Nebraska Department of REVENUE

Individual Underpayment of Estimated Tax

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

FORM 2210N
2008

Name and Address as Shown on Form 1040N	Taxable Year	Social Security Number

1 Total Nebraska income tax after nonrefundable credits (line 28, Form 1040N)	1	
2 Refundable child/dependent care credit, Beginning Farmer credit, earned income credit, and refundable Form 3800N credit	2	
3 Subtract line 2 from line 1	3	
4 Multiply line 3 by 90% (.90)	4	
5 Amount of tax withheld for 2008, if any. **Do not** include any estimated payments on this line	5	
6 Subtract line 5 from line 3. If less than $500, stop here; do not complete this form. You do not owe penalty	6	
7 Enter your 2007 income tax (see instructions). If federal AGI is more than $150,000 ($75,000 if married, filing separately), enter 110% of 2007 tax	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

		APRIL 15, 2008	JUNE 15, 2008	SEPT. 15, 2008	JAN. 15, 2009
9 Due date of installments	9				
10 Enter 25% of line 8 in each column	10				
11 Amount paid on estimate plus tax withheld for each period (see instructions)	11				
12 Overpayment of previous installments from line 18 of the previous column	12				
13 Add lines 11 and 12	13				
14 Add amounts on lines 16 and 17 of the previous column and enter result	14				
15 Subtract line 14 from line 13. If zero or less, enter -0- (for April 15 column only, enter the amount from line 11)	15				
16 Remaining underpayment from previous period. If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16				
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	17				
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	18				

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 a Penalty (8% per year on the amount on line 19 for the number of days in 2008 on line 21)	22a				
22 b Penalty (5% per year on the amount on line 19 for the number of days in 2009 on line 21)	22b				

23 Total amounts on line 22. Enter this amount on line 36 of Form 1040N	23	

FARMERS AND RANCHERS — UNDERPAYMENT OF ESTIMATED TAX

24 Enter line 3. If tax is paid and return filed by March 1, you do not owe penalty	24	
25 Multiply line 24 by 66 2/3% (.667) and enter here	25	
26 Amount of tax withheld for 2008, if any	26	
27 Subtract line 26 from line 24. **If less than $500, do not complete the rest of this form. You do not owe penalty**	27	
28 Enter your 2007 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:** (5% per year on the amount on line 31 for the number of days on line 32). Enter this amount on line 36 of Form 1040N.	33	

INSTRUCTIONS

WHO MUST FILE. Use this schedule to determine if your individual income tax was adequately paid throughout the year by withholding and/or estimated payments. If your 2008 tax due (line 17 of Form 1040N) less withholding and allowable credits is $500 or more, you may be subject to an underpayment of estimated tax penalty and must complete this form. You may also owe a penalty if estimated payments have not been filed in a timely manner.

WHO MUST PAY THE UNDERPAYMENT PENALTY. An individual who did not pay enough estimated tax by any of the applicable 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.

You may owe the penalty for 2008 if you did not pay at least the smaller of:

1. 90% of your 2008 tax liability; or
2. 100% of your 2007 tax liability (if you filed a 2007 return that covered a full 12 months).

EXCEPTIONS TO THE PENALTY. You will not have to pay the penalty if:

1. You had no tax liability for 2007, you were a U.S. citizen or resident for the entire year, and your 2007 Nebraska tax return was (or would have been had you been required to file) for a full 12 months;
2. You are a first time filer for Nebraska tax purposes; or
3. The total tax shown on your 2008 return minus the amount of tax you paid through withholding is less than $500. To determine whether the total tax is less than $500, complete lines 1-6.

NOTE: If you file your return and pay the tax due by January 31, 2009, include on line 19, January 15 column, the amount of tax you pay with your tax return. In this case, you will not owe a penalty for the payment due on January 15, 2009.

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. Check the box on line 36 of Form 1040N and attach a separate schedule showing your computation similar to the federal Annualized Income Installment Method Schedule.

WAIVER OF PENALTY. 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 2007 or 2008, 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, 2007 TAX. Use your 2007 tax after nonrefundable credits from your 2007 tax return. If the 2007 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 not engaged in farming, ranching or fishing and your federal adjusted gross income (AGI) in 2007 was more than $150,000 ($75,000 if married, filing separately), enter 110% of your 2007 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:

1. The first month of the second quarter;
2. The third month of the second quarter;
3. The third month of the third quarter; and
4. 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 8% per annum for all installments paid during 2008 and at 5% for payments made after January 1, 2009 and after. For the September 15 column, line 22a is used to report at the 8% rate through December 31, 2008. Line 22b is then used to report at the 5% rate for the period from January 1 through January 15 or later.

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 2007 or 2008, and Form 1040N is filed and the Nebraska income tax is paid on or before March 2, 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 5%.