



MISSOURI DEPARTMENT OF REVENUE
**UNDERPAYMENT OF ESTIMATED TAX
BY INDIVIDUALS**

2004
FORM
MO-2210

Attachment Sequence No. 1040-06

DLN

ATTACH THIS FORM TO FORM MO-1040

LAST NAME, FIRST NAME, INITIAL		SOCIAL SECURITY NUMBER
SPOUSE'S LAST NAME, FIRST NAME, INITIAL		SPOUSE'S SOCIAL SECURITY NO.
PRESENT ADDRESS (INCLUDE APARTMENT NUMBER OR RURAL ROUTE)	CITY, TOWN OR POST OFFICE, STATE AND ZIP CODE	

NOTE: In most cases, you **do not** need to file Form MO-2210. The Missouri Department of Revenue will figure any penalty you owe and send you a bill.

If you want to calculate your penalty, you may qualify for the Short Method below. You may use the Short Method if:

- You qualify to use the Short Method on the Federal Form 2210 **or**
- All withholding and estimated tax payments were made equally throughout the year **and**
- You **do not** annualize your income.

If (a) or (b and c) apply to you, complete Part I, Required Annual Payment and Part II, Short Method. If none of these apply to you, complete Part I, Required Annual Payment and Part III, Regular Method.

PART I — REQUIRED ANNUAL PAYMENT

1. Enter your 2004 tax after credits (Form MO-1040, Line 30 less APPROVED Credits from Line 36; Property Tax Credit from Line 37.)	1	
2. Multiply Line 1 by 90% (66 2/3% for qualified farmers)	2	
3. Withholding taxes. Do not include any estimated tax payments on this line	3	
4. Subtract Line 3 from Line 1. If less than \$500, stop here; do not complete or file this form. You do not owe the penalty.	4	
5. Enter the tax shown on your 2003 tax return.	5	
6. Required annual payment. Enter the smaller of Line 2 or Line 5 (Note: If Line 3 is equal to or more than Line 6, stop here; you do not owe the penalty. Do not file Form MO-2210.)	6	

PART II — SHORT METHOD

7. Enter the amount, if any, from Line 3 above	7	
8. Enter the total amount, if any, of estimated tax payments you made	8	
9. Add Lines 7 and 8	9	
10. Total underpayment for year. Subtract Line 9 from Line 6. If zero or less, stop here; you do not owe the penalty. Do not file Form MO-2210	10	
11. Multiply Line 10 by .02933	11	
12. If the amount on Line 10 was paid on or after 04/15/05, enter 0 (zero). If the amount on Line 11 was paid before 04/15/05, make the following computation to find the amount to enter on Line 12. Amount on Line 10 X Number of days paid before 04/15/05 X .0001370	12	
13. Penalty. Subtract Line 12 from Line 11. Enter result here and on Form MO-1040, Line 47	13	

PART II INSTRUCTIONS — SHORT METHOD

A. Purpose of the Form — Use this form to determine whether your income tax was sufficiently paid throughout the year by withholding or by estimated tax payments. If it is not, you may owe an addition to tax on the underpaid amount.

B. Short Method — You may use the Short Method if you qualify to use the Short Method on the Federal Form 2210 or, all withholding and estimated tax payments were made equally throughout the year and you do not annualize your income.

If you do not qualify to use the Short Method, you must use the Regular Method on page 2.

NOTE: IF THIS FORM IS NOT ATTACHED TO FORM MO-1040, ATTACH CHECK OR MONEY ORDER PAYABLE TO "DIRECTOR OF REVENUE" AND MAIL TO P.O. BOX 329, JEFFERSON CITY, MO 65107-0329.

NAME AS SHOWN ON FRONT	SOCIAL SECURITY NUMBER

PART III — REGULAR METHOD**SECTION A — FIGURE YOUR UNDERPAYMENT (COMPLETE LINES 14 THROUGH 19)**

If you meet any of the exceptions (see instruction D) to the addition to tax for ALL quarters, omit Lines 14 through 19 and go directly to Line 20.

14. Required annual payment (Enter payment as computed on Part I, Line 6)	DUE DATES OF INSTALLMENTS			
	APR. 15, 2004	JUNE 15, 2004	SEPT. 15, 2004	JAN. 15, 2005
15. Required installment payments				
16. Estimated tax paid				
17. Overpayment of previous installment				
18. Total payments				
19. Underpayment of current installment				
19a. Overpayment of current installment				
19b. Underpayment of previous installment				
19c. Total overpayment				
19d. Total underpayment				

SECTION B — EXCEPTIONS TO THE ADDITIONS TO TAX (see instruction D)

(For special exceptions see instruction I for service in a "combat zone", and instruction J for farmers.)

20. Total amount paid and withheld from January 1 through the installment date indicated				
21. Exception No. 1 — prior year's tax 2003 tax	25% OF 2003 TAX	50% OF 2003 TAX	75% OF 2003 TAX	100% OF 2003 TAX
22. Exception No. 2 — tax on prior year's income using 2004 rates and exemptions	25% OF TAX	50% OF TAX	75% OF TAX	100% OF TAX
23. Exception No. 3 — tax on annualized 2004 income	22.5% OF TAX	45% OF TAX	67.5% OF TAX	
24. Exception No. 4 — tax on 2004 income over 3, 5 and 8-month periods	90% OF TAX	90% OF TAX	90% OF TAX	

SECTION C — FIGURE THE ADDITIONS TO TAX (Complete Lines 25 through 29)

25. Amount of underpayment				
26. Date of payment, due date of installment, or April 15, 2005, whichever is earlier				
27a. Number of days between the due date of installment, and either the date of payment, the due date of the next installment, or December 31, 2004, whichever is earlier				
27b. Number of days from January 1, 2005 or installment date to date of payment or April 15, 2005				
28a. Multiply the 4% annual interest rate times the amount on Line 25 for the number of days shown on Line 27a.				
28b. Multiply the 5% annual interest rate times the amount on Line 25 for the number of days shown on Line 27b.				
28c. Total additions (Line 28a plus Line 28b)				
29. Total amounts on Line 28c. Show this amount on Line 47 of Form MO-1040 as "Underpayment of Estimated Tax Penalty". If you have an underpayment on Line 46 of Form MO-1040, enclose your check or money order for payment in the amount equal to the total of Line 46 and the penalty amount on Line 47. If you have an overpayment on Line 45, the Department of Revenue will reduce your overpayment by the amount of the penalty				

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A. Purpose of the Form — Use this form to determine whether your income tax was sufficiently paid throughout the year by withholding or by estimated tax payments. If it is not, you may owe additions to tax on the underpaid amount.

B. Filing an Estimated Declaration and Paying the Tax for Calendar Year Taxpayers — If you file returns on a calendar year basis and are required to file Form MO-1040ES, you are generally required to file a declaration by April 15, and to pay the tax in four installments. (If you are not required to file a declaration until later in the year because of a change in your income or exemptions, you may be required to pay fewer installments.) The chart below shows the due date for declarations and the maximum number of installments required for each.

Period Requirements First Met	Due Date of Declarations	Maximum Number of Installments Required
Between January 1 and April 1	April 15	4
Between April 2 and June 1	June 15	3
Between June 2 and Sept. 1	Sept. 15	2
After Sept. 1	Jan. 15	1

When the due date falls on a Saturday, Sunday, or legal holiday, the declaration will be considered timely if filed on the next business day.

C. Fiscal Year Taxpayers — Fiscal year taxpayers should substitute for the due dates above, the 15th day of the first and last months of the second quarter of your fiscal year; the 15th day of the last month of the third quarter; and the 15th day of the first month of your next fiscal year.

D. Exception to the Additions to Tax — You will not be liable for additions to tax if your 2004 tax payments (amounts shown on Line 20) equal or exceed any amount determined for the same period under the following exception provisions. You may apply a different exception to each underpayment. Please enclose a separate computation page for each payment. If none of the exceptions apply, complete Lines 15 through Line 29.

The percentages shown on Lines 21, 22, and 23, for the April 15, June 15, and Sept. 15 installment dates, are for calendar year taxpayers required to pay installments on four dates.

Exception 1 — Prior Year's Tax. — This exception applies if your 2004 tax payments equal or exceed the tax shown on your 2003 tax return. The 2003 return must cover a period of 12 months and show a tax liability.

Exception 2 — Tax on Prior Year's Income using 2004 Rates and Exemptions — This exception applies if your 2004 tax withheld and estimated tax payments equal or exceed the tax that would have been due on your 2003 income if you had computed it at 2004 rates. To determine this exception use the personal exemptions allowed for 2004 but use the other facts and law applicable to your 2003 return.

Exception 3 — Tax on Annualized 2004 Income — This exception applies if your 2004 tax payments equal or exceed 90% of the tax on your annualized taxable income for periods from the first of the year to the end of the month preceding that in which an installment is due. To annualize your taxable income, follow these four steps.

- Figure your adjusted gross income less itemized deductions from the first of your tax year up to and including the month prior to that in which an installment is due; or, if you use the standard deduction, figure your adjusted gross income for that period.
- Divide the result of step (a) by the number of months in your computation period.
- Multiply the result of step (b) by 12.
- Subtract the deduction for personal exemptions, federal tax and, if you did not itemize, subtract the standard deduction. The result is your annualized taxable income.

Exception 3 may not be used for the fourth installment period.

Example I
(combined return with one dependent)

- Wages, received during Jan., Feb., and Mar. \$6,000
- Self-employment income during Jan., Feb. and Mar. 4,000
- Adjusted gross income \$10,000
- Annualized income (\$10,000 ÷ 3 × 12 = \$40,000)
- Less:
 - Standard deduction \$9,700

- Exemptions (2 × \$2,100) + (1 × \$1,200) \$5,400
- Federal tax (joint return) \$3,016
- Annualized taxable income \$21,884
- Income Tax (from Missouri tax table) \$1,088

If your tax withheld and estimated tax payment for the first installment period of 2004 were at least \$242 (22.5% of \$1,076) you do not owe an addition to tax for that period.

Exception 4 — Tax on 2004 Income Over Periods of 3, 5, and 8 months — This exception applies if your 2004 tax payments equal or exceed 90 percent of the tax on your taxable income for periods starting from the first of the year to the end of the month preceding that in which an installment is due. This exception does not apply to the fourth quarter. To determine if this exception applies for the first three quarters, figure your taxable income from January 1, 2004 to the end of the month preceding that in which an installment is due. Then compute your tax on that amount as though it represented your taxable income for 2004.

Example II (combined return with one dependent, using standard deduction)				
(1) Computation Period	(2) Income	(3) Tax	(4) 90% of Tax	(5) Tax Withheld
Jan. 1 to Mar. 31	\$ 10,000	0	0	\$ 393
Jan. 1 to May 31	\$ 16,665	\$ 26	\$ 23	\$ 655
Jan. 1 to Aug. 31	\$ 26,665	\$423	\$381	\$1,048

Since the amounts in column (5) are greater than those in column (4) for each of the first three computation periods, there is no additions to tax for first three installment periods.

E. Figure the Additions to Tax — For Line 27a, enter the number of days from the due date of the installment to the date of payment or December 31, 2004, whichever is earlier. If the payment date on Line 26 is December 31, 2004, or later and the due date of the installment is April 15, 2004, then enter 260 days; for June 15, 2004, 199 days; September 15, 2004, 107 days.

For Line 27b, enter the number of days from January 1, 2005, or the 2005 installment due date to date of payment or appropriate due date of return, whichever is earlier. If the payment date is April 15, 2005, enter 105 days for the first, second, and third quarters and 90 days for the fourth quarter.

F. Tax Withheld — You may consider an equal part of the income tax withheld during the year as paid on each required installment date, unless you establish the dates on which the withholding occurred and consider it paid on those dates.

G. Overpayment — Apply as credit against the next installment any installment overpayment shown on Line 19a that is greater than all prior underpayments.

H. Installment Payments — If you made more than one payment for any installment, enclose a separate computation for each payment. If you filed your return and paid the balance of tax due by February 1, 2005, consider the balance paid as of January 15, 2005.

I. Exception from the Additions to Tax for Service in a Combat Zone — You may be exempt from an additions to tax for underpayment of estimated tax if you served in the U.S. Armed Forces in an area designated by the President as a combat zone under conditions which qualified you for hostile fire pay. If you are exempt for this reason, write on Line 19, for the applicable installment dates, "Exempt, combat zone."

J. Farmers — If (1) your Missouri gross income from farming is at least two-thirds of your total Missouri gross income and (2) you filed a Missouri Individual Income Tax Return and paid tax on or before March 1, 2005, you are exempt from charges for underpayment of estimated tax. If so, write on Line 1, "Exempt, farmer".

If you meet this gross income test but did not file a return or paid the tax when due, complete this form with respect to the last quarter only. Qualified farmers would enter all of Line 14 in the fourth quarter and calculate the appropriate underpayment.

Line-by-Line Instructions

Complete Lines 15 through 19d for each installment period, then complete Lines 25 through 29.

14. Enter the required annual payment, as computed on Part I, Line 6.
 15. Divide the required annual payment (Line 14) by the number of required installments. If the estimated tax was the result of a change in income or exemptions during the year, you may require fewer installments. Otherwise, divide the required annual payment by four and place the amount in each column. (See instructions for farmers.)
 16. Enter the amount of tax paid during the installment period. (The tax withheld throughout the year may be considered as paid in four equal parts on the due date of the installment, unless a different date is established.)
 17. Enter the amount, if any, of overpayment reported on Line 19c from the previous installment period.
 18. Enter the sum of Line 16 and Line 17.
 19. If the amount on Line 15 is greater than the amount on Line 18, enter the difference here. You have underpaid for the installment period. If not, skip this line and go to Line 19a.
 - 19a. If the amount on Line 18 is greater than the amount on Line 15, enter the difference here. You have overpaid for the installment period.
 - 19b. Enter the amount of the underpayment (if any) from Line 19d of the previous column.
 - 19c. and 19d. If you filled in Line 19 of this column, add the amount on Line 19b to the amount on Line 19 and enter that total on Line 19d. If you filled in Line 19a of this column, and the amount on Line 19a is greater than any amount on Line 19b, enter the difference on Line 19c. You are overpaid. If the amount on Line 19b is greater than the amount on Line 19a, enter the difference on Line 19d. You are underpaid.
- See page 3 for instructions for Lines 20 through 24.
25. If you have an underpayment for the installment period and none of the exceptions on Lines 20 through 24 apply, enter on Line 25 the amount of the underpayment on Line 19d. If you do not have an underpayment, or if an exception applies, leave this blank and skip the remaining lines of the column.
 26. Enter the date a payment was made on the installment, the due date of the following installment, or April 15, 2005, whichever is earlier. If more than one late payment was made to cover the installment, attach a separate computation for each payment during the installment period.
 - 27a. Enter the number of days from the due date of the installment to the date entered on Line 26.
 - 27b. Enter the number of days from January 1, 2005 (or a later date, if the installment date was after January 1) until either the date of the payment or April 15, 2005, whichever is earlier.
 - 28a. Multiply the amount on Line 25 by the number of days on Line 27a. Divide this amount by 366 days, and multiply the product by four percent. This is the addition to tax accruing on the underpayment during 2004.
 - 28b. Multiply the amount on Line 25 by the number of days on Line 27b. Divide this amount by 365 days and multiply the product by five percent. This is the addition to tax accruing on the underpayment during 2005.
 - 28c. Add the amounts on Lines 28a and 28b.
 29. Add the sum of the amounts on Line 28c in the final column, if applicable.

Federal Privacy Notice

The Federal Privacy Act requires the Missouri Department of Revenue (department) to inform taxpayers of the department's legal authority for requesting identifying information, including social security numbers, and to explain why the information is needed and how the information will be used.

Chapter 143 of the Missouri Revised Statutes authorizes the department to request information necessary to carry out the tax laws of the state of Missouri. Federal law 42 U.S.C. Section 405 (c)(2)(C) authorizes the states to require taxpayers to provide social security numbers.

The department uses your social security number to identify you and process your tax returns and other documents, to determine and collect the correct amount of tax, to ensure you are complying with the tax laws, and to exchange tax information with the Internal Revenue Service, other states, and the Multistate Tax Commission (Chapters

32 and 143, RSMo). In addition, statutorily provided non-tax uses are: (1) to provide information to the Department of Higher Education with respect to applicants for financial assistance under Chapter 173, RSMo and (2) to offset refunds against amounts due to a state agency by a person or entity (Chapter 143, RSMo). Information furnished to other agencies or persons shall be used solely for the purpose of administering tax laws or the specific laws administered by the person having the statutory right to obtain it as indicated above. (For the department's authority to prescribe forms and to require furnishing of social security numbers, see Chapters 135, 143, and 144, RSMo.)

You are required to provide your social security number on your tax return. Failure to provide your social security number or providing a false social security number may result in criminal action against you.