1987 Instructions for Form IT-2105.9

Underpayment of Estimated Income Tax by Individuals

General Instructions

Everyone must prepay each year's tax, either by having tax withheld or by paying estimated tax. If your withholding and estimated tax payments during 1987 were less than your income tax for 1987, you may be charged a penalty on the amount of the underpayment.

Use Part I of Form IT-2105.9 to see if you prepaid enough tax in each payment period. If you did not, use Part II to figure the penalty for that period.

If you checked filing status ③ on your New York State return, each spouse must figure his or her penalty on a separate Form IT-2105.9.

The penalty for each installment is figured separately. Income taxes withheld from your salary, pension, etc., are considered payments of estimated tax in equal installments on the four installment dates, unless you prove otherwise.

Penalty rate — The present penalty rate is 6% (.06). For information as to whether or not the rate will change on March 1, 1988, please wait until after February 1, 1988 to call toll free 1 800 CALL TAX (1 800 225-5829). From outside New York State, call (518) 438-8581. The rate does not have to be compounded daily when figuring the penalty.

Period of underpayment — The penalty is applied to the number of days that the installment was not paid. You figure the period of the underpayment by counting the number of days after the due date of the installment to and including the date of payment or the next installment due date, whichever is earlier.

Farmers and fishermen — If your New York adjusted gross income from farming or fishing is at least two-thirds of your New York adjusted gross income for 1986, or 1987, you cannot use this form. Instead, attach a copy of federal Form 2210F, *Underpayment of Estimated Tax by Farmers and Fishermen*, to show how you figured the penalty or which exceptions apply.

Exceptions to penalty — No penalty will be due if:

(a) the tax due (after deducting tax withheld) is less than $100. If you owe two taxes (for example, New York State and City of New York), no penalty is due if you owe less than $200. If you owe three taxes (New York State, City of New York and City of Yonkers) no penalty is due if you owe less than $300; or

(b) you did not have any New York State tax liability for the preceding taxable year, the preceding taxable year was a taxable year of 12 months, and throughout the preceding taxable year you were a New York State resident, or a nonresident who had New York adjusted gross income; or

(c) an installment of estimated tax is due on or after an individual's death; or

(d) the underpayment was caused by a casualty, disaster or other unusual circumstances; or

(e) you retired in 1986 or 1987 after reaching the age of 62, or you became disabled, and the underpayment was due to reasonable cause and not to willful neglect.

If you are requesting a waiver of the penalty, attach a statement to Form IT-2105.9 containing all the facts necessary to justify your request.

No penalty will be imposed for any period before April 16, 1988, for any underpayment, to the extent that the underpayment was created or increased because of the New York State Tax Reform and Reduction Act of 1987.

Privacy act — The Personal Privacy Protection Act requires the Tax Department to set forth its authority for asking for personal information from you or your employer, how such information will be used, what could happen to you if you fail to provide such information, and its authority to maintain such information.

For more information on the Personal Privacy Protection Act, see the instructions for Forms IT-201 or IT-203 or call toll free 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

Instructions for Figuring Your Penalty

If filing for a fiscal year, enter the month and day your tax year began and the month, day and year that it ended in the spaces provided at the top of page 1.

Name and Social Security Number Box Enter in the spaces at the top of the form your name and social security number. If you filed a joint return, also enter your spouse's name.

Part 1 — Figuring Your Underpayment

Line 1 — Enter your total tax from line 71 of Form IT-201 or line 62 of Form IT-203. Reduce the amount on line 71 of Form IT-201 by any gift for wildlife entered on line 70 of Form IT-201, or by any real property tax credit claimed on line 72 of Form IT-201.

Line 4 — If this line is less than $100, you do not owe a penalty and need not complete Form IT-2105.9. Also, you do not have to complete this form if you owe two taxes (for example, New York State and City of New York) and line 4 is less than $200, or you owe three taxes (New York State, City of New York and City of Yonkers) and line 4 is less than $300.

Line 5 — Enter your 1986 tax from line 68 of your 1986 Form IT-201 or line 63 of your 1986 Form IT-203. Reduce the amount on line 68 of Form IT-201 by any gift for wildlife entered on line 67 of Form IT-201, or by any real property tax credit claimed on line 69 of Form IT-201.

If you did not file a 1986 return or if your 1986 tax year was for a period of less than 12 months, do not complete line 5. Instead, enter the amount from line 2 on line 6.

You will not have to pay a penalty or complete this form if you had no tax liability for 1986, you were a New York State resident, or a nonresident who had New York adjusted gross income, during all of 1986 and your 1986 tax return was for a full 12 months.

Line 8 — If your income varies during the year (for example, you receive unexpected or seasonal income not subject to withholding in April or later), complete the annualized income installment worksheet on page 3 of these instructions. Separate worksheets are provided so that you can figure annualized installments of New York State, City of New York and City of Yonkers taxes. If you complete line 8 for any payment period, you must complete it for all payment periods.

Line 9 — Enter the amounts from line 7 in each column. However, if you elect to annualize your installments at line 8, and it is to your advantage, enter the amounts from line 8 in each column.

Line 10 — Enter the total of New York State, City of New York and City of Yonkers estimated tax paid and tax withheld for each period. If you worked all year, figure even payments of income tax withheld by dividing the total amount withheld by 4, and include the result in each column.

Instead of making the estimated tax payment due January 15, 1988, you can file your return and pay all the tax due by February 1, 1988. If you do this, enter the amount of tax you pay with your return on line 10, column (d).

Line 11 — Enter any overpayment (or underpayment) from the prior payment period.

Line 12 — In column (a), enter the amount from line 10. In the other columns, add lines 10 and 11 if Line 11 is an overpayment. Subtract line 11 from line 10 if line 11 is an (underpayment).

Line 13 — If line 9 is greater than line 12, subtract line 12 from line 9. The result is an underpayment which should also be entered on line 14 for the same payment due date and on line 11 for the next payment due date. If line 12 is greater than line 9, subtract line 9 from line 12. The result is an overpayment which should also be entered on line 11 for the next payment due date.

NOTE: If line 12 is a negative amount, your total underpayment at line 13 is the installment due at line 9 plus the line 12 amount.

Part II — Figuring the Penalty

Complete this part only for periods in which there is an underpayment.

Line 15 — Enter the date of payment or the next payment due date, whichever is earlier. If you reduce a line 10 amount by an underpayment from a prior period, the underpayment is considered to be paid on the due date of the later period.

Line 16 — Line 16a is for figuring the number of days at the present penalty rate of 6% (.06). Line 16b is for figuring the penalty for the last installment due date (January 15, 1988) at the new penalty rate if the rate changes on March 1, 1988.

Example 1 — You were required to pay 1987 estimated tax but did not do so. The penalty rate changed on March 1, 1988. You would figure the number of days for the last installment due date as follows:

Line 16a — from January 15, 1988 to February 29, 1988 — 45 days

Line 16b — from February 29, 1988 to April 15, 1988 — 46 days

Line 17 — To compute the penalty on line 17a, multiply the number of days on line 16a (divided by 366) x 6% x the amount on line 14.

Example 2 — On line 14 you entered $1,000 and on line 16a you entered 61 days. You would figure the amount to be entered on line 17a as follows:

61/366 x 6% x $1,000 = $10.02

Complete line 17b (if the penalty rate changes on March 1, 1988) by multiplying the number of days on line 16b, column (d), (divided by 366) times the new rate times the amount on line 14.

In columns (a), (b) and (c), transfer the amount on line 17a to line 17c. In column (d), add lines 17a and 17b and enter the total on line 17c.

Line 18 — Add the amounts on line 17c and enter the total on line 18. Check the box on line 82 on Form IT-201, or on line 72 on Form IT-203, and enter the amount of the penalty on line 82 of Form IT-201 or on line 72 of Form IT-203. If you owe tax, include the penalty in the amount that you pay.

If you show an overpayment on your return, do not reduce the overpayment by the amount of the penalty. As explained above, check the box and enter the amount of the penalty on the proper line. We will reduce your overpayment by the amount of the penalty and refund the difference to you. If you indicate that you want your overpayment applied to your 1988 estimated tax, we will apply the difference to your 1988 estimated tax.

Instructions for Annualized Income Installment Worksheet — New York State

Line 1 — Attach a schedule showing how you figured your total New York income for each period.

Line 7 — If you claim the standard deduction on line 7, the amount that you can enter is shown below:

Single	$3,600
Single and a dependent of another taxpayer	2,800
Married filing joint return	5,300
Married filing separate return	2,650
Head of household (with qualifying person)	4,600
Qualifying widow(er) with dependent child	5,300

Do **not** prorate your standard deduction.

Line 14 — Credits that are based wholly or partly on income are figured on the annualized income for each period.

Example 3 — You are single and qualified to claim the household credit. Your total New York income (line 1) for the period 1/1/87-3/31/87 is $5,000. You would use the annualized amount on line 3 ($20,000) when figuring your household credit.

Other credits which should be figured on an annualized basis are the resident credit, child and dependent care credit and real property tax credit. Credits that are not based on income are figured by applying the 1987 credit rate to the amount of the expenditure paid or incurred during the period. An example of this is the investment credit.

Line 16 — Enter in each column the total amount of other New York State taxes reported on line 57 of Form IT-201 or on line 57 of Form IT-203. Except for the minimum tax, you do not have to annualize these taxes. Use Form IT-220, *Minimum Income Tax*, as a guide in figuring this tax. Figure your total New York tax preference items (line 18 of Form IT-220) based upon the income and deductions during the period shown in the column headings of this worksheet. Multiply the total New York tax preference items by the annualization amounts on line 2 of this worksheet and then deduct the specific deduction allowed on line 19 of Form IT-220.

Instructions for City of New York Worksheet

Use the City of New York Worksheet on page 4 to figure the amount to be entered on line 20 of the Annualized Income Installment Worksheet. You can transfer the figures from lines 1 through 10 of the Annualized Income Installment Worksheet to the City of New York Worksheet if you are required to complete both worksheets.

If you are figuring annualized installments of the City of New York nonresident earnings tax, skip lines 1 through 11 of the worksheet and start with line 12.

Instructions for City of Yonkers Worksheet

Use the City of Yonkers Worksheet on page 4 to figure the amount to be entered on line 20 of the Annualized Income Installment Worksheet.

If you are figuring annualized installments of the City of Yonkers nonresident earnings tax, skip lines 1 through 3 of the worksheet and start with line 4.

Annualized Income Installment Worksheet *(Complete one column through line 26 before completing the next column)*		(1) 1/1/87 to 3/31/87	(2) 1/1/87 to 5/31/87	(3) 1/1/87 to 8/31/87	(4) 1/1/87 to 12/31/87
1) Total New York income for period shown *(attach schedule)*	1				
2) Annualization amounts	2	4	2.4	1.5	1
3) Annualized total New York income *(multiply line 1 by line 2)*	3				
4) Itemized deductions for period shown *(if you do not itemize deductions, skip lines 4, 5 and 6)*	4				
5) Annualization amounts	5	4	2.4	1.5	1
6) Multiply line 4 by line 5	6				
7) Standard deduction *(see instructions)*	7				
8) Subtract line 6 or line 7 from line 3	8				
9) Multiply $900 by the number of personal exemptions that you are entitled to claim on the due date for each period	9				
10) Annualized taxable income *(subtract line 9 from line 8)*	10				
11) Figure the tax on the amount on line 10, using the tax rate schedule	11				
12) Enter the additional tax on unearned income from line 51a of Form IT-201 or from line 51a of Form IT-203	12				
13) Add lines 11 and 12	13				
14) Enter the applicable portion of any credits claimed on lines 53, 55 and 72 of Form IT-201 or on lines 53 and 55 of Form IT-203 *(see instructions)*	14				
15) Subtract line 14 from line 13	15				
16) For each period, enter the total amount of other New York State taxes reported on line 57 of Form IT-201 or on line 57 of Form IT-203	16				
17) Total annualized tax *(add lines 15 and 16)*	17				
18) Percentage	18	.20	.40	.60	.80
19) Multiply line 17 by line 18	19				
20) Enter the City of New York tax installment from line 17 of the City of New York worksheet on page 4 and/or the City of Yonkers tax installment from line 7 of the City of Yonkers worksheet on page 4	20				
21) Add lines 19 and 20	21				
22) Enter the combined amounts of line 26 from all preceding periods	22				
23) Subtract line 22 from line 21. If less than zero, enter zero	23				
24) For each payment period, enter the amount from Form IT-2105.9, line 7, for the current period plus the amount from line 25 of this worksheet for the preceding payment period	24				
25) If line 24 is more than line 23, subtract line 23 from line 24. Otherwise, enter zero	25				
26) Enter the smaller of line 23 or line 24 here and on Form IT-2105.9, line 8	26				

City of New York Worksheet		(1) 1/1/87 to 3/31/87	(2) 1/1/87 to 5/31/87	(3) 1/1/87 to 8/31/87	(4) 1/1/87 to 12/31/87
1) Total City of New York income for period	1				
2) Annualization amounts	2	4	2.4	1.5	1
3) Annualized total City of New York income *(multiply line 1 by line 2)*	3				
4) Itemized deductions for period shown *(if you do not itemize deductions, skip lines 4, 5 and 6)*	4				
5) Annualization amounts	5	4	2.4	1.5	1
6) Multiply line 4 by line 5	6				
7) Standard deduction	7				
8) Subtract line 6 or line 7 from line 3	8				
9) Multiply $900 by the number of personal exemptions that you are entitled to claim on the due date for each period	9				
10) Annualized taxable income *(subtract line 9 from line 8)*	10				
11) Figure the tax on the amount on line 10, using the City of New York resident tax rate schedule	11				
12) Enter the applicable portion of any credits claimed on lines 60 and 62 of Form IT-201	12				
13) Subtract line 12 from line 11	13				
14) For each period, enter the total amount of other City of New York taxes reported on lines 64 and 65 of Form IT-201 or on line 59 of Form IT-203	14				
15) Total annualized tax *(add lines 13 and line 14)*	15				
16) Percentage	16	.20	.40	.60	.80
17) Multiply line 15 by line 16 *(enter the result here and on the Annualized Income Installment Worksheet, line 20, in the proper column)*	17				

City of Yonkers Worksheet		(1) 1/1/87 to 3/31/87	(2) 1/1/87 to 5/31/87	(3) 1/1/87 to 8/31/87	(4) 1/1/87 to 12/31/87
1) Enter amount from Annualized Income Installment Worksheet, line 19	1				
2) Percentage	2	.15	.15	.15	.15
3) Multiply line 1 by line 2	3				
4) For each period, enter the City of Yonkers nonresident earnings tax from line 67 of Form IT-201 or from line 60 of Form IT-203	4				
5) Percentage	5	.20	.40	.60	.80
6) Multiply line 4 by line 5	6				
7) Add lines 3 and 6 *(enter the result here and on the Annualized Income Installment Worksheet, line 20, in the proper column)*	7				

For forms and publications, call toll free 1 800 462-8100.
From areas outside New York State call (518) 438-1073.

For information, call toll free 1 800 CALL TAX (1 800 225-5829).
From areas outside New York State call (518) 438-8581.

For refund information only, please wait until after April 15 to call toll free 1 800 443-3200. From areas outside New York State, call (518) 438-6777.

If you need to write instead of calling, please address your letter to:

New York State Tax Department
Taxpayer Assistance Bureau
W. A. Harriman Campus
Albany, NY 12227

Telephone assistance is available from 8 a.m. to 5 p.m. Monday through Friday.