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Schedule
IT-2210
State Form 46002
(R23 / 9-22)

Indiana Department of Revenue
**2022 Underpayment of
Estimated Tax By Individuals**
Enclose with Form IT-40 or Form IT-40PNR

Enclosure
Sequence No. **13**

Name(s) shown on Form IT-40/IT-40PNR	Your Social Security Number	A			
	E				

Section A - Farmers and Fishermen Only - See Instructions

	Annual Gross Income from All Sources	Two-Thirds of Gross Income	Gross Income from Farming and Fishing
BX 2021	00	X 66.7% = 00	00
CA 2022	00	X 66.7% = 00	00

Section B: Early Filers
Check box if you filed your 2022 tax return and paid the total tax due by Feb. 1, 2023 CD

Section C - Required Annual Payment

- 2022 tax _____
- 2022 credits (not including withholding credits or estimated tax payments) _____
- Subtract line 2 from line 1 _____
- Multiply line 3 by 90% (.90) (farmers/fishermen multiply by .667, see instructions) _____
- 2022 withholding tax credit _____
- Subtract line 5 from line 3 - **If less than \$1,000, STOP HERE! You do not owe a penalty** _____
- Prior year's tax (see instructions) _____
- Minimum required annual payment - Enter the lesser of line 4 or line 7 - **If less than or equal to the amount on line 5, STOP HERE! You do not owe a penalty** _____

Round all entries

1	00
2	00
3	00
4	00
5	00
6	00
7	00
8	00

Section D - Short Method - Read the instructions to determine if you can use the short method

- Enter the withholding tax credit amount from line 5 above _____
- Enter the total amount, if any, of estimated tax payments you made for tax year 2022 _____
- Add lines 9 and 10 _____
- Total Underpayment. Subtract line 11 from line 8. If zero or less, **STOP HERE!** You do not owe a penalty. Attach this schedule to your tax return _____
- Multiply line 12 by 10% (.10). Enter this amount on line 20 on Form IT-40 or Form IT-40PNR _____

9	00
10	00
11	00
12	00
13	00

Section E - Regular Method

	A 1st Installment April 18, 2022	B 2nd Installment June 15, 2022	C 3rd Installment September 15, 2022	D 4th Installment January 17, 2023
14. Minimum required installment payment: divide amount on line 8 by 4	14 00	00	00	14 00
15. 2022 withholding-Divide line 5 by 4	15 00	00	00	15 00

STOP! Complete lines 16 through 19 for each column before going to the next one.

16. 2022 estimated taxes paid per period	16 00	00	00	16 00
17. Total installment payments (add lines 15 and 16)	17 00	00	00	17 00
18. Installment period overpayment	18 00	00	00	18 00
19. Installment period underpayment	19 00	00	00	19 00
20. Total underpayment - Add line 19, Columns A + B + C + D and enter total here	20	00	00	00
21. Underpayment penalty - Multiply line 20 by 10%. Enter this amount on line 20 on Form IT-40 or IT-40PNR	21	00	00	00

Indiana Department of Revenue
Underpayment of Estimated Tax by Individuals

WHAT is the purpose of Schedule IT-2210? This schedule is used for one of **two** reasons:

1. To help you figure any penalty you owe for not paying enough tax throughout the year, **or**
2. To show you paid enough tax throughout the year to be exempt from the penalty.

WHY is a penalty charged? The Indiana income tax system is a “pay as you go” system. Many taxpayers have enough taxes withheld from their income throughout the year to cover their year-end total tax due. However, if you don’t have taxes withheld from your income, or if you don’t have *enough* tax withheld from your income, you may owe a penalty for underpaying estimated tax.

WHO should use Schedule IT-2210? You should complete this schedule if:

- The amount you owe for tax year 2022, after credits, is \$1,000 or more. The amount you owe is from Form IT-40 and Form IT-40PNR, line 15 minus line 14, **or**
- You underpaid the minimum amount due for one or more of the installment periods. This is true even if you are due a refund.

HOW much is the penalty? The penalty is 10% of the underpayment for each underpaid installment period. That is why Section E of this schedule is set up by periods, and should be filled out one column at a time.

WHAT DO I NEED to complete this form? You’ll need a copy of:

- Your completed 2022 Form IT-40 or Form IT-40PNR,
- Your 2021 Form IT-40 or Form IT-40PNR, **and**
- Records of actual estimated tax payments you made for 2022.

WHAT ELSE do I need to know about this schedule?

- If you are a farmer or fisherman, you should review Section A below and *Section D - Short Method* instructions on page 2.
- All taxpayers need to know about the short method of figuring the penalty in Section D.
- If you received seasonal income (i.e., you had fireworks sales, you worked during a Christmas season, etc.) that is not evenly received throughout the year, you might want to complete Schedule IT-2210A, Annualized Income Schedule. Annualization could possibly reduce your required installment tax payments. You may download Schedule IT-2210A from the following web address: www.in.gov/dor/tax-forms/2022-individual-income-tax-forms/.

Section A – Farmers and Fishermen

If at least two-thirds of your gross income for 2021 or 2022 was from farming or fishing, you have only one payment due date for 2022 estimated tax - Jan. 17, 2023.

To meet an exception to the underpayment penalty for 2022, you may use Option 1 or Option 2:

Option 1 – Pay all your estimated tax by Jan. 17, 2023, and file your Form IT-40 by April 18, 2023, **OR**

Option 2 – File your Form IT-40 by March 1, 2023, and pay all the tax due. You are not required to make an estimated tax payment if you choose this second option. If you pay all the tax due, you will not be penalized for failure to pay estimated tax.

Section B – Early Filers

If you file your individual income tax return and pay the tax due by Feb. 1, 2023, you will not be required to make a fourth installment estimated tax payment. For additional information see the instructions for line 16.

Section C – Required Annual Payments

Section C will determine if you should have paid estimated taxes during the year and the minimum amount required.

Line 1 – 2022 Tax: Add together the state adjusted gross income tax and county income tax from lines 8 and 9 of either Form IT-40 or Form IT-40PNR, any recapture of certain Indiana credits from line 3 of Indiana’s Schedule 4 or Schedule E, plus any nonresident professional team member’s county tax from Schedule E, line 4. Enter the total here.

Line 2 – 2022 Credits: Add together any credits from lines 4 through 8 of Indiana’s Schedule 5 or Schedule F, plus any offset credits from line 8 of Indiana’s Schedule 6 or Schedule G. Enter the total here.

Line 4 – To determine 90% of your total expected tax, multiply line 3 by 90% (.90).

Note. If at least 2/3 of your gross income is from farming or fishing, multiply line 3 by 66 2/3% (.667).

Line 5 – 2022 Withholding: Add together any state and county withholding amounts from lines 1 and 2 of Indiana’s Schedule 5 or Schedule F. Enter the total here.

Line 6 – Subtract line 5 from line 3. If this amount is less than \$1,000, you **do not** owe a penalty. **Stop** here and keep a copy as DOR may request to see it at a later date.

Line 7 – Prior Year’s Tax

Exception: See if you are eligible for any of the following exceptions.

- If you filed a 2021 Form IT-40, add the tax from lines 8 and 9; subtract the total of the credits on line 13 plus any amounts on Schedule 5, lines 4 through 8. Enter the result here. **Note.** See **CAUTION** box below.
- If you filed a 2021 Form IT-40PNR as a **full-year nonresident**, add the tax from lines 8 and 9; subtract the total of the credits on line 13 plus any amounts on Schedule F, lines 4 through 8. Enter the result here. **Note.** See **CAUTION** box below
- If your federal AGI for 2021 was more than \$150,000 (\$75,000 if married filing separately) and you are **not** subject to the special rules for farmers or fishermen, enter the result multiplied by 110% (1.10). See the CAUTION box on this page for this calculation.
- If you filed a 2021 Form IT-40PNR as a **part-year resident** of Indiana, you must figure the tax for that year on an annualized basis. See the instruction and Example for when 2021 Form IT-40PNR was filed as a part-year resident in the right-hand column.

Example for when 2021 Form IT-40PNR was filed as a part-year resident: If you filed a 2021 Form IT-40PNR as a part-year resident of Indiana, you must figure the tax for that year on an annualized basis. You can accomplish this by multiplying the Form IT-40PNR line 1 income by 12 and dividing the result by the number of months you were an Indiana resident. Then figure the state tax and county tax, if applicable, by 1) subtracting your 2022 exemptions from the result and 2) multiplying that total by the combined state and applicable county tax rate(s) from your 2022 Indiana individual income tax return. See the example below. **Note.** See **CAUTION** box below.

Example

- Jane moved to Indiana on Sept. 15, 2021, so she was a resident for 3.5 months.
- Her 2021 Form IT-40PNR line 1 income is \$10,000.
- Her 2022 total exemptions are \$3,500.
- The 2022 adjusted gross income tax rate is 3.23% (.0323). Her 2022 county tax rate is .01 (for a 4.23% [.0423] combined state and county tax rate).

Use Steps 1 - 4 below to figure her prior year’s tax exception for line 7 of the IT-2210.

Step 1	\$ 10,000	2021 Indiana income
	x 12	months
	<hr/>	
	\$ 120,000	annualized income
Step 2	\$ 120,000	annualized income
	÷ 3.5	months of 2021 residency
	<hr/>	
	34,286	
Step 3	\$ 34,286	
	- 3,500	2022 exemptions
	<hr/>	
	30,786	
Step 4	\$ 30,786	
	x 4.23%	2022 combined state and county tax rate
	<hr/>	
	\$ 1,302*	

* The \$1,302 Step 4 amount should be entered as an exception on line 7 of Jane’s Schedule IT-2210.

Line 8 – Minimum required annual payment:

Enter the lesser of line 4 or line 7. If the line 7 entry is N/A, enter the amount from line 4 on this line. Continue to Section D or Section E, whichever applies.

Section D – Short Method

You can use the short method **only if:**

- You made no estimated tax payments, **or**
- You paid estimated tax in four equal amounts by the due dates, **or**

CAUTION. If your 2021 federal adjusted gross income is more than \$150,000 (\$75,000 if your 2021 filing status is married filing separately), and you are not subject to the special rules for farmers and fishermen, you must enter **110%** of last year’s tax (instead of 100%) on line 7.

Example. Chris and Kate’s 2021 federal adjusted gross income is \$158,000. They must take the following steps to arrive at the exception amount for line 7:

a) 2021 IT-40 total income tax (line 8 plus line 9).....	\$ 6,952
b) 2021 IT-40 credits (line 13 plus Schedule 5, lines 4 through 8) -	<u>1,952</u>
c) Subtotal	\$ 5,000
d) Exception to the penalty percentage	x <u>110%</u>
e) Amount for line 7 of Schedule IT-2210	\$ 5,500

Note. If Chris and Kate’s 2021 Indiana adjusted gross income is less than \$150,000, they would enter \$5,000 instead of \$5,500 on line 7.

- At least two-thirds of your gross income from 2021 or 2022 was from farming or fishing and an estimated tax payment (if any) was made by Jan. 17, 2023.

You **can't** use the short method if either of the following applies:

- You made any estimated tax payments late, **or**
- You made estimated payments in unequal amounts.

Section E – Regular Method

Use the regular method if you aren't eligible to use the short method.

If you are a fiscal year taxpayer, you must change the dates in Columns A through D to correspond with your fiscal year.

Line 14 – Minimum Required

Installment: Divide the amount on line 8 by four and enter the result in each column.

If you are filing this year as a **part-year resident** on Form IT-40PNR, you must divide line 8 by the number of installment periods during which you were a resident of Indiana.

Installment Periods Are:

1st Period Jan. 1 to March 31
 2nd Period April 1 to May 31
 3rd Period June 1 to Aug. 31
 4th Period Sept. 1 to Dec. 31

Line 15 – 2022 Withholding

To determine your installment period withholding credit, divide the amount on line 5 by four and enter the result in each column. See Income Tax Information Bulletin #3 for special instructions related to withholding that does not occur evenly throughout the year or for withholding for nonresidents by partnerships, S corporations, estates, or trusts.

STOP. Complete lines 16 through 19 for each column before going to the next column.

Line 16 – 2022 Estimated Taxes

Paid: Enter the actual amount of estimated tax you timely paid for each installment period. Payments made after the due dates are to be reported in the next column.

Example. Joe paid \$800 in estimated taxes for 2022. His third installment payment of \$200 was not made until Oct. 1 (after the Sept. 15 due date). The \$200 payment should be reported as a 4th period installment payment.

Note for Early Filers. If you file your individual income tax return and pay the tax due by Feb. 1, 2023, you will not be required to make a 4th installment estimated tax payment. You should include on line 16, Column D, the amount of tax you paid with your tax return (Form IT-40 or Form IT-40PNR) minus any household employment tax, use tax, recapture of certain Indiana credits, nonresident professional team member's county tax from Schedule F, and/or the amount shown on the return to be applied to your 2023 estimated tax account.

Line 17 – Total Installment Payments

To determine your total installment payments, add lines 15 and 16 in each column and enter that column's total here.

Line 18 – Installment Period

Overpayment: If the total payment (line 17) is more than the required payment due (line 14) for an installment period, enter the difference on this line. This amount should then be added to line 16 in the next column **after** subtracting any underpayment(s) shown on line 19 in the previous column(s).

Note. If, after subtracting any underpayments, this amount is less than zero, no overpayment will be available to carry over to the next installment period. Also, **do not** carry over a negative figure if this amount is less than zero.

Example. Dana had a \$100 underpayment on line 19, Column A. She had a \$130 *overpayment* on line 18, Column B. The net overpayment from the first two installment periods is \$30 (\$130 minus \$100). She will add this net overpayment to any estimated tax paid for the third installment period on line 16, Column C.

Line 19 – Installment Period

Underpayment: If the total payment (line 17) is less than the required tax (line 14) for an installment period, enter the difference on this line.

Line 21 – Underpayment Penalty

This amount must also be entered on line 20 of your 2022 Form IT-40 or Form IT-40PNR.

Who Must Submit Schedule IT-2210?

- A farmer/fisherman utilizing Section A, Option 1 or 2
- Early filers checking box in Section B
- Anyone completing Section D or Section E.

Important. You must enclose a copy of Schedule IT-2210 to your tax return if you are claiming an exception to the penalty for the underpayment of estimated tax.