Form M-2210
Underpayment of Massachusetts Estimated Income Tax

2009

Massachusetts Department of Revenue

Enclose this form with your income tax return. Please print in ink or type.

Name(s) as shown on page 1 of return | Social Security or Federal Identification number

Exceptions to the Underpayment Penalty

You may qualify for an exception to the underpayment penalty if:

☐ Your 2009 income tax due after credits and withholding is $400 or less.

☐ You are a qualified farmer or fisherman filing and paying your full amount due on or before March 1, 2010.

☐ You were a resident of Massachusetts for 12 months and not liable for taxes during 2008.

☐ Your estimated payments and withholding equal or exceed your 2008 tax (where taxable year was 12 months and a return was filed).

Part 1. Required Annual Payment

1	2009 tax (from Form 1, line 27; Form 1-NR/PY, line 31; or Form 3M)	1	
2	Total credits (from Form 1, lines 30, 40, 41 and 42; Form 1-NR/PY, lines 35, 45, 46 and 47)	2	
3	Balance. Subtract line 2 from line 1. Not less than "0"	3	
4	Enter 80% of line 3 or 66⅔% of line 3 if you are a qualified farmer or fisherman	4	
5	Enter 2008 tax liability after credits (from 2008 return) (see instructions)	5	
6	Enter the smaller of line 4 or line 5	6	

Part 2. Figuring Your Underpayment

			Installment due dates			
			a. April 15, 2009	b. June 15, 2009	c. September 15, 2009	d. January 15, 2010
7	Divide the amount in line 6 by the number of installments required for the year. Enter the result in the appropriate columns	7				
8	Estimated taxes paid and taxes withheld for each installment	8				
9	Overpayment of previous installment	9				
10	Total. Add lines 8 and 9	10				
11	Overpayment. Subtract line 7 from line 10	11				
12	Underpayment. Subtract line 10 from line 7	12				

Part 3. Figuring Your Underpayment Penalty

13	Enter the date you paid the amount in line 12 or the 15th day of the 4th month after the close of the taxable year, whichever is earlier	13				
14	Number of days from the due date of installment to the date shown in line 13	14				
15	Number of days in line 14 after 4/15/09 and before 7/1/09	15				
16	Number of days in line 14 after 6/30/09 and before 10/1/09	16				
17	Number of days in line 14 after 9/30/09 and before 1/1/10	17				
18	Number of days in line 14 after 12/31/09 and before 4/16/10	18				
19	Underpayment in line 12 × (number of days in line 15 ÷ 365) × 5%	19				
20	Underpayment in line 12 × (number of days in line 16 ÷ 365) × 5%	20				
21	Underpayment in line 12 × (number of days in line 17 ÷ 365) × 5%	21				
22	Underpayment in line 12 × (number of days in line 18 ÷ 365) ×5%	22				
23	Penalty. Add all amounts shown in lines 19 through 22. Enter this amount on Form 1, line 47; Form 1-NR/PY, line 52; or Form 3M	23				

Form M-2210 Instructions

General Information

Who should use this form. If you are an individual, or a taxpayer taxed as an individual, you should use Form M-2210 to determine if your estimated and/or withholding tax payments were sufficient. If they were not, an underpayment penalty will be imposed, unless you qualify for one of the exceptions or waivers explained below.

Filing estimated tax vouchers. You are required to file estimated tax vouchers if you reasonably expect to pay more than $400 in Massachusetts income tax on income which is not covered by withholding. For further information regarding estimated taxes, see the instructions for Form 1-ES Payment Vouchers or the publication *Should You Be Paying Estimated Taxes?*

Exceptions which avoid the penalty. No underpayment penalty will be imposed if:

1. Your 2009 tax due after credits and withholding is $400 or less.

2. You were a qualified farmer or fisherman who filed and paid in full with your return by March 1, 2010. To qualify, your gross income from farming or fishing must be at least two-thirds of the annual gross income shown on your 2008 or 2009 return.

3. You were a resident of Massachusetts for the full 12 months of the previous taxable year and were **not** liable for taxes.

4. Your 2009 estimated payments and withholding (line 8) made on or before each installment due date in the taxable year equal or exceed the tax shown on your 2008 return divided among the four installment due dates **provided** that such return was for a full 12-month period.

If you qualify for an exception, do not complete lines 13 through 23. Instead, check the appropriate box on the front of this form **and** fill in the "EX" oval on the back of Form 1 or Form 1-NR/PY. Enclose this form with your return. If you qualify for the first exception (your 2009 tax due after credits and withholding is $400 or less) you do not need to complete this form.

Waiver of underpayment penalty. A waiver of underpayment penalty for one or more installments may be granted if:

1. Your underpayment was by reason of casualty, disaster or unusual circumstance; or

2. You retired in 2008 or 2009 after reaching age 62, or you became disabled and your underpayment was due to reasonable cause and not willful neglect.

If you qualify for the waiver, complete lines 7 through 12 for the installment(s) for which you are claiming a waiver, and write "WAIVER" in the appropriate box(es) in line 13. Fill in the "EX" oval on the back of Form 1 or Form 1-NR/PY. Enclose this form and an explanation of your reasons for claiming the waiver with your return.

Line-by-Line Instructions

Figuring your underpayment and penalty. To determine the underpayment amount, complete lines 1 through 12, in order of installment due dates, taking care to complete all four columns for lines 7 through 12.

Line 5

• If you filed a return for 2008 **and** it was for a full 12 months, enter your 2008 tax liability after credits.

• If you were a resident of Massachusetts for 12 months in 2008 and you were not liable for taxes, enter "0."

• If you did not file a return for 2008, or if your 2008 tax year was less than 12 months, **do not** complete line 5. Instead, enter the amount from line 4 in line 6.

Line 8

If more than one payment is made for a given installment, attach a separate penalty computation for each payment.

If you had any taxes withheld during the year, you may apply an equal part of those taxes as payment on each required installment(s). If you can establish the actual dates and amounts of your withholding, you may consider those amounts as payments on the dates they were actually withheld.

Line 11

If line 11 shows an overpayment, that overpayment may be used as payment of any existing underpayment amount. Overpayments used as payments of prior underpayment amounts **do not** decrease the actual underpayment amount but serve to reduce instead the **period** of underpayment subject to penalty. If there are no existing underpayment amounts, the overpayment is applied as a credit against the next installment.

Line 12

If line 12 shows an underpayment, see the General Information section to determine whether you qualify for an exception to, or waiver of, the underpayment penalty. If you do not qualify, continue on through line 23 to determine your underpayment penalty.

Annualized income installment method. If you do not receive taxable income evenly throughout the year, you may wish to annualize your income to adjust your required installment amount(s). Enter any adjusted installment amount in the appropriate column in line 7 and calculate any underpayment penalty from those figures. Write "ANNUALIZED" under the column in line 23. For more information on using the Annualized Income Installment method, please refer to the Massachusetts Department of Revenue's Annualized Income Installment Worksheet, Form M-2210A. Form M-2210A may be obtained by visiting DOR's website at www.mass.gov/dor or by calling (617) 887-MDOR.

Fiscal year taxpayers. If you file on a fiscal year basis and are subject to an underpayment penalty, attach a separate statement to calculate the penalty due based on the interest rate(s) in effect for the period(s) of the underpayment(s).