Caution:

DRAFT – DO NOT FILE

This is an early release draft of a 2020 Massachusetts tax form or schedule.

Do not file **DRAFT** forms.

DRAFT forms **will not** be processed.

Massachusetts Department of Revenue

Form M-2210

Underpayment of Massachusetts Estimated Income Tax 2020

Note: For information on how to complete form given COVID-19 implications, see instructions.

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 are a qualified farmer or fisherman filing and paying your full amount due on or before March 1, 2021.

○ You were a resident of Massachusetts for 12 months and not liable for taxes during 2019.

○ Your estimated payments and withholding equal or exceed your 2019 tax (where taxable year was 12 months and a return was filed).

Part 1. Required annual payment

1	2020 tax (from Form 1, line 28; Form 1-NR/PY, line 32; Form 3M, line 9; or Form MA NRCR, line 14)	1
2	Total credits (from Form 1, lines 29 through 31 and 43 through 45; Form 1-NR/PY, lines 33 through 35 and 47 through 49)	2
3	Balance. Subtract line 2 from line 1. Not less than 0	3
4	Enter 80% of line 3 or 66.67% of line 3 if you are a qualified farmer or fisherman	4
5	Enter 2019 tax liability after credits (from 2019 return) (see instructions)	5
6	Enter the smaller of line 4 or line 5	6

Part 2. Figuring your underpayment

		– Installment due dates –			
		a.	b.	c.	d.
7	Enter in col's. a through d (respectively) the installment dates of the 15th day of the 4th, 6th and 9th months of the taxable year and the 1st month of the succeeding taxable year. See instructions	July 15, 2020	July 15, 2020	September 15, 2020	January 15, 2021
8	Divide the amount in line 6 by the number of installments required for the year. Enter the result in the appropriate columns				
9	Estimated taxes paid and taxes withheld for each installment				
10	Overpayment of previous installment				
11	Total. Add lines 9 and 10				
12	Overpayment. Subtract line 8 from line 11				
13	Underpayment. Subtract line 11 from line 8				

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE

Name(s) as shown on page 1 of return

Social Security or Federal Identification number

Part 3. Figuring your underpayment penalty

14 Enter the date you paid the amount in line 13 or the 15th day of the fourth month after the close of the taxable year, whichever is earlier. See instructions **14**

15 Number of days from the due date of installment to the date shown in line 14. . . . **15**

16 Number of days in line 15 after 4/15/20 and before 7/1/20. See instructions **16**

17 Number of days in line 15 after 6/30/20 and before 10/1/20. . . . . **17**

18 Number of days in line 15 after 9/30/20 and before 1/1/21. . . . . **18**

19 Number of days in line 15 after 12/31/20 and before 4/15/21. . . . . **19**

20 Underpayment in line 13 × (number of days in line 16 ÷ 365) × 6%. See instructions . . . **20**

21 Underpayment in line 13 × (number of days in line 17 ÷ 365) × 4% **21**

22 Underpayment in line 13 × (number of days in line 18 ÷ 365) × 4% **22**

23 Underpayment in line 13 × (number of days in line 19 ÷ 365) × X% **23**

24 Penalty. Add all amounts shown in lines 20 through 23. Enter this amount on Form 1, under line 51; Form 1-NR/PY, under line 55; or Form 3M, line 21a. **24**

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE

Name(s) as shown on page 1 of return

Social Security or Federal Identification number

Part 4. Annualized income installment method

	►	Jan. 1–March 31	Jan. 1–May 31	Jan. 1–August 31	Jan. 1–December 31
1 Taxable 5.0% income each period (including long-term capital gain income taxed at 5.0%)	**1**				
2 Annualization amount	**2**	4	2.4	1.5	1
3 Multiply line 1 by line 2	**3**				
4 Tax on amount in line 3. Multiply line 3 by .05	**4**				
5 Taxable 12% income each period	**5**				
6 Annualization amount	**6**	4	2.4	1.5	1
7 Multiply line 5 by line 6	**7**				
8 Tax on amount in line 7. Multiply line 7 by .12	**8**				
9 Total tax. Add lines 4 and 8	**9**				
10 Total credits	**10**				
11 Total tax after credits. Subtract line 10 from line 9	**11**				
12 Applicable percentage	**12**	20%	40%	60%	80%
13 Multiply line 11 by line 12	**13**				
14 Enter the combined amounts of line 20 from all preceding periods	**14**				
15 Subtract line 14 from line 13. If less than 0 enter 0	**15**				
16 Divide line 6 of Form M-2210 by 4 and enter result in each column	**16**				
17 Enter the amount from line 19 of this worksheet for the preceding column	**17**				
18 Add lines 16 and 17	**18**				
19 If line 18 is more than line 15, subtract line 15 from line 18. Otherwise enter 0	**19**				
20 Enter the smaller of line 15 or line 18 here and on Form M-2210, line 8	**20**				

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE

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.

Major 2020 Tax Change

Tax Filing and Payment Relief for Personal Income Taxpayers Affected by COVID-19. Pursuant to "An Act to Address Challenges Faced by Municipalities and State Authorities Resulting from COVID-19" (the "Act"), the due date for personal income tax returns and payments otherwise due April 15, 2020 (personal income tax, estate and trust income tax, income tax due with a partnership composite return with an April 15, 2020 due date, and April, 2020 tax installments owed by personal income taxpayers with respect to deemed repatriated income) was changed to July 15, 2020. As a result the first and second quarter estimates for tax year 2020 calendar year filers were due on July 15, 2020. See TIR 20-4.

When are estimated tax payments due? Generally, your estimated tax must be paid in full on or before April 15, or in equal installments on or before April 15; June 15; September 15; and January 15 of the next year. Due to the COVID-19 pandemic, the first and second quarter estimates for tax year 2020 were due on July 15, 2020. If your tax year is not on a calendar year basis, the due dates correspond with your fiscal year. Your due dates will be the 15th day of the fourth, sixth and ninth months of your fiscal year and the 15th day of your next fiscal year. Whenever a due date falls on a Saturday, Sunday or legal holiday, the payment may be made on the next succeeding business day.

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 pen alty will be imposed if:

- Your 2020 tax due after credits and withholding is $400 or less.
- You were a qualified farmer or fisherman who filed and paid in full with your return by March 1, 2020. To qualify, your gross income from farming or fishing must be at least two-thirds of the annual gross income shown on your 2019 or 2020 return.
- You were a resident of Massachusetts for the full 12 months of the previous taxable year and were not liable for taxes.
- Your 2020 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 2019 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 14 through 24. 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 2019 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:

- Your underpayment was by reason of casualty, disaster or unusual circumstance; or
- You retired in 2019 or 2020 after reaching age 62, or you be came disabled and your underpayment was due to reasonable cause and not willful neglect.

If you qualify for the waiver, complete lines 7 through 13 for the installment for which you are claiming a waiver, and write "WAIVER" in the appropriate box in line 14. 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 & penalty. To determine the underpayment amount, complete lines 1 through 13, in order of installment due dates, taking care to complete all four columns for lines 7 through 13.

Line 5

- If you filed a return for 2019 and it was for a full 12 months, enter your 2019 tax liability after credits.
- If you were a resident of Massachusetts for 12 months in 2019 and you were not liable for taxes, enter 0.
- If you did not file a return for 2019, or if your 2019 tax year was less than 12 months, do not complete line 5. Instead, enter the amount from line 4 in line 6.

Line 9

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. 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 12

If line 12 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 13

If line 13 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 24 to determine your underpayment penalty.

Line 14

For tax year 2020 calendar year filers the 15th day of the fourth month after the close of the taxable year is April 15, 2021.

Line 16

For tax year 2020 reporting, see above COVID-19 guidance and enter '0' for all 4 columns.

Line 20

For tax year 2020 reporting, see above COVID-19 guidance and enter '0' for all 4 columns.

Part 4. 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. Enter any adjusted installment amount in the appropriate column in line 8 and calculate any underpayment penalty from those figures. Write "ANNUALIZED" under the column in line 24.

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 in effect for the period of the underpayment.

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE