MISSOURI DEPARTMENT OF REVENUE

Form MO-2210

2021 Underpayment of Estimated Tax By Individuals

Department Use Only (MM/DD/YY)

Social Security Number

Spouse's Social Security Number

Taxpayer Name

Spouse's Name

Address, City, State, and ZIP Code

You may qualify for the Short Method to calculate your penalty. You may use the Short Method if:

a. All withholding and estimated tax payments were made equally throughout the year **and**

b. You **do not** annualize your income.

If both (a) and (b) apply to you, complete Part I, Required Annual Payment and Part II, Short Method. Otherwise, complete Part I, Required Annual Payment and Part III, Regular Method.

Part I - Required Annual Payment

1.	Enter your 2021 tax after credits (Form MO-1040, Line 34 less approved credits from Line 40; Property Tax Credit from Line 41)		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 2020 tax return. If you did not file a 2020 Missouri return or only filed a Property Tax Credit Claim, skip line 5 and enter the amount from Line 2 on Line 6.		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 2021 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 .01995		11	
12.	If the amount on Line 10 was paid on or after 04/15/22, enter 0 (zero). If the amount on Line 10 was paid before 04/15/22, make the following computation to find the amount to enter on Line 12. Amount on Line 10 X Number of days paid before 04/15/22 X .0000822		12	
13.	Penalty - Subtract Line 12 from Line 11. Enter result here and on Form MO-1040, Line 52		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 a penalty on the underpaid amount.

B. **Short Method** - You may qualify for the Short Method to calculate your penalty if 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.

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 penalty 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) . . . . 14 | |

	Due Dates of Installments April 15, 2021	June 15, 2021	Sept. 15, 2021	Jan. 15, 2022
15. Required installment payments (See Instructions)				
16. Estimated tax paid				
17. Overpayment of previous installments				
18. Total payments				
19. Underpayment of current installment				
19a. Overpayment of current installment				
19b. Underpayment of previous installments				
19c. Total overpayment				
19d. Total underpayment				

Section B - Exceptions To The Penalty

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 2020 tax	25% of 2020 Tax	50% of 2020 Tax	75% of 2020 Tax	100% of 2020 Tax
22. Exception No. 2 - tax on prior year’s income using 2021 rates and exemptions	25% of Tax	50% of Tax	75% of Tax	100% of Tax
23. Exception No. 3 - tax on annualized 2021 income	22.5% of Tax	45% of Tax	67.5% of Tax	
24. Exception No. 4 - tax on 2021 income (See Instructions)	90% of Tax	90% of Tax	90% of Tax	

Section C - Figure the Penalty

Complete Lines 25 through 29

25. Amount of underpayment				
26. Date of payment, due date of installment, or April 15, 2022, whichever is earlier				
27a. Number of days between the due date of installment, and either date of payment, the due date of the next installment, or December 31, 2021, whichever is earlier				
27b. Number of days from January 1, 2022 or installment date to date of payment or April 15, 2022				
28a. Multiply the 3% annual interest rate times the amount on Line 25 for the number of days shown on Line 27a				
28b. Multiply the 3% annual interest rate times the amount on Line 25 for the number of days shown on Line 27b				
28c. Total Penalty (Line 28a plus Line 28b)				

29. Total amount on Line 28c. Show this amount on Line 52 of Form MO-1040 as “Underpayment of Estimated Tax Penalty”. If you have an underpayment on Line 51 of Form MO-1040, enclose your check or money order for payment in the amount equal to the total of Line 51 and the penalty amount on Line 52. If you have an overpayment on Line 50, the Department of Revenue will reduce your overpayment by the amount of penalty . . . . | |

Note: If this form is not filed with Form MO-1040, attach check or money order payable to “Department of Revenue” and mail.

Taxation Division
P.O. Box 329
Jefferson City, MO 65107-0329

E-mail: **income@dor.mo.gov**

Ever served on active duty in the United States Armed Forces?

If yes, visit **dor.mo.gov/military/** to see the services and benefits we offer to all eligible military individuals. A list of all state agency resources and benefits can be found at **veteranbenefits.mo.gov/state-benefits/**.

Part III Instructions - Regular 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 a penalty on the underpaid amount.

B. **Filing an Estimated Tax Payment 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 an estimated tax payment by April 15, and to pay the tax in four installments. If you are not required to file an estimated tax payment 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 the estimated tax payments and the maximum number of installments required for each.

Period Requirements First Met	Due Date of Estimated Tax Payments	Maximum Number of Installments Required
Between Jan. 1 and Apr. 1	April 15	4
Between Apr. 2 and Jun. 1	June 15	3
Between Jun. 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 estimated tax payment 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 Penalty** - You will not be liable for a penalty if your 2021 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 one 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 2021 tax payments equal or exceed the tax shown on your 2020 tax return. The 2020 return must cover a period of 12 months and show a tax liability.

Exception 2 - Tax on Prior Year's Income using 2021 Rates and Exemptions - This exception applies if your 2021 tax withheld and estimated tax payments equal or exceed the tax that would have been due on your 2020 income if you had computed it at 2021 rates. To determine if you qualify for this exception, use the other facts and law applicable to your 2020 return.

Exception 3 - Tax on Annualized 2021 Income - This exception applies if your 2021 tax payments equal or exceed 90 percent of the tax on your annualized taxable income for periods from the first of the year to the end of the month preceding that month in which an installment is due.
To annualize your taxable income, follow these four steps.

(a) Figure your adjusted gross income less itemized deductions from the first of your tax year up to and including the month prior to that month in which an installment is due; or, if you use the standard deduction, figure your adjusted gross income for that period.
(b) Divide the result of step (a) by the number of months in your computation period.
(c) Multiply the result of step (b) by 12.
(d) Subtract the deduction for 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)

1. Wages, received during January through March $16,000
2. Self-employment income during January through March $14,000
3. Adjusted gross income $30,000
4. Annualized income ($30,000 ÷ 3 x 12) $120,000
5. Less:
   (a) Standard deduction $25,100
6. Annualized taxable income $94,900
7. Income Tax (from Missouri tax chart) $4,938
8. Required installment of the estimated payment based on annualized income ($4,938 x 22.5%) $1,111

If your tax withheld and estimated tax payment for the first installment period of 2021 were at least $1,111 (22.5 percent of $4,938), you do not owe a penalty for that period.

Exception 4 - Tax on Income Over the First, Second, and Third Quarters - This exception applies if your 2021 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, 2021, to the end of the month preceding that month in which an installment is due. Then compute your tax on that amount as though it represented your taxable income for 2021.

Example II (Combined return using standard deduction)

(1) **Computation Period**	**(2)** **Income**	**(3)** **Tax**	**(4)** **90 percent of Tax**	**(5)** **Tax Withheld**
Jan. 1 to March 31	$15,000	$0	$0	$275
Jan. 1 to May 31	$30,000	$117	$105	$458
Jan. 1 to Aug. 31	$35,000	$348	$313	$733

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

E. **Figure the Addition to Tax –** For Line 27a, enter the number of days from the due date of payment or December 31, 2021, whichever is earlier. If the payment date on Line 26 is December 31, 2021, or later and the due date of the installment is April 15, 2021, then enter 260 days; for June 15, 2021, enter 199 days; and for September 15, 2021, 107 days.

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 on or before January 31, 2022, consider the balance paid as of January 15, 2022.

I. **Exception from the Addition to Tax for Service in a Combat Zone** - You may be exempt from a penalty 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, 2022, 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 pay 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 Part III 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, 2022, 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, 2022 (or a later date, if the installment date was after January 1) until either the date of the payment or April 15, 2022, whichever is earlier.

28a. Multiply the amount on Line 25 by the number of days on Line 27a. Divide this amount by 365 days and multiply the product by three percent. This is the penalty accruing on the underpayment during 2021.

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 three percent. This is the penalty accruing on the underpayment during 2022.

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.