

**INSTRUCTIONS FOR FILING
ESTIMATED TAX VOUCHERS****2011**

WHAT'S NEW FOR 2011—The standard deduction will increase to **\$2,240.00** for 2011.

WHO MUST MAKE PAYMENTS—Individuals who can reasonably expect to have income of more than \$5,000 from which no Kentucky income tax will be withheld may be required to make estimated tax payments as required by KRS 141.300. Individuals who do not prepay at least 70 percent of their income tax liability for the year will be subject to a penalty for underpayment of estimated tax. The prepayments may be made through withholding, a credit forward from the previous year's income tax return or estimated tax payments. The worksheet on the reverse should be used to determine the amount which should be paid through estimated tax payments. **If the amount of estimated tax for the year is \$500 or less, no payment is required.**

WHEN TO PAY—Taxpayers may pay the full amount of estimated tax in one payment on the earliest applicable due date, or they may pay in installments. Installments for calendar year 2011 are due April 18, June 15, September 15, 2011, and January 17, 2012. Any credit from a 2010 income tax return should be applied to the amount owed before any payments are made. Installment payments should not be made until the amount of the credit has been used. A voucher should be filed only when a payment is required.

IF INCOME CHANGES—Due to changes in sources or amounts of income during the year, a taxpayer who is not required to pay estimated tax at the beginning of the year may be required to pay during the year. A taxpayer may also be required to recompute the estimated tax and to adjust the amount of the installments during the year as a result of changes in sources or amounts of income. Whenever the initial estimate is required or the change occurs, a taxpayer electing to pay in installments must pay the total amount of tax due in equal amounts on the remaining due dates.

Period When Estimate Required or Change Occurs	Due Date	Number of Equal Installments
January 1–April 1	April 18, 2011	4
April 2–June 1	June 15, 2011	3
June 2–September 1	September 15, 2011	2
September 2–December 31*	January 17, 2012	1

**If the change occurs after September 1, 2011, the voucher is not required if the 2011 Kentucky income tax return is filed and the tax shown to be due is paid on or before January 31, 2012.*

Failure to make required estimated installments by the specified dates may result in interest due.

FISCAL YEAR FILERS—If you pay tax for a fiscal year instead of a calendar year, your due date is the 15th day of the fourth, sixth and ninth months of your fiscal year and the 15th day of the first month of the following fiscal year.

FAMILY SIZE TAX CREDIT—The Family Size Tax Credit is based on modified gross income (MGI) and the size of the family. If your total MGI is \$29,327 or less you may qualify for Kentucky Family Size Tax Credit.

“Modified gross income” used to calculate the Family Size Tax Credit means the greater of:

Federal adjusted gross income adjusted to include interest income derived from municipal bonds (non-Kentucky) and lump-sum pension distributions not included in federal adjusted gross income;

or

Kentucky adjusted gross income adjusted to include lump-sum pension distributions not included in federal adjusted gross income.

PASS-THROUGH ENTITIES AND INDIVIDUAL OWNERS OF DISREGARDED SINGLE MEMBER LLCs—For taxable years beginning on or after January 1, 2007, all pass-through entities and individual owners of disregarded single member LLCs that file on Schedules C, E or F for federal income tax purposes will be treated the same for Kentucky income tax purposes as they are treated for federal income tax purposes except for the differences between Kentucky law and federal law. Individuals with income from pass-through entities or disregarded single member LLCs that file Schedule C, E or F for federal income tax purposes may be required to make individual estimated tax payments.

FARM INCOME—Taxpayers with income from farming are not required to make installment payments if they meet the following criteria: (1) two-thirds of gross income is from farming; and (2) the entire amount of estimated tax is paid on or before January 17, 2012; or (3) the 2011 income tax return is filed and total tax is paid on or before March 1, 2012.

PENALTY FOR UNDERPAYMENT—A penalty equal to 10 percent of any underpayment may be assessed. The underpayment is calculated by taking 70 percent of the amount on Form 740, Line 28 (income tax liability) and subtracting taxes prepaid through a credit forward, withholding, estimated tax payments and refundable credits. Minimum penalty is \$25.

HOW TO USE ESTIMATED TAX VOUCHERS—Enter your name, address and Social Security number(s) in the spaces provided. In the payment block, enter the amount of payment. Do not enter amounts paid through a credit from a previous year.

HOW TO PAY—Make check payable to **Kentucky State Treasurer**. Mail the check with the voucher to: **Kentucky Department of Revenue, Frankfort, KY 40620-0009**. To ensure accurate crediting to your account, you must send the voucher with your check. Please write your Social Security number(s) on the face of your check. If you wish to mail your first installment with Form 740, please prepare a separate check for the amount shown on the voucher and include the voucher marked “Installment 1.”

Estimated Tax Worksheet (Keep for your records)

2011

1. Enter your total estimated wages subject to withholding	1			
2. Enter your total estimated taxable income from sources with no withholding.....	2			
3. Add lines 1 and 2	3			
4. Enter estimated adjustments to income.....	4			
5. Subtract line 4 from line 3. This is your ESTIMATED ADJUSTED GROSS INCOME	5			
6. Enter estimated allowable itemized deductions or the standard deduction of \$2,240.00	6			
7. Subtract line 6 from line 5. Enter the difference here. This is your ESTIMATED NET INCOME	7			
8. Compute tax on estimated net income from line 7 using the tax rate schedule below. ENTERTAX HERE.....	8			
9. Enter your tax credits (\$20 for yourself and each dependent).....	9			
10. Enter Family Size Tax Credit using percentage from worksheet below	10			
11. Enter Kentucky income tax to be withheld in 2010. Add lines 9, 10 and 11 and enter total at right	11			
12. Subtract the total on line 11 from line 8. This is your Estimated Kentucky Income Tax for 2011. Enter here. If this amount is \$500 or less, estimated tax payment is not required	12			
13. Divide line 12 by 4. This is amount of each installment. Enter here and in Column B, lines 1 through 4 of Record of Estimated Tax Payments Schedule below	13			

Family Size Tax Credit (FSTC) is based on modified gross income (MGI) and the size of the family. Refer to page 1 for the definition of MGI. The 2010 table is provided for your convenience.

Size of Family Unit:

- 1—an individual either single or married living apart from his or her spouse for the entire year
- 2—an individual with one qualifying child or a married couple
- 3—an individual with two qualifying children or a married couple with one qualifying child
- 4 or more—an individual with three qualifying children or a married couple with two qualifying children

Family Size If MGI . . .	One		Two		Three		Four or More		FSTC
	is over	is not over	is over	is not over	is over	is not over	is over	is not over	Percentage is
2010	\$ ---	\$10,830	\$ ---	\$14,570	\$ ---	\$18,310	\$ ---	\$22,050	100
	10,830	11,263	14,570	15,153	18,310	19,042	22,050	22,932	90
	11,263	11,696	15,153	15,736	19,042	19,775	22,932	23,814	80
	11,696	12,130	15,736	16,318	19,775	20,507	23,814	24,696	70
	12,130	12,563	16,318	16,901	20,507	21,240	24,696	25,578	60
	12,563	12,996	16,901	17,484	21,240	21,972	25,578	26,460	50
	12,996	13,429	17,484	18,067	21,972	22,704	26,460	27,342	40
	13,429	13,754	18,067	18,504	22,704	23,254	27,342	28,004	30
	13,754	14,079	18,504	18,941	23,254	23,803	28,004	28,665	20
	14,079	14,404	18,941	19,378	23,803	24,352	28,665	29,327	10
14,404	---	19,378	---	24,352	---	29,327	---	0	

TAX RATE SCHEDULE	
<i>If taxable income is:</i>	<i>Tax is:</i>
\$3,000 or less	2% of taxable amount
over \$3,000 but not over \$4,000	\$60 plus 3% of amount over \$3,000
over \$4,000 but not over \$5,000	\$90 plus 4% of amount over \$4,000
over \$5,000 but not over \$8,000	\$130 plus 5% of amount over \$5,000
over \$8,000 but not over \$75,000	\$280 plus 5.8% of amount over \$8,000
over \$75,000	\$4,166 plus 6% of amount over \$75,000

The schedule below is for your records only and is **not** to be mailed to the Department of Revenue.

RECORD OF ESTIMATED TAX PAYMENTS SCHEDULE				
Voucher Number	Col. A	Col. B	Col. C	Col. D
	Date	Amount from line 13 above.	2010 overpayment credit applied to installment. Subtract C from B.	Amount to be paid with voucher. Enter here and on Vouchers 1-4.*
1				
2				
3				
4				
Total				

*If zero or less, do not file a voucher. If amount credited exceeds amount of installment enter excess in Column C of the next line.