

Individual Underpayment of Estimated Tax

Name as shown on Form K-40	Social Security Number
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CURRENT AND PRIOR YEAR INFORMATION

1. Amount from line 17, 2005 Form K-40	1	
2. Multiply line 1 by 90% (farmers and fishers multiply by 66 2/3%)	2	
3. Prior year's tax liability (from line 17, 2004 Form K-40)	3	
4. Enter the total amount of your 2005 Kansas Income Tax withheld	4	

PART I – EXCEPTIONS TO THE PENALTY

	1/1/05 - 4/15/05	1/1/05 - 6/15/05	1/1/05 - 9/15/05	1/1/05 - 1/15/06
5. Cumulative total of your 2005 withholding	25% of line 4	50% of line 4	75% of line 4	100% of line 4
6. Cumulative timely paid estimated tax payments from January through each payment due date				
7. Total amount withheld and timely paid estimate payments (add lines 5 and 6)				
8. Exception 1 – Cumulative amount from either line 2 or line 3, whichever is less	25% of line 2 or 3	50% of line 2 or 3	75% of line 2 or 3	100% of line 2 or 3
9a. Exception 2 – Tax on annualized 2005 income; enclose computation. (Farmers/fishers use line 9b.)	22.5% of tax	45% of tax	67.5% of tax	90% of tax
9b.				66.66% of tax

PART II – FIGURING THE PENALTY

10. Amount of underpayment. Enter the sum of line 8 less line 7; line 9a less line 7; or, line 9b less line 7, whichever is applicable	10				
11. Due date of each installment	11	4/15/05	6/15/05	9/15/05	1/15/06
12. Number of days from the due date of the installment to the due date of the next installment or 12/31/05, whichever is earlier. If paid late, see instructions	12	61	92	107	
13. Enter the number of days from 1/15/06 to the date paid or 4/15/06, whichever is earlier. If paid late, see instructions	13			15	
14. $\frac{\text{Line 12}}{365} \times 5\% \times \text{amount on line 10}$	14				
15. $\frac{\text{Line 13}}{365} \times 7\% \times \text{amount on line 10}$	15				
16. Penalty (Add lines 14 and 15)	16				
17. Total penalty. Add amounts on line 16 and enter the total here and on line 32, Estimated Tax Penalty, on the back of Form K-40	17				

INSTRUCTIONS FOR SCHEDULE K-210

If any due date falls on a Saturday, Sunday, or legal holiday, substitute the next regular work day.

WHO MAY USE THIS SCHEDULE

If you are an individual taxpayer including farmers and fishers, use this schedule to determine if your income tax was fully paid throughout the year by withholding and/or estimated tax payments. If your 2005 tax due (line 17 of the K-40 - DO NOT include compensating tax from line 18 of the K-40), less withholding and tax credits (excluding estimated tax payments made) is \$500 or more, you may be subject to an underpayment of estimated tax penalty and must complete this form.

Taxpayers – other than farmers or fishers – If you filed Form K-40 and paid the tax in full on or before January 31, 2006, no payment is required for the January 15th payment quarter.

FARMERS AND FISHERS

If at least two-thirds of your annual gross income is from farming or fishing **and** you filed Form K-40 and paid the tax on or before March 1, 2006, you may be exempt from any penalty for underpayment of estimated tax. If so, write on line 1, "Exempt-farmer/fisher", and do not complete the rest of this schedule.

However, if you meet this gross income test, but did not file a return and pay the tax on or before March 1, 2006, you must use this schedule to determine if you owe a penalty for underpayment of estimated tax.

HOW TO USE THIS SCHEDULE

Generally, you should follow steps 1 through 4 below to complete this schedule:

- Step 1 Enter your name and Social Security number in the space provided.
- Step 2 Complete lines 1 through 4 "Current & Prior Year Information" according to the information on your return for this tax year and the prior tax year.
- Step 3 Complete lines 5 through 9 "Exceptions to Avoid the Penalty" to determine if you have an underpayment for any of the four payment periods.
- Step 4 Complete lines 10 through 17 "Figuring the Penalty" to determine the amount of the penalty. The amount of underpayment to enter on line 10 is the **lesser** of:
 - Line 8 less line 7; OR,
 - Line 9a less line 7; OR,
 - Line 9b less line 7, whichever is applicable.

PART I – EXCEPTIONS TO AVOID THE PENALTY

You will NOT be subject to a penalty if your 2005 tax payments (line 7) equal or exceed the amounts for one of the exceptions (lines 8 or 9a or 9b) for the same payment period.

NOTE: This schedule is generally for calendar year taxpayers for payment periods April 15, June 15, September 15 and January 15 and if payments are required on all four dates.

Line 5: Multiply line 4 by the percentage shown in each column of line 5.

Line 6: Enter the cumulative amount of timely paid estimated tax payment made in each quarter.

Example: Column 3 will be the total of your withholding and estimated tax payments made from January 1 through September 15, 2005.

Exception 1—Current or Prior Year's Tax

Line 8: This exception applies if the amount on line 7 of a column equals or exceeds the amount on line 8 for the same column. Multiply line 2 or 3 (whichever is less) by the percentages shown in each column

of line 8. **If the amount on line 7 (for each column) is equal to or greater than the amount on line 8 (for each column) - no penalty is due - no further entries are required.**

Exception 2—Tax on Annualized 2005 Income

Line 9: This exception applies if your 2005 tax payments equal or exceeds 90% (66 2/3% for farmers and fishers) of the tax on your annualized income for these 2005 periods:

January 1 – March 31	Multiply income by 4
January 1 – May 31	Multiply income by 2.4
January 1 – August 31	Multiply income by 1.5
January 1 – December 31	Multiply income by 1

This exception applies if the amount on line 7 exceeds the amount on line 9a or 9b (as applicable). If you are a farmer or fisher, you will only complete the last column on line 9b.

For example, to figure the first column, total your income from January 1 to March 31, 2005 and multiply by 4. Subtract your deductions (standard or itemized) and your exemption allowance amount. Using this net annualized income figure and your 2005 Kansas Income Tax Booklet, figure the tax. Multiply the tax by the percentage rate in the first column.

Repeat these steps for the remaining three columns, using the multiplication factors given above to annualize the income for that period. Enclose a schedule showing your computation of annualized income and tax amounts. **If the amount on line 7 (for each column) is equal to or greater than the amount on line 9a (for each column), or line 9b, for farmers or fishers - no penalty is due - no further entries are required.**

PART II – FIGURING THE PENALTY

Line 10: Enter on line 10 any underpayment as a result of line 8 less line 7, line 9a less line 7 or line 9b less line 7, as applicable.

Line 12 & 13: Penalty is computed to 12/31/05 at 5% and from 1/1/06 at 7%. Therefore, the number of days needs to be captured on lines 12 and 13 for applicable penalty rate.

Line 12: The number of days on line 12 are precomputed for a calendar year taxpayer that made timely payments.

If you did **not** make timely payments, you should disregard the precomputed number of days on line 12 and compute the number of days on each quarter to the date paid.

Example: If you paid the 6/15/05 installment on 6/28/05 the number of days to enter on line 12, column 2 would be computed from 6/15/05 to 6/28/05, which equals 13 days. If you then paid the next quarter timely at 9/15/05, the number of days would be from 9/15/05 to 1/15/06, which equals the 122 days (107 + 15) already entered.

Line 13: The 7% penalty rate begins in column 3 for a calendar year taxpayer, therefore no entry is required in columns 1 and 2. The 15 days in the 3rd column is from 1/1/06 to 1/15/06. If you did **not** make timely payments, you should disregard the precomputed number of days on line 13 and compute the number of days on each quarter to the date paid.

- If you file your return prior to 1/15/06, enter in the third column the number of days from 1/1/05 to the date filed and disregard the precomputed number of days (15) entered on line 13.
- The fourth column must be completed by you. Enter the number of days from 1/15/06 to the date the return was filed and paid.

Line 14 & 15: Penalty is computed to 12/31/05 at 5% and from 1/1/06 to the date the tax was paid or 4/15/06, whichever is earlier, at 7%.