

2210-K

42A740-S1

Commonwealth of Kentucky
REVENUE CABINET

UNDERPAYMENT OF ESTIMATED TAX
BY INDIVIDUALS

► Attach to Form 740 or 740-NP.

2002

Enter name(s) as shown on page 1, Form 740 or 740-NP.

Your Social Security Number

PART I—EXCEPTIONS AND EXCLUSIONS

The penalty may be waived if, *and only if*, one of the following conditions is met. If one or more of the following applies to you, check the appropriate block(s), complete any necessary blank(s) and check the "Form 2210-K attached" block on Form 740, line 36a (Form 740-NP, line 31).

Check applicable block(s).

- 1. The taxpayer died during the taxable year.
- 2. Two-thirds (2/3) or more of the gross income was from farming; this return is being filed on or before March 3, 2003; **and** the total tax due is being paid in full. Fiscal year taxpayers must file a return and pay the tax due on or before the first day of the third month following the close of the tax year.

- a. Enter total gross income
- b. Multiply by 2/3 (.67)
- c. Enter gross income from farming

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Line (c) must **equal or exceed** line (b) to qualify for the exception.

- 3. Prepaid tax **equals or exceeds** last year's income tax liability.
- a. Enter the liability from the 2001 return, *Form 740*, line 22;
Form 740-NP, line 18; or *Form 740-S*, line 18
- b. Enter amount from the 2002 Form 740, line 26 (Form 740-NP, line 22)*

Line (b) must **equal or exceed** line (a) to claim the exception.

PART II—FIGURING THE UNDERPAYMENT AND PENALTY (Complete only if the **additional** tax due exceeds \$500)

Taxpayers claiming a credit for tax paid to another state, see Form 740 instructions for "underpayment penalty" before completing Part II.

- 1. Enter 2002 income tax liability from Form 740, line 22 (Form 740-NP, line 18) 1.
- 2. Percentage of liability required to be prepaid is 70% 2.
- 3. Multiply line 1 by line 2 3.
- 4. Enter the amount from Form 740, line 26 (Form 740-NP, line 22)* 4.
- 5. Subtract line 4 from line 3 (If line 4 exceeds line 3, no penalty applies.) 5.
- 6. Penalty percentage is 10% 6.
- 7. Multiply line 5 by line 6. This is the amount of the penalty for underpayment of estimated tax (minimum penalty \$25) 7.

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| | x .1 |
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Form 740—Enter this amount on Form 740, line 36a, check the "Form 2210-K attached" block.

Form 740-NP—Enter this amount on Form 740-NP, line 31, in the area designated for Form 2210-K penalty and check the "Form 2210-K attached" block. **The penalty amount should be added to the additional tax due and the total entered on Form 740-NP, line 31.**

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To avoid underpayment penalty in the future, obtain and file Form 740-ES.

*Do not include amounts prepaid with extension after the due date of the fourth declaration installment.