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Iowa Department of Revenue
www.iowa.gov/tax

2013 IA 2210 Schedule AI

Annualized Income Installment Method

NAME

Social Security Number

	1/1/13-3/31/13	1/1/13-5/31/13	1/1/13-8/31/13	1/1/13-12/31/13
1. Enter your net income (line 26, IA 1040) for each period. ... 1.				
2. Annualization amounts ... 2.	4	2.4	1.5	1
3. Annualized income. Multiply line 1 by line 2. ... 3.				
4. Enter your federal tax payments for each period, net of any refund. Use a negative number if the net amount is a refund. ... 4.				
5. Annualization amounts ... 5.	4	2.4	1.5	1
6. Multiply line 4 by line 5. ... 6.				
7. Enter your Iowa Itemized deductions for each period ... 7.				
8. Annualization amounts ... 8.	4	2.4	1.5	1
9. Multiply line 7 by line 8. ... 9.				
10. Standard deduction. Enter full-year amount in each period. ... 10.				
11. Enter the **larger** of line 9 or line 10. ... 11.				
12. Subtract lines 6 and 11 from line 3. ... 12.				
13. Figure your tax on the amount on line 12. See instructions. ... 13.				
14. Enter any Iowa lump-sum tax and Iowa minimum tax for each period. See instructions. ... 14.				
15. Total tax. Add lines 13 and 14. ... 15.				
16. Enter your exemption credits for the year (dollar amount). ... 16.				
17. For each period enter your credits from form IA 1040, lines 44, 45, 48, and 50. See instructions. ... 17.				
18. For each period enter your credits from form IA 1040, lines 62 and 64. See instructions. ... 18.				
19. Balance. Subtract lines 16, 17, and 18 from line 15. ... 19.				
20. Applicable percentage ... 20.	22.5%	45%	67.5%	90%
21. Multiply line 19 by line 20. **Note:** Complete lines 22-28 of one column before going to the next column. 21.				
22. Add the amounts in all preceding columns of line 28. 22.				
23. Subtract line 22 from line 21. If zero or less, enter -0-. 23.				
24. Enter 1/4 of line 10 of form IA 2210 in each column. .. 24.				
25. Enter amount from line 27 of the preceding column. .. 25.				
26. Add lines 24 and 25 and enter the total. ... 26.				
27. Subtract line 23 from line 26. If zero or less, enter -0-. 27.				
28. Enter the **smaller** of line 23 or line 26 here and on line 12 form IA 2210. ... 28.				

IA 2210 Schedule AI General Instructions

You have the option of using the regular or annualized income installment method to figure your estimated tax penalty. You may be able to reduce or eliminate the amount of one or more of your required installments by using the annualized income installment method if your income varied during the year. For example, you operated a business on a seasonal basis. You must use form IA 2210 and Schedule AI to figure the required installment amount to enter on line 12 of form IA 2210.

If you use Schedule AI for any payment due date, you must use it for all payment due dates. To figure the amount of each required installment, Schedule AI automatically selects the smaller of the annualized income installment or the regular installment (increased by the amount saved by using the annualized income installment method in figuring earlier installments).

To use the annualized income installment method, you must do all of the following:

1. Complete form IA 2210 and Schedule AI. Enter the amount from each column of line 28 of Schedule AI in each column of line 12 of form IA 2210.
2. Check the box on line 73 of form IA 1040 indicating that you used the annualized income installment method.
3. Include both form IA 2210 and Schedule AI with your return.

Line-by-Line Instructions

Line 1 – Figure your net income for the months shown in each column heading. Include the sum of all gross income/loss for the period minus any adjustments to income for the period.

Line 4 – Enter your federal tax payments for the months shown in each column heading net of any refund received in the period. A net refund should be entered as a negative number.

Line 7 – Enter your Iowa itemized deductions for the months shown in each column heading. If you do not itemize, enter zero and skip to line 10.

Line 9 – Multiply line 7 by line 8 and enter the result on line 9.

Line 10 – Enter the full amount of the standard deduction for your filing status in each column, even if you itemized deductions.

Line 13 – Compute the tax using the tax tables.

Line 14 – Enter the Iowa lump-sum tax and Iowa minimum tax you owed because of events that occurred during the months shown in each column heading.

Figure your Iowa minimum taxable income based on your income and deductions during the months shown in each column heading. Multiply this amount by the annualized amounts shown on line 2 before subtracting the alternative minimum tax exemption amounts. See form IA 6251, Iowa Minimum Tax Computation.

Line 16 – Enter in each column your exemption credit amounts from form IA 1040, line 43.

Line 17 – Enter the credits from your IA 1040, lines 44, 45, 48, and 50, that you are entitled to because of events that occurred during the months shown in the column headings. Do not annualize any credit. However, when figuring your credits, you must annualize any item of income or deduction used to figure the credit. The nonresident or part-year resident credit must be computed as shown below.

Nonresident or Part-year Resident Credit: This credit must be computed on the IA 126 for each period as follows:

1. Figure the Iowa-source gross income less any adjustments for the period. Multiply this income figure by the number for the corresponding period on line 2 of Schedule AI and enter on line 26 of form IA 126.
2. Enter the amount from line 3 of Schedule AI on line 27 of form IA 126.
3. Calculate the Iowa income percentage and the nonresident/part-year resident credit percentage on lines 28 and 29 of form IA 126.
4. Enter the tax amount for the period from line 13 of Schedule AI on line 30 of form IA 126.

5. Add the credits from lines 16 and 17 of Schedule AI that represent lines 43, 44, and 45 of form IA 1040. Enter this figure on line 31 of form IA 126.
6. Compute the nonresident/part-year resident credit by subtracting the credits on line 31 of form IA 126 from the tax on line 30 of form IA 126. Multiply this figure by the percentage on line 29. Enter this number on line 17 of Iowa Schedule AI.

Please enclose a worksheet or tax form showing the calculations for each credit claimed on line 17.

The IA 148 Tax Credits Schedule must be enclosed if any credits are claimed from line 50 of IA 1040.

Line 18 – Enter the credits from your IA 1040, lines 62 and 64 that you are entitled to because of events that occurred during the months shown in the column headings. Do not annualize any credit. However, when figuring your credits, you must annualize any item of income or deduction used to figure the credit.

Out-of-state tax credit form IA 130 must be computed for each period. The gross income taxed by the other state/country, line 1 of the IA 130, must be annualized by multiplying by the annualization factor for the period. The gross income for residents, line 2 of the IA 130, is the amount on line 3 of the Iowa Schedule AI (if a part-year resident, the amount is taken from line 15 of the IA 126) for the period. The tax, line 4 of the IA 130, is the amount on line 13 of Iowa Schedule AI for the period. The total tax imposed by the other state/country must be multiplied by a ratio of gross income taxed by the other state/country for the period to total gross income taxed by other state/country. Example: Fred, a full-year resident, had $100,000 of income taxed by another state. The other state's tax imposed was $4,000 for the year. For the period 1/1/13 to 3/31/13, the income taxed by the other state was $25,000. The computation for the tax imposed for the period 1/1/13 to 3/31/13 is ($4,000 times the annualization factor of 4.0 X 25,000/100,000).

Please enclose a worksheet or tax form showing the calculations for each credit claimed on line 18.

The IA 148 Tax Credits Schedule must be enclosed if any credits are claimed from line 61 of IA 1040.

Line 28 – Enter these amounts on line 12, form IA 2210.