

Include with your 2021 Ohio tax return.

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



Taxpayer's name \_\_\_\_\_ Taxpayer's FEIN/SSN \_\_\_\_\_

**2021**

**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.**

1. <b>2021</b> Ohio income taxes paid ( <u>timely paid</u> * <b>2021</b> estimated payments plus withholding plus <b>2020</b> credit carryforward) .....	1.	00
2. <b>2021</b> Ohio income tax liability (total tax minus total credits) .....	2.	00
3. <b>2020</b> 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, continue to line 5b.....		
	5a.	Yes No
5b. Did you timely file a 2020 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, continue to line 5d.....		
	5c.	Yes No
5d. Is line 2 less any withholding \$500 or less? If yes, STOP, you have no interest penalty. If no, continue to line 6.....		
	5d.	Yes No
6. If you answered "Yes" on line 5b, enter the lesser of line 3 or line 4. If you answered "No", enter the amount from line 4. Then continue to Part II.....	6.	00

\*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 4/15/21 – 25%	B 6/15/21 – 50%	C 9/15/21 – 75%	D 1/18/22 – 100%
1. Multiply the amount on Part I, line 6 by the percentage indicated at the top of each column at right.....				
2. Multiply the total tax withheld from compensation by the percentage indicated at the top of each column at right.....				
3. Total 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; if less than zero, enter zero).....				
6. Ratio (if full or partial payment was made see instructions on page 4).....	0.005010	0.007556	0.010267	0.007392
7. 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 page 1 .....				

**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 \_\_\_\_\_

**2021**

**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. <b>2021</b> Ohio withholding taxes paid ( <u>timely paid</u> * <b>2021</b> estimated payments).....	1.		00
2. <b>2021</b> Ohio withholding tax liability (total tax) .....	2.		00
3. <b>2020</b> Ohio withholding tax liability (total tax) .....	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, continue to line 5b.....			
5a.		Yes	No
5b. Did you timely file a 2020 Ohio IT 1140? If yes, continue to line 5c. If no, continue to line 6.....			
5b.		Yes	No
5c. Is line 1 greater than or equal to line 3? If yes, STOP, you have no interest penalty. If no, continue to line 6.....			
5c.		Yes	No
6. If you answered "Yes" on line 5b, enter the lesser of line 3 or line 4. If you answered "No", enter the amount from line 4. Then continue to Part II.....			00
		6.	

\*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 4/15/21 – 25%	B 7/15/21 – 50%	C 10/15/21 – 75%	D 1/18/22 – 100%
1. Multiply the amount on Part I, line 6 by the percentage indicated at the top of each column at right .....			
2. Total estimated tax paid by the dates shown at the top of each column at right .....			
3. Underpayment subject to interest penalty (line 1 minus line 2; if less than zero, enter zero).....			
4. Ratio (if full or partial payment was made see instructions on page 4).....	0.007474	0.007556	0.007803
5. 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 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.



## 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](http://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

IT 1040	Sum of line 14 and line 15
SD 100	Sum of line 7 and line 8
SD100E	Line 6
IT 1041	Line 14
IT 4708	Sum of line 17 and line 18

### Current Year Tax Liability – 2021

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 – 2020

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
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### Current Year Tax Liability – 2021

IT 1140	Schedule A, line 1, sum of column I and II
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### Previous Year Tax Liability – 2020

IT 1140	Schedule A, line 1, sum of column I and II
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**Ratios** – The listed ratios on the previous pages are based upon the statutory interest rate (3% for 2021 and 3% for 2022) and the time during which the estimated payment was late. The general formula for computing the ratio is  $\text{rate} = \text{interest rate} \times \text{number of days the payment is late} \div 365.25$ . 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 column B is \$1,000. Also assume that the taxpayer made no estimated payment during the period 4/15/21 through 6/15/21. The taxpayer will compute interest penalty for the period 4/15/21 through 6/15/21 by multiplying the underpayment shown on Part II, line 5, column A by the ratio (0.005010) shown on line 6, column A.

Interest penalty = \$1,000 X 0.005010 = \$5.01 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 column A is \$1,000. Also assume that the taxpayer paid this in full on 5/15/21. 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 (4/15/21) to the date the payment was made (5/15/21): 4/16/21 to 5/15/21 = 30 days.

**Step 2** – Calculate the ratio by using the following formula:

Ratio = interest rate X number of days late ÷ 365.25

Ratio = 0.03 X 30 ÷ 365.25 = 0.002464

Interest penalty = \$1,000 X 0.002464 = \$2.46 to Part II, line 7, column A

This method is only 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 column A is \$1,000. Also assume that the taxpayer paid \$600 on 5/15/21. 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 (4/15/21) to the date the payment was made (5/15/21): 4/16/21 to 5/15/21 = 30 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 0.03 X 30 ÷ 365.25 = \$2.46

**Step 3** – Determine the number of days from the payment date (5/15/21) to the next required due date (6/15/21): 4/16/21 to 6/15/21 = 31 days.

**Step 4** – Calculate the interest penalty on the \$400 underpayment (\$1,000 minus \$600) for the 31-day period using the following formula: interest penalty = underpayment X interest rate X number of days late ÷ 365.25

Interest penalty = \$400 X 0.03 X 31 ÷ 365.25 = \$1.02

**Step 5** – Add the interest penalty amounts calculated in Steps 2 and 4: \$2.46 + \$1.02 = \$3.48 to Part II, line 7, column A.