

**MARYLAND  
FORM  
502UP**

**UNDERPAYMENT OF  
ESTIMATED INCOME  
TAX BY INDIVIDUALS**



19502U099

**2019**

**ATTACH THIS FORM TO FORM 502, 505 or 515.**

**IMPORTANT: REVIEW THE INSTRUCTIONS BEFORE COMPLETING THIS FORM.**

**SEE SPECIAL INSTRUCTIONS FOR FARMERS AND FISHERMEN OR IF YOUR INCOME IS TAXABLE BY ANOTHER STATE.**

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
First Name	MI	Last Name	Social Security Number
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Spouse's First Name	MI	Spouse's Last Name	Spouse's Social Security Number

**EXCEPTIONS WHICH AVOID THE UNDERPAYMENT INTEREST**

**No interest is due and this form should not be filed if:**

- A.** The tax liability on gross income after deducting Maryland withholding is \$500 or less, or,
- B.** You have made four quarterly payments as required, each equal to or more than one-fourth of 110% of last year's taxes.

**COMPUTATION OF UNDERPAYMENT - LINES 1 THROUGH 15**

<b>1.</b> Total Maryland income (from line 16 of Form 502 or line 8 of Form 505NR) . . . . .	<b>1.</b>	<input type="text"/>	<input type="text"/>
<b>2.</b> 2019 Maryland and local tax (from line 34 of Form 502 or line 37 of Form 505) . . . . .	<b>2.</b>	<input type="text"/>	<input type="text"/>
<b>3.</b> Refundable earned income credit (from line 42 of Form 502) . . . . .	<b>3.</b>	<input type="text"/>	<input type="text"/>
<b>4.</b> Refundable income tax credits (from line 43 of Form 502 or line 46 of Form 505) . . . . .	<b>4.</b>	<input type="text"/>	<input type="text"/>
<b>5.</b> Total tax developed on tax preference items . . . . .	<b>5.</b>	<input type="text"/>	<input type="text"/>
<b>6.</b> Total (Add lines 3, 4 and 5.) . . . . .	<b>6.</b>	<input type="text"/>	<input type="text"/>
<b>7.</b> Balance (Subtract line 6 from line 2.) . . . . .	<b>7.</b>	<input type="text"/>	<input type="text"/>
<b>8.</b> Multiply line 7 by 90% (.90) . . . . .	<b>8.</b>	<input type="text"/>	<input type="text"/>
<b>9. a.</b> <b>2018</b> tax: Enter line 34 of <b>2018</b> Form 502 or line 37 (reduced by any credits on line 46) of <b>2018</b> Form 505. . . . .	<b>9a.</b>	<input type="text"/>	<input type="text"/>
<b>b.</b> Multiply line 9a by 110% (1.10) . . . . .	<b>9b.</b>	<input type="text"/>	<input type="text"/>
<b>10.</b> Minimum withholding and/or estimated tax required (Enter the lesser of line 8 or 9b. If first-time filer, enter line 8.) . . . . .	<b>10.</b>	<input type="text"/>	<input type="text"/>

**DUE DATES OF INSTALLMENTS  
INSTALLMENT PERIODS**

	<b>1st Period April 15, 2019 Jan 1 to Mar 31</b>	<b>2nd Period June 15, 2019 Jan 1 to May 31</b>	<b>3rd Period Sept 15, 2019 Jan 1 to Aug 31</b>	<b>4th Period Jan 15, 2020 Jan 1 to Dec 31</b>
<b>11.</b> Divide total Maryland income on line 1 into earnings per period (See instructions.) . . . . .	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>12.</b> Divide earnings per period on line 11 by the amount on line 1 to determine the percent per period. If less than zero, enter zero. . . . .	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>13.</b> Payments required. Multiply the amount on line 10 by the percent on line 12 for each period. . . . .	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>14.</b> Estimated tax paid and tax withheld per period (See instructions.) . . . . .	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>15.</b> Underpayment per period (line 13 less line 14) If less than zero, enter zero . . . . .	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**COMPUTATION OF INTEREST**

<b>16.</b> Interest factor . . . . .	<b>16.</b>	<input type="text" value=".0184"/>	<input type="text" value=".0277"/>	<input type="text" value=".0365"/>	<input type="text" value=".0262"/>
<b>17.</b> Multiply underpayment on line 15 by the factor on line 16 for each period . . . . .	<b>17.</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>18.</b> Interest. Add amounts on line 17. Place total in appropriate box on line 49 of Form 502 or line 52 of Form 505 and include amount in your total payment with return . . . . .	<b>18.</b>	<input type="text"/>			

MARYLAND  
FORM  
**502UP**

**UNDERPAYMENT OF ESTIMATED  
INCOME TAX BY INDIVIDUALS  
INSTRUCTIONS**

**GENERAL INSTRUCTIONS**

Section 10-815 of the Tax-General Article of the Annotated Code of Maryland requires every individual, or individuals filing jointly, who receives taxable income which is not subject to Maryland withholding, or from which not enough Maryland tax is withheld to file a Declaration of Estimated Tax, if the income can be expected to develop a tax of more than \$500 in excess of the Maryland withholding. Furthermore, Sections 13-602 and 13-702 stipulate that any individual so required to file, who either (1) fails to file on the date or dates prescribed; (2) fails to pay the installment or installments when due or (3) estimates a tax less than ninety (90) percent of the developed tax shown on the return for the current tax year and less than 110% of the tax that was developed for the prior year, shall be subject to penalty and interest.

**WHO MUST FILE**

If you believe you are liable for interest for one of the reasons outlined above, or if you believe you are not liable for interest due to an unequal distribution of income, complete and submit this form with your tax return.

If you meet one of the exceptions shown on page 1, you are not required to file this form.

If you want us to figure the interest for you, complete your return as usual. Do not file Form 502UP. You will be notified of any interest due.

**SPECIFIC INSTRUCTIONS**

Lines 1 through 10 are used to determine the minimum amount required to be paid by estimated or withholding tax to avoid interest.

**Line 1** Enter your Maryland adjusted gross income from line 16 of Form 502 or line 8 of Form 505NR. Alternatively, if you itemize deductions, you may elect to enter taxable net income from line 20 of Form 502 or net income from line 11 of Form 505NR.

**Lines 2-4** Enter the amount specified from your 2019 Form 502 or 505.

**Line 5** Multiply the amount on line 5 of Form 502TP by the highest state rate used on your tax return. Add to this result the amount on line 5 of Form 502TP multiplied by your local (or special nonresident) tax rate.

**Line 9a** If your 2018 tax was corrected or amended, be sure to include any additional tax when calculating your total tax for the year.

Lines 11 through 15 will determine which periods are underpaid and the amount of underpayment.

**Line 11** Enter in each column the income received for the period of the year covered by that column. If your income was received evenly throughout the year, enter one-fourth of line 1 in column 1, one-half of line 1 in column 2, three-fourths of line 1 in column 3 and an amount equal to line 1 in column 4. You may elect to report your income based on the actual dates of receipt. If so, enter income received between January 1 and March 31 in the first column; enter income received between January 1 and May 31 in the second column; enter income received between January 1 and August 31 in the third column and 100% of your income in the fourth column.

**NOTE:** Regardless of whether you use an even distribution or base your entries on the actual receipt dates, each successive column will include the amount from the prior columns. See the example in the instructions for line 14.

**Line 14** Enter in each column the sum of any estimated payments you have made and any Maryland tax withheld from the beginning of the year to the due date at the top of that column. Include any nonresident tax paid by S corporations, partnerships or limited liability companies on your behalf.

**NOTE:** Just as in line 11, each successive entry will include the amount from the prior columns. For example, if you paid \$500 in estimated payments each quarter, the first column will contain \$500, the second \$1,000, the third \$1,500 and the fourth \$2,000. Overpayments in later quarters may not be used to offset underpayments in previous quarters.

Lines 16 through 18 determine the amount of interest due for each underpaid quarter.

**Line 16** The factors represent the interest rate for the portion of the year between the due date of each quarter and the due date of the next quarter. Interest is computed at a rate of 0.9167% per month for due dates prior to January 1, 2020.

Interest is computed at a rate of 0.8750% per month after December 31, 2019. Visit [www.marylandtaxes.gov](http://www.marylandtaxes.gov) for more information.

If your estimated tax payment was not timely, but was paid earlier than the due date of the next quarter, adjust the factor as follows:

**1st Period** - For payments due by April 15, 2019 that were not paid by April 15, 2019 but paid earlier than June 15, 2019, count the number of months from the due date of April 15, 2019 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

**2nd Period** - For payments due by June 15, 2019 that were not paid by June 15, 2019 but paid earlier than September 15, 2019, count the number of months from the due date of June 15, 2019 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

**3rd Period** - For payments due by September 15, 2019 that were not paid by September 15, 2019 but paid earlier than December 15, 2019, count the number of months from the due date of September 15, 2019 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11% annual rate. Apply this adjusted factor to the underpaid amount on line 15. For payments made on or later than December 15, 2019, apply the interest factor of .0365 to the underpaid amount on line 15.

**4th Period** - For payments due by January 15, 2020 that were not paid by January 15, 2020 but paid earlier than April 15, 2020, count the number of months from the due date of January 15, 2020 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 10.5% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

**Line 17** Using the factors on line 16 or the adjusted factor described above, determine the amount of interest due for each quarter and enter the amounts in the appropriate columns.

**Line 18** Add all interest amounts in columns 1 through 4 on line 17. Enter the total interest on the appropriate line of your tax return.

**If the interest calculated on line 18 is zero because your income was not received evenly throughout the year, enter code number 301 on one of the lines marked "code numbers" on the Form 502, 505 or 515 and attach this form to your return.**

**FARMERS AND FISHERMEN**

If your gross income from farming or fishing is at least two-thirds of your total estimated gross income for the year, the 2019 declaration and full payment of the estimated tax is due on or before January 15, 2020. In lieu of filing the declaration, you may elect to file your full and complete annual return on or before March 1, 2020 and make full payment of the developed tax at that time.

If you fail to do either of the above, and the income not subject to withholding or from which not enough Maryland tax is withheld would be expected to develop a tax of more than \$500, then you are subject to interest. To compute the applicable interest charge, complete lines 1 through 10 of this form. Enter the amount from line 10 on line 13, column 4 and complete the rest of the form. Only column 4 will have entries.

**To claim exemption from this interest charge or to use the special calculation, enter code number 300 on one of the lines marked "code numbers" on the Form 502, 505 or 515. Attach this form to your return if you used the special calculation.**

**INCOME TAXABLE BY ANOTHER STATE**

If at least 90% of your taxable income is taxable by another state, and the underpayment is not greater than the local tax, no interest is due and you are not required to file this form.

**To claim exemption from this interest charge, enter code number 302 on one of the lines marked "code numbers" on the Form 502, 505 or 515.**

For more information, visit [www.marylandtaxes.gov](http://www.marylandtaxes.gov) or email your question to [TAXHELP@comp.state.md.us](mailto:TAXHELP@comp.state.md.us). You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.