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2017 Ohio IT/SD 2210

Interest Penalty on Underpayment of Ohio Individual Income, School District Income and Pass-Through Entity Tax

Include with your 2017 Ohio tax return.

	Use	UPPERCASE letters.	
Section 1: Complete this section if you are fil	ing Ohio IT 1	040 or SD 100.	
Taxpayer's SSN (required) Spouse'	s SSN (only if	married filing jointly)	
Taxpayer's first name	M.I.	Last name	
Spouse's first name (only if married filing joint	tly) M.I.	Last name	
Section 2: Complete this section if you are fil	ing Ohio SD	100E, IT 1041, IT 1140 or IT 4708.	
	nt's SSN (esta		
Name of pass-through entity, trust or estate			
Additional line, if necessary, for name of pass	-through entit	ty, trust or estate	
Section 3:			
Total interest penalty due (from page 2, lin	e 8 or page 3	3, line 6)	0
Include pages 1 and 2 when you file your Ohi	o IT 1040, SE	0 100, SD 100E, IT 1041 or IT 4708 tax return.	

Include pages 1 and 3 when you file your Ohio IT 1140 tax return.

Federal Privacy Act Notice

Because we require you to provide us with a Social Security number, the *Federal Privacy Act of 1974* requires us to inform you that providing us with your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax.



Taxpayer's name_

_____ Taxpayer's FEIN/SSN ___

2017 Part I – Calculating the Required Annual Payment

When Filing the Ohio IT 1040, SD 100, SD 100E, IT 1041 or IT 4708

Use this form to calculate interest penalty on underpayment of taxes and to show the exceptions where no interest penalty is due. See page 4 for definitions and line references.

Check here if you engage in farming or fishing activities and refer to Ohio Administrative Code Rule 5703-7-04 for options.

 2017 Ohio income taxes paid (<u>timely paid</u>* 2017 estimated payments plus withholding plus 201 carryforward) 			00	
2. 2017 Ohio income tax liability (total tax minus total credits)	2		00	
3. 2016 Ohio income tax liability (total tax minus total credits)	3		00	
4. Multiply line 2 by 90% (.90)	4		00	
5a. Is line 1 greater than or equal to line 4? If yes, STOP, you have no interest penalty. If no, cont line 5b		🗌 Yes	🗌 No	
5b. Did you file a 2016 Ohio income tax return? If yes, continue to line 5c. If no, skip to line 5d	5b.	Yes	🗌 No	
5c. Is line 1 greater than or equal to line 3? If yes, STOP, you have no interest penalty. If no, cont line 5d		Yes	🗌 No	
5d. Is line 2 less any withholding \$500 or less? If yes, STOP, you do not owe an interest penalty continue to Part II	y. lf no, 5d.	🗌 Yes	No	

*Do not include any estimated payments that were made after their respective due date.

Part II – Calculating the Interest Penalty Due

	Payment Due Dates (see note below)			
	A 4/18/17 – 22.5%	B 6/15/17 – 45%	C 9/15/17 – 67.5%	D 1/16/18 – 90%
1. Multiply the amount on Part 1, line 2 by the percentage indicated at the top of each column at right1				
	25%	50%	75%	100%
2. Multiply the total tax withheld from compensation by the percentage indicated in each column at right2				
3. Cumulative estimated tax paid by the dates shown at the top of each column at right				
4. Add lines 2 and 3				
5. Underpayment subject to interest penalty (line 1 minus line 4)				
6. Ratio (if full or partial payment was made see instructions on page 4)6	0.006352	0.010075	0.013470	0.009966
 Interest penalty for the period: Multiply line 5 by line 6 for each column at right				
8. Total interest penalty due (sum of line 7, columns A through D). Enter here and on Section 3 of page 18.				

Note: Payment due dates – the associated dates and the rates on line 6 are for calendar year taxpayers. Fiscal year taxpayers must adjust the payment due dates and the line 6 ratios accordingly.



Taxpayer's name____

_____ Taxpayer's FEIN/SSN___

2017 Part I – Calculating the Required Annual Payment When Filing the Ohio IT 1140

Use this form to calculate interest penalty on underpayment of taxes and to show the exceptions where no interest penalty is due. If the total adjusted qualifying amount for the current year or the previous year is \$10,000 or less, do not complete this form. You do not owe an interest penalty. See page 4 for definitions and line references.

1.	2017 Ohio withholding taxes paid (timely paid* 2017 estimated payments plus 2016 credit carryforward)1	I. —			00
2.	2017 Ohio withholding tax liability (total tax)	2			00
3.	2016 Ohio withholding tax liability (total tax)	3			00
	Multiply line 2 by 90% (.90)4				00
5a.	Is line 1 greater than or equal to line 4? If yes, STOP, you have no interest penalty. If no, continue to line 5b	à.	Yes	□ N	0
5b.	Did you file a 2016 Ohio IT 1140? If yes, continue to line 5c. If no, continue to Part II5b).	Yes	N	0
5c.	Is line 1 greater than or equal to line 3? If yes, STOP, you have no interest penalty. If no, continue to Part II) .	Yes	□ N	0

*Do not include any estimated payments that were made after their respective due date.

Part II – Calculating the Interest Penalty Due

	Payment Due Dates (see note below)			
	A 4/18/17 – 22.5%	B 7/17/17 – 45%	C 10/16/17 – 67.5%	D 1/16/18 – 90%
1. Multiply the amount on Part 1, line 2 by the percentage indicated at the top of each column at right1.				
2. Cumulative estimated tax paid by the dates shown at the top of each column at right2.				
3. Underpayment subject to interest penalty (line 1 minus line 2)				
4. Ratio (if full or partial payment was made see instructions on page 4)	0.009856	0.009966	0.010075	0.009966
 Interest penalty for the period: Multiply line 3 by line 4 for each column at right				
6. Total interest penalty due (sum of line 5, columns A through D). Enter here and on section 3 of page 1				

Note: Payment due dates – the associated dates and the rates on line 4 are for calendar year taxpayers. Fiscal year taxpayers must adjust the payment due dates and the line 4 ratios accordingly.



General Information

Page 2 Definitions

Information on how the Department of Taxation will apply married filing jointly estimated income tax payments when the spouses subsequently file married filing separately income tax returns is described in Information Release IT-2006-01, available on our website at **tax.ohio.gov.**

"Taxes paid" include payments of estimated taxes made under Ohio Revised Code (R.C.) section 5747.09(C), taxes withheld from taxpayer's compensation, and tax refunds applied by the taxpayer in payment of estimated taxes.

"Tax liability" means the total taxes due for the taxable year, after allowing any credit to which the taxpayer is entitled, but prior to applying any estimated tax payment, withholding payment or refund from another tax year.

"Estimated taxes" means the amount that the taxpayer estimates to be the taxpayer's combined tax liability under chapters 5747 and 5748 of the Revised Code for the current taxable year.

Note: State income tax may be combined with the school district income tax in determining the interest penalty as calculated on page 2.

Page 2 Line References

Taxes Paid

Sum of line 14 and line 15
Sum of line 7 and line 8
Line 6
Line 14
Sum of line 17 and line 18

Current Year Tax Liability - 2017

IT 1040	Line 10 minus line 16
SD 100	Line 4
SD100E	Line 3
IT 1041	Line 11 minus line 15
IT 4708	Line 12 minus line 19

Previous Year Tax Liability - 2016

IT 1040	Line 10 minus line 16
SD 100	Line 4
SD100E	Line 3
IT 1041	Line 11 minus line 15
IT 4708	Line 12 minus line 19

Page 3 Definitions

"Taxes paid" include payments of estimated taxes made under R.C. section 5747.43(C) and tax refunds applied by the taxpayer in payment of estimated taxes.

"Tax liability" means the total taxes and withholding taxes due under R.C. sections 5733.41 and 5747.41 for the qualifying taxable year prior to applying any estimated tax payment or refund from another year.

"Estimated taxes" means the amount that qualifying entity estimates to be the sum of its liability under R.C. sections 5733.41 and 5747.41 for the current qualifying taxable year.

Page 3 Line References

Taxes Paid

IT 1140 Line 3c

Current Year Tax Liability – 2017

IT 1140 Schedule A, line 1, sum of column I and II

Previous Year Tax Liability – 2016

General – The listed ratios on the previous pages are based upon the statutory interest rate (4% for 2017 and 4% for 2018) and the time during which the estimated payment was late. The general formula for computing the ratio is rate = interest rate X number of days the payment is late \div 365.25. The listed ratios are computed from the payment due date at the top of each column to the following payment due date and applied only if the taxpayer either (i) never made the estimated payment or (ii) made full payment on or after the next payment due date.

Example 1 – No payment made. Assume that the underpayment shown on page 2, Part II, line 5 for the 4/18/17 due date is \$1,000. Also assume that the taxpayer made no estimated payment during the period 4/18/17 through 6/15/17. The taxpayer will compute interest penalty for the period 4/18/17 through 6/15/17 by multiplying the underpayment shown on Part II, line 5, column A by the ratio (0.006352) shown on line 6, column A.

Interest penalty = \$1,000 X 0.006532 = \$6.53 to Part II, line 7, column A

Example 2 – Full payment made after the due date but before the next due date. Assume that the underpayment shown on page 2, Part II, line 5 for the 4/18/17 due date is \$1,000. Also assume that the taxpayer paid this in full on 5/15/17. The taxpayer should ignore the ratio shown on Part II, line 6, column A and compute the rate as follows:

Step 1 – Determine the number of days from the date the payment was due (4/18/17) to the date the payment was made (5/15/17): 4/18/17 to 5/15/17 = 27 days.

Step 2 – Calculate the ratio by using the following formula: Ratio = interest rate X number of days late ÷ 365.25 Ratio = 0.04 X 27 ÷ 365.25 = 0.002957 Interest penalty = \$1,000 X 0.002957 = \$2.96 to Part II, line 7, column A

This method is <u>only</u> applicable if the taxpayer made full payment of the required estimated payment after the due date but before the next payment due date.

Example 3 – Partial payment made after the due date but before the next due date. Assume that the underpayment shown on page 2, Part II, line 5 for the 4/18/17 due date is \$1,000. Also assume that the taxpayer paid \$600 on 5/15/17. The taxpayer should ignore the ratio shown on Part II, line 5, column A and compute the rate as follows:

Step 1 – Determine the number of days from the date the payment was due (4/18/17) to the date the payment was made (5/15/17): 4/18/17 to 5/15/17 = 27 days.

Step 2 – Calculate the interest penalty for that period by using the following formula: interest penalty = underpayment X interest rate X number of days late ÷ 365.25

Interest penalty = \$1,000 X 0.04 X 27 ÷ 365.25 = \$2.96

Step 3 – Determine the number of days from the payment date (5/15/17) to the next required due date (6/15/17): 5/15/17 to 6/15/17 = 31 days.

Step 4 – Calculate the interest penalty on the \$400 underpayment using the following formula: (\$1,000 minus \$600) for the 31-day period from 5/15/17 to 6/15/17: interest penalty = underpayment X interest rate X number of days late \div 365.25

Interest penalty = \$400 X 0.04 X 31 ÷ 365.25 = \$1.36

Step 5 – Add the interest penalty amounts calculated in Steps 2 and 4: \$2.96 + \$1.36 = \$4.32 to Part II, line 7, column A.

IT 1140 Schedule A. line 1. sum of column I and II