

2210-K

42A740-S1

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

2005

► Attach to Form 740 or 740-NP.

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 41a (Form 740-NP, line 41a). **If none of the exceptions apply, go to Part II.**

Check applicable block(s).

- 1. The taxpayer died during the taxable year.
- 2. Two-thirds ($\frac{2}{3}$) or more of the gross income was from farming; this return is being filed on or before March 1, 2006; **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 $\frac{2}{3}$ (.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 2004 return, *Form 740*, line 22;
Form 740-NP, line 18
- b. Enter amount from the 2005 *Form 740*, line 31 (*Form 740-NP*, page 2, line 31)*

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)*

1.	a. Enter 2005 income tax liability from Form 740, line 26 (Form 740-NP, page 1, line 26) ...	1a		
	b. Enter credit for taxes paid to another state from Form 740, Section A, line 4 (Form 740-NP, Section A, line 4)	1b		
	c. Total (add lines 1a and 1b)	1c		
2.	Percentage of liability required to be prepaid is 70%	2	x .7	
3.	Multiply line 1c by line 2	3		
4.	a. Enter the amount from Form 740, line 31 (Form 740-NP, page 2, line 31)*	4a		
	b. Enter credit for taxes paid to another state from Form 740, Section A, line 4 (Form 740-NP, Section A, line 4)	4b		
	c. Total (add lines 4a and 4b)	4c		
5.	Subtract line 4c from line 3 (If line 4c 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 41a, and check the "Form 2210-K attached" box.

Form 740-NP—Enter this amount on Form 740-NP, line 41a, and check the "Form 2210-K attached" box.

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.*