2210-K

42A740-S1

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

➤ **Attach to Form 740 or 740-NP.**

2004

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 1, 2005; ***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 .....

   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 2003 return, *Form 740*, line 22; *Form 740-NP*, line 18 .....
   b. Enter amount from the 2004 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 2004 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. x .7
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. x .1
7. Multiply line 5 by line 6. This is the amount of the penalty for underpayment of estimated tax (minimum penalty $25) ..... 7.

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.**

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.