Iowa Department of Revenue
www.iowa.gov/tax

# 2014 IA 2210F

Underpayment of Estimated Tax by Farmers and Fishers

| 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 66 2/3% of the amount shown on line 7 ..... 8. _____
9. Enter your 2013 tax. ..... 9. _____
10. Enter the smaller amount of line 8 or line 9 ..... 10. _____
11. Amounts withheld during 2014 and amounts paid or credited by January 15, 2015. See instructions. ..... 11. _____
12. Underpayment of estimated tax. Subtract line 11 from line 10. ..... 12. _____

## Exception Which Avoids the Penalty

13. Exception: Tax on 2013 return ..... 13. _____

## How to Compute the Penalty

14. Number of days from January 15, 2015, to date of payment or April 30, 2015, whichever is earlier ..... 14. _____
15. Penalty: See instructions. Enter here and on line 73, form IA 1040 ..... 15. _____

# Instructions — IA 2210F

**Purpose of This Form:** Persons whose gross income from farming or fishing is at least two-thirds of their gross annual income from all sources should use this form to determine if their income tax was sufficiently paid throughout the year by withholding and/or installment payments. If not, a penalty may be imposed on the underpayment of the taxes. The estimated tax penalty is 5% per year on the amount of the underpayment. This form will help you to determine whether you are exempted from a penalty. See line 13.

**Filing an Estimate and Paying the Tax:** If you file returns on a calendar-year basis and you 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. You can avoid this filing in one of the two ways noted:

1) File the installment and pay the tax in full by January 15, 2015.
2) File your return and pay the tax in full by March 2, 2015.

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 12: How to Compute Underpayment:** If line 12 results in an underpayment, refer to line 13 to determine if the exception will avoid the penalty.

**Line 13: Exception which avoids the penalty:** No penalty will be imposed if your tax payments (amount on line 11) were made on or before the prescribed dates for payment and equal or exceed the amount determined under the following exception.

Prior Year's Tax: If your tax payments equal or exceed the tax on your 2013 tax return, no penalty will be imposed. Your 2013 return must have covered a period of 12 months.

**Lines 14 and 15: How to Compute the Penalty:** If your tax payments (amount on line 11) do not equal or exceed the amount determined under the exception on line 13, complete lines 14 and 15 to determine the amount of penalty.

To Compute Penalty: Use the following formula:

| Penalty | = | daily % rate | x | number of days | x | Underpayment |
|---|---|---|---|---|---|---|
| (line 15) | | | | (line 14) | | (line 12) |

The daily percentage rate is:

- 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.

Questions?

Call 1-800-367-3388 (Iowa, Omaha, Rock Island, Moline) or 515-281-3114

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