



Form M-2210A Annualized Income Installment Worksheet

Payment Period

| | Jan. 1–March 31 | Jan. 1–May 31 | Jan. 1–August 31 | Jan. 1–December 31 |
|--|-----------------|---------------|------------------|--------------------|
| 1 Taxable 5.3% income each period (including long-term capital gain income taxed at 5.3%) . . . | | | | |
| 2 Annualization amount | 4 | 2.4 | 1.5 | 1 |
| 3 Multiply line 1 by line 2 | | | | |
| 4 Tax on amount in line 3. Multiply line 3 by .053. . . | | | | |
| 5 Taxable 12% income each period. | | | | |
| 6 Annualization amount | 4 | 2.4 | 1.5 | 1 |
| 7 Multiply line 5 by line 6 | | | | |
| 8 Tax on amount in line 7. Multiply line 7 by .12. . . . | | | | |
| 9 Total tax. Add lines 4 and 8. | | | | |
| 10 Total credits. | | | | |
| 11 Total tax after credits. Subtract line 10 from line 9 | | | | |
| 12 Applicable percentage | 20% | 40% | 60% | 80% |
| 13 Multiply line 11 by line 12 | | | | |
| 14 Enter the combined amounts of line 20 from all preceding periods. | | | | |
| 15 Subtract line 14 from line 13. If less than "0" enter "0" | | | | |
| 16 Divide line 6 of Form M-2210 by 4 and enter result in each column. | | | | |
| 17 Enter the amount from line 19 of this worksheet for the preceding column. | | | | |
| 18 Add lines 16 and 17 | | | | |
| 19 If line 18 is more than line 15, subtract line 15 from line 18. Otherwise enter "0". | | | | |
| 20 Enter the smaller of line 15 or line 18 here and on Form M-2210, line 7 | | | | |

General Information

Taxpayers who fail to pay 80% of their total tax liability through withholding and/or estimated payments are required to file Form M-2210, "Underpayment of Massachusetts Estimated Income Tax." Most taxpayers use this form to calculate their underpayment penalty based on their required installment payments — four equal payment amounts due on April 15, June 15, September 15 of the taxable year and January 15 of the following year. Taxpayers may qualify for an exception to, or reduction of, the penalty for one or more quarters if they receive their taxable income unevenly during the year. Such taxpayers should use the Annualized Income Installment Worksheet to calculate payment amounts and penalties proportionate to their uneven flow of income.

Worksheet Instructions

Before completing this worksheet, you must complete lines 1 through 6 of Form M-2210. Be sure to complete each column of this worksheet fully before going on to the next column. To determine your annualized income installments, figure your taxable 5.3% and 12% incomes for each installment period.

Use this worksheet to calculate your annualized 5.3% and 12% incomes for each period and determine the applicable tax due on each amount. Add the 5.3% and 12% tax amounts and multiply by the installment percentage in line 12.

If you make an installment payment based on annualized income, complete lines 14 through 20 to calculate the difference between the required installment payment and the annualized installment payment you make. This difference must be added to the required installment payment for the next period. For example, if your required installment payment is \$500 and your annualized income for the period allows you to pay an installment of \$300, you must add the difference — \$200 — to the required installment payment of the next period.

Transfer the annualized income installment amounts in line 20 of this worksheet to line 7 of Form M-2210. Complete Form M-2210 using the adjusted installment amounts from this worksheet. For information about completing Form M-2210 using annualized installment amounts, refer to the instructions on that form.