount of \$3,000. Enter “15” (number of days from 4/15 to 4/30) on line 27, column (a).

More than one payment made. If more than one payment was applied to fully pay the underpayment amount, enter the number of days after the due date each payment was made.

Example 4. Assume the same facts as in *Example 3*. You made a second payment of \$5,000 on June 15. Since the underpayment amount for column (a) was \$5,000, after you made the first \$3,000 payment April 30, your new underpayment amount would be \$2,000. That was paid June 15, 61 days after the due date (4/15). Enter “15” and “61” on line 27, column (a) (see illustration under *Example 5* below).

Line 28

Make the computation requested on line 28 and enter the result. If more than one payment was required to fully satisfy the underpayment amount, you will need to make a separate computation for each payment. See the examples below and in chapter 4 of *Pub. 505*.

Example 5. Assume the same facts as in *Example 4*. On line 28, enter the penalty for each underpayment: \$7.38 ($\$3,000 \times (15 \div 366) \times .06$) and \$20 ($\$2,000 \times (61 \div 366) \times .06$). The entries are illustrated below.

		(a)
		4/15/08
27	Days:	15 / 61
28	\$	7.38 / 20.00

Since the underpayment balance in column (a) is fully satisfied, next go to column (b). See *Example 6* below.

Example 6. Assume the same facts as in *Example 4* and *Example 5*. Your June 15 payment of \$5,000 would have fully paid the second period underpayment amount (column b), but because payments are applied first to an underpayment balance in an earlier period, your second required installment is unpaid by \$2,000.

The next unapplied payment is \$5,000 made on 9/15/08. On line 27, column (b), enter “15”—the number of days from 6/15 to 6/30, the end of the first rate period. On line 28, enter \$4.92 ($\$2,000 \times (15 \div 366) \times .06$).

		(a)	(b)
		4/15/08	6/15/08
27	Days:	15 / 61	15
28	\$	7.38 / 20.00	4.92

The remaining underpayment balance will be calculated in the second rate period on lines 29 and 30, column (b). See *Example 7* on page 5.

Rate Period 2

If an underpayment balance remains after applying any payments made during the first rate period, figure the penalty attributable to that balance on lines 29 and 30. Generally, use the same steps as explained under the instructions for *Rate Period 1*, but use the dates and interest rate shown on lines 29 and 30.

Line 29

Enter on line 29, column (a), the number of days from 6/30/08 to the date of the first unapplied payment made during the

second rate period. If there are no unapplied payments, enter "92" (see Table 2 earlier).

Line 30

Figure line 30 in the same manner as line 28.

Example 7. Assume the same facts as in *Example 6*. The \$2,000 underpayment for column (b) was paid in full when the third estimated tax payment was made on 9/15/08.

Enter "77" on line 29, column (b)—the number of days from 6/30/08 to 9/15/08. In the same column, enter \$21.04 on line 30 (\$2,000 × (77 ÷ 366) × .05). See illustration below.


	(a)	(b)
	6/30/08	6/30/08
	Days:	Days:
29		77
30	\$	\$ 21.04

Rate Periods 3 and 4

If an underpayment balance remains for these rate periods, calculate the penalty using the same steps as explained under the instructions for *Rate Period 1*, but use the dates and interest rate on lines 31 and 32 for rate period 3 and lines 33 and 34 for rate period 4.

Schedule AI—Annualized Income Installment Method

If your income varied during the year because, for example, you operated your business on a seasonal basis, you may be able to lower or eliminate the amount of one or more required installments by using the annualized income installment method. Use Schedule AI to figure the required installments to enter on Form 2210, Part IV, line 18.

 *If you use Schedule AI for any payment due date, you must use it for all payment due dates.*

To use the annualized income installment method to figure the penalty, you must do all of the following.

1. Complete Schedule AI, Part I (and Part II, if necessary). Enter the amounts from Schedule AI, Part I, line 25, columns (a) through (d), in the corresponding columns of Form 2210, Part IV, line 18.
2. Complete Part IV to figure the penalty.
3. Check box C in Part II.
4. Attach Form 2210, Parts I, II, IV, and Schedule AI to your return.

Additional information. See Pub. 505, chapter 4, for more details about the annualized income installment method and a completed example. Estates and trusts, see Notice 87-32.

Individuals filing Form 1040NR or 1040NR-EZ. If you are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding, follow these modified instructions for Schedule AI.

1. Skip column (a).
2. Enter on line 1 your income for the period that is effectively connected with a U.S. trade or business.
3. Increase the amount on line 17 by the amount determined by multiplying your income for the period that is not effectively connected with a U.S. trade or business by the following.
 - In column (b), 72%.
 - In column (c), 45%.
 - In column (d), 30%.

However, if you can use a treaty rate lower than 30%, use the percentages determined by multiplying your treaty rate by 2.4, 1.5, and 1, respectively.

4. Enter on line 22, column (b), one-half of the amount from Form 2210, Part I, line 9. In columns (c) and (d), enter one-fourth of that amount.

5. Skip column (b), lines 20 and 23.

Part I—Annualized Income Installments

To figure the amount of each required installment, Schedule AI selects the smaller of the annualized income installment or the regular installment (that has been increased by the amount saved by using the annualized income installment method in figuring any earlier installments).

Line 1

For each period (column), figure your total income minus your adjustments to income. Include your share of partnership or S corporation income or loss items for the period.

If you are self-employed, be sure to take into account the deduction for one-half of your self-employment tax. To figure this amount for each period, complete Schedule AI, Part II, and divide the amount in columns (a) through (d) on line 34 by 8, 4.8, 3, and 2, respectively.

Line 2

Estates and trusts, do not use the amounts shown in columns (a) through (d). Instead, use 6, 3, 1.71429, and 1.09091, respectively, as the annualization amounts.

Line 6

If you itemized your deductions, multiply line 4 of each column by line 5 and enter the result on line 6. But if line 3 is more than \$159,950 (\$79,975 if married filing separately), use the worksheet below to figure the amount to enter on line 6. Complete the worksheet for each period, as necessary.

Itemized Deductions Worksheet—Line 6

1. Enter line 4 of Schedule AI	1. _____
2. Enter the amount included in line 1 for medical and dental expenses, investment interest, casualty or theft losses, and gambling losses (after applying the same limits used in line 1)	2. _____
3. Subtract line 2 from line 1	3. _____
4. Enter line 5 of Schedule AI	4. _____
5. Multiply line 1 by line 4	5. _____
Note. If line 3 is zero, your deduction is not limited. Stop here and enter line 5 above on Schedule AI, line 6.	
6. Multiply line 3 by line 4	6. _____
7. Multiply line 6 by 80% (.80)	7. _____
8. Enter line 3 of Schedule AI	8. _____
9. Enter \$159,950 (\$79,975 if married filing separately)	9. _____
10. Subtract line 9 from line 8	10. _____
Note. If line 10 is zero or less, your deduction is not limited. Stop here and enter line 5 above on Schedule AI, line 6.	
11. Multiply line 10 by 3% (.03). Enter the result as a decimal	11. _____
12. Enter the smaller of line 7 or line 11	12. _____
13. Divide line 12 by 1.5	13. _____
14. Subtract line 13 from line 12	14. _____
15. Subtract line 14 from line 5. Enter the result here and in the appropriate columns of Schedule AI, line 6	15. _____

Deduction for Exemptions Worksheet—Line 10

1. Multiply \$3,500 by the number of exemptions you claimed	1. _____
2. Enter line 3 of Schedule AI	2. _____
3. Enter the amount shown below for your filing status Single—\$159,950 Married filing jointly or qualifying widow(er)—\$239,950 Married filing separately—\$119,975 Head of household—\$199,950	3. _____
4. Subtract line 3 from line 2	4. _____
5. Is line 4 more than \$122,500 (more than \$61,250 if married filing separately)? <input type="checkbox"/> Yes. Multiply \$2,333 by the number of exemptions you claimed and enter the result here and on Schedule AI, line 10. Do not complete the rest of this worksheet. <input type="checkbox"/> No. Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next whole number (for example, increase 0.0004 to 1)	5. _____
6. Multiply line 5 by 2% (.02). Enter the result as a decimal	6. _____
7. Multiply line 1 by line 6	7. _____
8. Divide line 7 by 3.0	8. _____
9. Subtract line 8 from line 1. Enter the result here and on Schedule AI, line 10	9. _____

Line 7

If you are an Indian student or business apprentice, enter your standard deduction from Form 1040NR, line 37; or Form 1040NR-EZ, line 11.

Line 10

For each column, multiply \$3,500 by your total exemptions. But if line 3 is more than the amount shown below for your filing status, use the worksheet above to figure the amount to enter on line 10. Complete the worksheet for each period, as necessary.

Single	\$159,950
Married filing jointly or qualifying widow(er)	\$239,950
Married filing separately	\$119,975
Head of household	\$199,950

Estates, trusts, and Form 1040NR or 1040NR-EZ filers.

Use the exemption amount shown on your return unless you meet the AGI requirements for reducing your exemption. In that case, use the information and worksheet for Form 1041 or 1040NR, as appropriate, to determine the exemption based on annualized income (line 3), modified as required.

Line 12

To compute the tax, use the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet, Schedule D Tax Worksheet, Foreign Earned Income Tax Worksheet, Schedule J, or Form 8615. See the instructions for your tax return for the applicable Tax Table or worksheet.

Line 14

Enter all of the other taxes you owed because of events that occurred during the months shown in the column headings. Include the same taxes used to figure Form 2210, Part I, line 2 (except self-employment tax), plus the tax from Form 4972, Tax on Lump-Sum Distributions; Form 8814, Parents' Election To Report Child's Interest and Dividends; and any alternative minimum tax (AMT).

To figure the AMT, individuals use Form 6251, Alternative Minimum Tax—Individuals; estates and trusts use Schedule I (Form 1041), Alternative Minimum Tax—Estates and Trusts. Figure alternative minimum taxable income based on your income and deductions during the periods shown in the column headings. Multiply this amount by the annualization amounts shown for each column on Schedule AI, line 2, before subtracting the AMT exemption.

Line 16

For each column, enter the credits you are entitled to because of events that occurred during the months shown in the column headings. These are the credits you used to arrive at the amounts on lines 1 and 3 of Part I, Required Annual Payment.

When figuring your credits, annualize any item of income or deduction used to figure each credit. For example, if your earned income (and AGI) for the first period (column (a)) is \$8,000 and you qualify for the earned income credit (EIC), use your annualized earned income (\$32,000) to figure your EIC for column (a). See the example under *Completing Schedule AI*, in chapter 4 of Pub. 505.

Part II—Annualized Self-Employment Tax

If you had net earnings from self-employment during any period, complete Part II for that period to figure your annualized self-employment tax.

If you are married and filing a joint return and both you and your spouse had net earnings from self-employment, complete a separate Part II for each spouse. Enter on line 13 the combined amounts from line 34 of both Parts II.

Line 26

To figure your net earnings from self-employment on line 26, multiply your net profit from all trades or businesses for each period by 92.35% (.9235).

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is shown below.

	Short Method	Regular Method
Recordkeeping	13 min.	13 min.
Learning about the law or the form	15 min.	34 min.
Preparing the form	35 min.	4 hr., 1 min.
Copying, assembling, and sending the form to the IRS	16 min.	41 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.