2210-K **2007**

42A740-S1

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

➤ **Attach to Form 740 or 740-NP.**

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS

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

Your Social Security Number

PART I—EXCEPTIONS AND EXCLUSIONS

The penalty shall not apply if one of the following exceptions 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. ☐ The declaration was not required until after September 4, 2007, and the taxpayer files a return and pays the full amount of the tax computed on the return on or before January 31, 2008.

3. ☐ Two-thirds (2/3) or more of the gross income was from farming; this return is being filed on or before March 3, 2008; ***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.

4. ☐ Prepaid tax ***equals or exceeds*** last year's income tax liability.
   a. Enter the liability from the 2006 return, *Form 740*, line 26; *Form 740-NP*, line 26 .....
   b. Enter amount from the 2007 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 2007 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 5 (Form 740-NP, Section A, line 5)	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 5 (Form 740-NP, Section A, line 5)	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.