

# Individual Underpayment of Estimated Tax

• Attach to Form 1040N.  
• Read instructions below.

Check this box if you are annualizing your income.

Name and Address as Shown on Form 1040N	Taxable Year	Social Security Number
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1 Total Nebraska income tax after nonrefundable credits (line 27, Form 1040N) .....	1		
2 Refundable child/dependent care credit, Beginning Farmer credit, earned income credit, and refundable Form 3800N credit.....	2		
3 Subtract line 2 from line 1 .....	3		
4 Multiply line 3 by 90% (.90) .....	4		
5 Amount of tax withheld for 2010, if any. <b>Do not</b> include any estimated payments on this line .....	5		
6 Subtract line 5 from line 3. <b>If less than \$500, stop here; do not complete this form.</b> You do not owe penalty .....	6		
7 Enter your 2009 income tax (see instructions). If federal AGI was more than \$150,000 (\$75,000 if married, filing separately), enter 110% of 2009 tax .....	7		
8 Required annual payment. Enter smaller of line 4 or line 7. ....	8		

**If line 5 is greater than or equal to line 8, do not complete this form. You do not owe penalty.**

• Farmers and Ranchers should skip to line 24.				
9	APRIL 15, 2010	JUNE 15, 2010	SEPT. 15, 2010	JAN. 15, 2011
10 Enter 25% of line 8 in each column .....				
11 Amount of: estimated payment; plus amount withheld for each quarter (see instructions) ..				

**• Complete lines 12 through 18 of one column before going to the next column.**

12 Overpayment of previous installments from line 18 of the previous column....	12				
13 Add lines 11 and 12.....	13				
14 Add amounts on lines 16 and 17 of the previous column and enter result.....	14				
15 Subtract line 14 from line 13. If zero or less, enter -0- (for April 15 column only, enter the amount from line 11) .....	15				
16 Remaining underpayment from previous period. If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- .....	16				
17 <b>UNDERPAYMENT.</b> If line 10 is greater than or equal to line 15, subtract line 15 from line 10, and go to the next column; otherwise, go to line 18.....	17				
18 <b>OVERPAYMENT.</b> If line 15 is greater than line 10, subtract line 10 from line 15, enter the amount here and on line 12 of the next column	18				

**CALCULATE THE PENALTY**

19 Amount of underpayment (line 16 plus line 17)	19				
20 Date of payment or next due date (from line 9), whichever is earlier .....	20				
21 Number of days from due date of installment to the date shown on line 20.....	21				
22 <b>Penalty</b> (5% per year on the line 19 amount for the number of days on line 21) .....	22				
23 Total amounts on line 22. Enter this amount on line 35, Form 1040N .....	23				

**FARMERS AND RANCHERS —  
UNDERPAYMENT OF ESTIMATED TAX**

24 Enter line 3 here. <b>If tax is paid and return is filed by March 1, do not complete this form. You do not owe penalty</b> .....	24		
25 Multiply line 24 by 66 2/3% (.667) and enter here .....	25		
26 Amount of tax withheld for 2010, if any .....	26		
27 Subtract line 26 from line 24. <b>If less than \$500, do not complete the rest of this form. You do not owe penalty</b> .....	27		
28 Enter your 2009 income tax (see line 7 instructions).....	28		
29 Enter the smaller of line 25 or line 28.....	29		
30 Amounts withheld and amounts paid or credited by January 15 .....	30		
31 Underpayment of estimated tax (line 29 minus line 30). <b>If less than zero, you do not owe penalty</b> .....	31		
32 Number of days from January 15 to date of payment, or April 15, whichever is earlier .....	32		
33 <b>Penalty</b> (5% per year on the line 31 amount for the number of days on line 32). Enter this amount here and on line 35, Form 1040N.....	33		

## INSTRUCTIONS

**Special Note:** 2011 Individual Estimated Payment Vouchers and Instructions are not being mailed to taxpayers by the Nebraska Department of Revenue (Department). All taxpayers are encouraged to make their estimated payments electronically at [www.revenue.ne.gov/electron/ind\\_e-pay.html](http://www.revenue.ne.gov/electron/ind_e-pay.html). If you are making payments by check or money order, a voucher can be found at [www.revenue.ne.gov/tax/current/current.html](http://www.revenue.ne.gov/tax/current/current.html).

**WHO MUST FILE.** If your 2010 tax due (line 17, Form 1040N) less withholding and allowable credits is \$500 or more, you may owe an underpayment of estimated tax penalty and must complete this form. You may also owe a penalty if estimated payments have not been filed in a timely manner.

**WHO MUST PAY THE UNDERPAYMENT PENALTY.** An individual who did not pay enough estimated tax by any of the applicable due dates, or did not have enough state income tax withheld, may be charged a penalty. **This is true even if you are due a refund when you file your tax return.** The penalty is calculated separately for each due date. You may owe the penalty for an earlier payment due, even if you paid enough tax later to make up the underpayment.

You may owe the penalty for 2010 if you did not pay at least the smaller of:

1. 90% of your 2010 tax liability; or
2. 100% of your 2009 tax liability (if you filed a 2009 return that covered a full 12 months).

**EXCEPTIONS TO THE PENALTY.** You do not have to pay the penalty if:

1. You had no tax liability for 2009, you were a U.S. citizen or resident for the entire year, and your 2009 Nebraska tax return was (or would have been had you been required to file) for a full 12 months;
2. You are a first-time filer for Nebraska tax purposes; or
3. The total tax shown on your 2010 return minus the amount of tax you paid through withholding is less than \$500. To determine whether the total tax is less than \$500, complete lines 1-6.

**NOTE:** If you file your return and pay the tax due by January 31, 2011, include on line 19, January 15 column, the amount of tax you pay with your tax return. In this case, you will not owe a penalty for the payment due on January 15, 2011.

**Nebraska Tax on Annualized Income.** No penalty will be imposed if your Nebraska tax payments equal or exceed 90% of your Nebraska tax liability based on annualized income earned through the end of the month preceding the installment date. If you meet this criteria, check the box at the top of this form. Paper filers attach a separate schedule showing your computation similar to the federal Annualized Income Installment Method Schedule.

**WAIVER OF PENALTY.** Waiver of penalty may be considered under the following circumstances:

- Underpayment due to casualty, disaster, or other unusual circumstance where it would be inequitable to impose the penalty; or
- In 2009 or 2010, you retired after age 62, or became disabled, and your underpayment was due to reasonable cause.

Paper filers attach a statement to this form outlining why the penalty should not be imposed. E-filers attach a statement to [Form 8453N](#) and mail to the Department.

**WHEN AND WHERE TO FILE.** Form 2210N must be attached and filed with the [Nebraska Individual Income Tax Return, Form 1040N](#).

### SPECIFIC LINE INSTRUCTIONS

**LINE 7, 2009 TAX.** Use your 2009 tax after nonrefundable credits from your 2009 tax return. If the 2009 tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 4 on line 8 and complete the remainder of the form. If you are not engaged in farming, ranching, or fishing, and your federal adjusted gross income (AGI) in 2009 was more than \$150,000 (\$75,000 if married, filing separately), enter 110% of your 2009 taxes on line 7.

**LINE 9, INSTALLMENT PAYMENTS.** If you filed your Nebraska income tax return and paid the balance of the tax due by January 31, that balance is considered paid as of January 15.

**Fiscal Year Taxpayers.** The installment due dates for fiscal year taxpayers are the 15th day of the following months:

1. The first month of the second quarter;
2. The third month of the second quarter;
3. The third month of the third quarter; and
4. The first month of the following fiscal year.

All dates on Form 2210N are to be considered in the corresponding month of the fiscal year.

**LINE 11, TAX WITHHELD.** An equal part of the Nebraska income tax withheld during the year by your employer is considered paid on each required installment date, unless you establish other dates when the withholding actually occurred.

For nonresident individuals, the amount of tax withheld by S corporations, partnerships, limited liability companies, or fiduciaries is considered paid on the last day of the organization's taxable year, unless you establish other dates when the withholding actually occurred.

**LINE 18, OVERPAYMENT.** Your payments are applied first to any underpayment balance on an earlier installment. It does not matter if you designate a payment for a later period. Any overpayment of an installment on line 18 that is larger than all prior underpayments should be applied as a credit on line 12 against the next installment.

**LINES 19-23, PENALTY CALCULATIONS.** Complete lines 19 through 23 to determine the amount of the penalty you owe. When determining the date of payment on line 20 use: the date of the payment which was applied against the underpayment on line 19; the due date of the next payment (line 9 of the next column); or April 15, whichever is earliest. If more than one payment is made for any installment, or a partial payment is made, make separate penalty calculations through the date of payment and for the remaining underpayment through the date it is paid. Then add the results together and enter on line 22.

**NOTE FOR ELECTRONIC FILERS:** Your software may allow you to calculate multiple payments within a quarter. Refer to the instructions provided with the software. See the instructions for Federal Form 2210 for more information. The penalty is calculated at 5% for payments due on or after January 1, 2011 and after.

**SPECIAL RULES FOR FARMERS AND RANCHERS.** If: your gross income from farming, ranching, or fishing is at least two-thirds of your annual gross income from all sources for 2009 or 2010; Form 1040N is filed; and the Nebraska income tax is paid on or before March 1, you do not owe a penalty and are not required to file Form 2210N.

1. **How to Calculate Your Underpayment.** If the gross income test was met, but the date for filing and payment of the tax was not, complete lines 24 through 31. If no underpayment is indicated on line 31, do not complete lines 32 and 33.
2. **Penalty Calculation.** Complete lines 32 and 33 to determine the amount of the penalty which is calculated at 5%.