Iowa Department of Revenue

https://tax.iowa.gov

2014 IA 2210

Underpayment of Estimated Tax by Individuals

Name(s) as shown on page 1 of the IA 1040	Social Security Number

How to Figure Your Underpayment (See Instructions)

1.	2014 Tax from form IA 1040, line 51		1.
2.	Out-of-State Tax Credit from form IA 1040, line 57	2.	
3.	Iowa Fuel Tax Credit from form IA 1040, line 58	3.	
4.	Child and Dependent Care Credit or Early Childhood Development Credit from form IA 1040, line 59	4.	
5.	EITC from line 60, Other Refundable Credits from form IA 1040, line 61, and Taxpayers Trust Fund Tax Credit from line 64	5.	
6.	Total. Add lines 2 through 5		6.
7.	Balance. Subtract line 6 from line 1		7.
8.	Enter 90% of the amount shown on line 7. If less than $200, see instructions		8.
9.	Enter your 2013 tax. (less applicable 2013 credits) If 2013 federal AGI exceeds $150,000 including any bonus depreciation/section 179 adjustment ($75,000 for a married person filing separately), enter 110% of your 2013 Iowa tax.		9.
10.	Enter the smaller amount of line 8 or line 9		10.

	Due Dates of Installments	April 30, 2014	June 30, 2014	Sept. 30, 2014	Jan. 31, 2015
11.	Divide the amount on line 10 by the number of installments required for the year. See instruction B.				
12.	Annualized income installment. See instructions.				
13.	Required installment. Enter the amount on line 11 or line 12, if applicable. See instructions.				

How to Figure the Penalty: Complete lines 14 through 18.

14.	Installment payments. Payments are applied to the earliest unpaid installment balance. Any overpayment is carried to the next installment. See instructions.				
15.	Date of payment. See instructions.				
16.	(a) Number of days inclusively from due date of installment to date of payment or 12/31/2014, whichever is earlier.				
	(b) Number of days from 01/01/2015 or due date of installment, whichever is later, to the date of payment or 04/30/2015, whichever is earlier.				
17.	(a) 5% a year on the amount shown on line 14, for the number of days shown on line 16(a). See instructions.				
	(b) 5% a year on the amount shown on line 14, for the number of days shown on line 16(b). See instructions.				
18.	Add lines 17(a) and 17(b).				
19.	Penalty: Add the four columns of line 18 and enter here and on line 73, form IA 1040				

Instructions — IA 2210

Purpose of This Form

If you are an individual taxpayer, other than a qualifying farmer or fisher, you may use this form to determine whether your income tax was sufficiently paid throughout the year by withholding or estimated payments. If payments were not sufficient, you may owe a penalty. The estimated tax penalty is 5% per year for the tax period January 1, 2014, through December 31, 2014, and 5% per year for the tax period January 1, 2015, through December 31, 2015. The changes in the estimated tax penalty apply to amounts arising during these periods. This form will help you to determine whether you are subject to such a penalty. Taxpayers who did not make any estimated payments, or paid the same amount of estimated tax on each of the four payment due dates, may use the IA 2210S. The IA 2210S is a short method of calculating underpayment of estimated tax by individuals.

Filing an Estimate and Paying the Tax, Calendar Year Taxpayers:

If you file returns on a calendar-year basis and are required to file form IA 1040ES, you are generally required to pay the tax in four installments with the first installment due by April 30. (If you are not required to file until later in the year because of a change in your income or exemptions, you may be required to pay in fewer installments.) The chart below shows the due date for installments and the maximum number of installments required for each.

Period requirements first met	Due date of installment	Maximum number of installments required
Between January 1 and April 1	April 30	4
Between April 2 and June 1	June 30	3
Between June 2 and September 1	September 30	2
After September 1	January 31	1

NOTE: If any date shown falls on a weekend, federal holiday, or legal holiday as defined in Iowa Code section 4.1(34), substitute the next regular business day.

Line 8: If line 8 is $200 or more, complete lines 9 through 15. If you have an underpayment in any column on line 15, go to the how to figure penalty section. If the total from line 8 is less than $200, then you are not required to pay estimated tax and therefore cannot have underpaid estimated tax. If the total from line 8 is less than $200 do not file form IA 2210.

Line 9: Enter your 2013 tax liability as reported on line 51 of the IA1040, less 2013 total refundable credits as reported on line 62 and taxpayer's trust fund tax credit on line 64.

If your 2013 federal AGI exceeds $150,000 ($75,000 for married filing separate federal returns) including any bonus depreciation adjustment, you must use 110% of the 2013 Iowa tax less credits.

Taxpayers may avoid underpayment penalty if their estimated payments for 2014, made on or before the prescribed dates for payment, plus Iowa tax withheld for 2014, are equal to the lesser of:

1) 90 % of the tax shown on the 2014 return; or
2) 100% of the tax shown on the 2013 return if their 2013 federal AGI is $150,000 ($75,000 for married filing separate federal returns) or less; or
3) 110% of the tax shown on the 2013 return if their 2013 federal AGI is greater than $150,000 ($75,000 for married filing separate federal returns) plus any bonus depreciation adjustment.

Your 2013 return must have covered a period of 12 months.

Line 12: Tax on Annualized 2014 Income - If your income varies throughout the tax year, you may be able to reduce or eliminate the amount of one or more of the required installments by using the annualized income installment method. If you use this method, you must check the box on line 73 of the IA 1040. Please see IA 2210 Schedule AI and instructions.

Line 13: If you used the annualized income installment method to figure your required payments, enter the amount from line 12. Otherwise, enter the amount from line 11.

Line 14: Installment payments - Enter your payments or portion of payments needed to satisfy the amount of the required installment. Your estimated payments and withholding are applied to the earliest unpaid installment. It does not matter that the payment is designated for a later period. Any overpayment is carried to the next unpaid installment. If additional computations are required beyond the three allotted lines on this form, attach a separate

sheet for each computation.

You may consider an equal part of the income tax withheld during the year as paid on each required installment date, unless you can establish the dates on which the withholding occurred and consider the tax paid on those dates.

Line 15: Enter the date the payment was made or, if withholding, the due date of the installment. If more than one payment is applied to pay the installment, enter a date for each payment.

Line 17: To Compute Penalty: Use the following formula:

Penalty	=	daily % rate	x	number of days	x	Underpayment
		(line 17)		(line 16)		(line 14)

The daily percentage rate is:

- 5**%** per annum = 0.013699% per day (01/01/14 - 12/31/14)
- 5**%** per annum = 0.013699% per day (01/01/15 - 12/31/15)

Waiver of Penalty: The underpayment of estimated tax penalty may be waived if the underpayment was due to casualty, disaster, or other unusual circumstances. The penalty may also be waived if the taxpayer retired at age 62 or later, or became disabled in the tax year for which the estimated payments were required, and such underpayment was due to reasonable cause and not to willful neglect.

Farmers and Fishers: You are exempt from underpayment of estimated tax penalty if your gross income from farming or fishing is at least two-thirds of your annual gross income, and

1) You filed IA 1040 and paid the tax on or before March 2, 2015, or
2) You paid the estimated tax in one payment on or before January 15, 2015.

If you meet this gross income test but did not file a return or pay the tax when due, use form IA 2210F, instead of this form, to determine whether you owe a penalty.