



# Individual Underpayment of Estimated Tax

FORM 2210N  
2004

• Attach to Form 1040N  
• Read instructions on reverse side

Name and Address as Shown on Form 1040N	Taxable Year	Social Security Number
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1 Total Nebraska income tax after nonrefundable credits (line 27, Form 1040N) .....	1		
2 Form 4136N, refundable child/dependent care credit, Beginning Farmer credit, and LB 608 credit .....	2		
3 Subtract line 2 from line 1 .....	3		
4 Multiply line 3 by 90% (.90) .....	4		
5 Amount of tax withheld for 2004, if any. Do not include any estimated payments on this line .....	5		
6 Subtract line 5 from line 3. If less than \$300, stop here; do not complete this form. You do not owe penalty .....	6		
7 Enter your 2003 income tax. (see instructions) .....	7		
8 Required annual payment. Enter smaller of line 4 or line 7. ....	8		

If line 5 is equal to or more than line 8, do not complete this form. You do not owe penalty.

• Calculate each column separately					
	9 APRIL 15, 2004	JUNE 15, 2004	SEPT. 15, 2004	JAN. 15, 2005	
9 Due date of installments .....					
10 Enter 25% of line 8 in each column .....					
11 Amount paid on estimate plus tax withheld for each period (see instructions) .....					
12 Overpayment of previous installments from line 18 of the previous column .....					
13 Add lines 11 and 12 .....					
14 Add amounts on lines 16 and 17 of the previous column and enter result .....					
15 Subtract line 14 from line 13. If zero or less, enter -0- (for April 15 column only, enter the amount from line 11) .....					
16 Remaining underpayment from previous period. If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- .....					
17 UNDERPAYMENT. If line 10 is greater than or equal to line 15, subtract line 15 from line 10, and go to the next column; otherwise, go to line 18 .....					
18 OVERPAYMENT. If line 15 is greater than line 10, subtract line 10 from line 15, and go to line 12 of the next column .....					

### FIGURE THE PENALTY

19 Amount of underpayment (line 16 plus line 17) .....	19				
20 Date of payment or next due date (from line 9), whichever is earlier .....	20				
21 Number of days from due date of installment to the date shown on line 20 .....	21				
22 Penalty (6% per year on the amount on line 19 for the number of days on line 21) ...	22				
23 Total amounts on line 22. Check the box on Form 1040N, line 34, and show this amount in the space provided on that line. Increase the amount of the "Balance Due" or decrease the amount of the "Overpayment" accordingly .....	23				

### FARMERS AND RANCHERS — UNDERPAYMENT OF ESTIMATED TAX

24 Enter line 3. If tax paid and return filed by March 1, you do not owe penalty .....	24		
25 Enter 66 2/3% of line 24 .....	25		
26 Amount of tax withheld for 2004, if any .....	26		
27 Subtract line 26 from line 24. If less than \$300, do not complete the rest of this form. You do not owe penalty .....	27		
28 Enter your 2003 income tax (see line 7 instructions) .....	28		
29 Enter the smaller of line 25 or line 28 .....	29		
30 Amounts withheld and amounts paid or credited by January 15 .....	30		
31 Underpayment of estimated tax (line 29 minus line 30). If less than zero, you do not owe penalty .....	31		
32 Number of days from January 15 to date of payment, or April 15, whichever is earlier .....	32		
33 Penalty: (6% per year on the amount on line 31 for the number of days on line 32). Check the box on Form 1040N, line 34, and show this amount in the space provided on that line. Increase the amount of the "Balance Due" or decrease the amount of the "Overpayment" accordingly .....	33		

## INSTRUCTIONS

**WHO MUST FILE.** Individuals who determine on line 17 of this form that their Nebraska individual income tax was not sufficiently paid at any time throughout the year must file Individual Underpayment of Estimated Tax, Form 2210N, to calculate the amount of penalty due.

**WHO MUST PAY THE UNDERPAYMENT PENALTY.**

An individual who did not pay enough estimated tax by any of the due dates or who did not have enough state income tax withheld may be charged a penalty. This is true even if you are due a refund when you file your tax return. The penalty is figured separately for each due date. Therefore, you may owe the penalty for an earlier payment due, even if you paid enough tax later to make up the underpayment.

In general, you may owe the penalty for 2004 if you did not pay at least the smaller of:

1. 90% of your 2004 tax liability; or
2. 100% of your 2003 tax liability (if you filed a 2003 return that covered a full 12 months).

**EXCEPTIONS TO THE PENALTY.** You will not have to pay the penalty if either 1 or 2 applies:

1. You had no tax liability for 2003, you were a U.S. citizen or resident for the entire year, and your 2003 Nebraska tax return was (or would have been had you been required to file) for a full 12 months.
2. The total tax shown on your 2004 return minus the amount of tax you paid through withholding is less than \$300. To determine whether the total tax is less than \$300, complete lines 1-6.

**Nebraska Tax on Annualized Income.** No penalty will be imposed if your Nebraska tax payments equal or exceed 90% of the Nebraska tax for a Nebraska tax liability based on annualized income earned through the end of the month preceding the installment date. Attach a separate schedule showing your computation similar to the federal Annualized Income Installment Method Schedule.

**Other Circumstances.** Attach a statement to this form outlining why the penalty should not be imposed. This would include an underpayment due to casualty, disaster, or other unusual circumstance where it would be inequitable to impose the penalty. Penalty may also be waived if in 2003 or 2004, you retired after age 62 or became disabled, and your underpayment was due to reasonable cause. Attach a statement if this circumstance applies to you.

**WHEN AND WHERE TO FILE.** Form 2210N must be attached and filed with the Nebraska Individual Income Tax Return, Form 1040N.

### SPECIFIC LINE INSTRUCTIONS

**LINE 7, 2003 TAX.** Use your 2003 tax after nonrefundable credits from your 2003 tax return. If the 2003 tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 4 on line 8 and complete the remainder of the form. If federal adjusted gross income in 2003 was more than \$150,000 (\$75,000 – married separate), enter 110% of your 2003 taxes on line 7.

**LINE 9, INSTALLMENT PAYMENTS.** If you filed your Nebraska income tax return and paid the balance of the tax due by January 31, that balance is considered paid as of January 15.

**Fiscal Year Taxpayers.** The installment due dates for fiscal year taxpayers are the 15th day of the following months: the first month of the second quarter, the third month of the second quarter, the third month of the third quarter, and the first month of the following fiscal year. All dates on Form 2210N are to be considered in the corresponding month of the fiscal year.

**LINE 11, TAX WITHHELD.** An equal part of the Nebraska income tax withheld during the year by your employer is considered paid on each required installment date unless you establish the dates on which withholding occurred and consider such withholding as paid on the dates when actually withheld.

For nonresident individuals, the amount of tax withheld by S corporations, partnerships, limited liability companies, or fiduciaries shall be considered paid on the last day of the organization's taxable year unless you establish the dates on which all amounts were actually withheld and consider such withholding as paid on the dates when actually withheld.

**LINE 18, OVERPAYMENT.** Any overpayment of an installment on line 18 in excess of all prior underpayments should be applied as a credit on line 12 against the next installment.

**LINES 19-23, PENALTY CALCULATIONS.** Complete lines 19 through 23 to determine the amount of the penalty. In determining the date of payment on line 20, use the date of the payment which was applied against the underpayment on line 19, the due date of the next payment (line 9 of the next column), or April 15, whichever is earliest. If more than one payment is made for any installment, make separate penalty calculations through the date of payment and for the remaining underpayment through the date it is paid, then add the results together and enter on line 22. See the instructions for Federal Form 2210 for more information. The penalty is calculated at 6% per annum for all installments through 2004.

**SPECIAL RULES FOR FARMERS AND RANCHERS.** If your gross income from farming, ranching, or fishing is at least two-thirds of your annual gross income from all sources for 2003 or 2004, and Form 1040N is filed and the Nebraska income tax paid on or before March 1, you are exempt from penalties for underpayment of estimated tax and are not required to file a Form 2210N.

1. **How to Figure Your Underpayment.** If the gross income test was met but the date for filing and payment of the tax was not, complete lines 24 through 31. If no underpayment is indicated on line 31, do not complete lines 32 and 33.
2. **Penalty Calculation.** Complete lines 32 and 33 to determine the amount of the penalty which is calculated at 6%.