



### GENERAL INFORMATION

#### Underpayment Penalty

Revised Statute 47:118 provides for a 12 percent penalty for underpayment of individual income tax. The penalty may be imposed if you did not pay enough estimated tax for the year or did not make estimated payments on time or in the required amount. The penalty is imposed on each underpayment for the number of days it was unpaid.

#### Filing An Estimate And Paying The Tax For Calendar Year Taxpayers

If you file a return on a calendar year basis and are required to file Form IT-540ES, Estimated Tax Declaration for Individuals, you are generally required to file estimated tax by April 15, and to pay the tax in four installments. If you are not required to file estimated tax until later in the year because of a change in income, you may be required to pay in fewer installments. Below is a table that shows the due date(s) for estimated tax and the maximum number of installments required.

Period in which Requirements are First Met	Due Date of Payment	Maximum Number of Installments Required
Between Jan 1 and April 1	April 15, 2009	4
After April 1 and before June 2	June 15, 2009	3
After June 1 and before Sept 2	Sept 15, 2009	2
After September 1	Jan 15, 2010	1

#### Special Rules For Farmers And Fishermen

Revised Statute 47:117(B) provides that if at least two-thirds of an individual's estimated gross income is from farming, or fishing, including oyster farming, the declaration and estimated tax payment may be made any time on or before January 15 of the succeeding taxable year without being assessed underpayment of estimated tax penalty. The declaration payment must be at least 66.66 percent of the estimated tax to satisfy any underpayment. To be considered a fisherman, one must conduct the business of fishing and operate as a commercial fisherman.

#### Items Needed To Complete Form R-210NR for 2009

1. A copy of your 2008 Louisiana individual income tax return.
2. Your 2009 Louisiana individual income tax return.
3. The dates and amounts of your declaration payments made for the 2009 taxable year.
4. The date and amount of your extension payment for 2009, if any.

#### Penalty Exceptions

You will need to complete Exception 1 on page 3 to determine if you are possibly subject to an underpayment penalty for any period.

##### Exception 1

The underpayment of estimated tax penalty will not be imposed on any installment if no declaration of estimated tax is required to be filed because the taxpayer did not reasonably expect for their taxes to exceed \$1,000 for single filers and \$2,000 for joint filers as required by Revised Statute 47:116(A).

If you do not meet Exception 1, complete Form R-210NR and attach it to your 2009 Form IT-540B. Exceptions 2 through 5 determine if the amount that was paid for a period satisfies the required period payment as calculated by the specific exception. You may apply a different exception to any period. Once you have determined an exception exists, you do not have an underpayment for that period.

##### Exception 2 Through 5

The underpayment of estimated tax penalty will not be imposed on any installment if the total amount of all estimated tax payments made on or before the last date prescribed for the payment of the installment equals or exceeds the lesser of the following:

1. The amount which would have been required to be paid on or before the date if the estimated tax were whichever of the following is the least.
  - The tax due on the preceding tax year's return, if the individual filed a tax return for the preceding year and the year was a taxable year of 12 months (*See Exception 2*);
  - The tax that would have been due for the preceding taxable year based on the current tax year's rates, the taxpayer's filing status and number of dependents. (*See Exception 3*); or
  - Ninety percent (66.66 percent for qualified farmers and fisherman) of the tax due on an annualized basis for each quarterly period (*See Exception 4*).
2. Ninety percent of the tax computed at the applicable rates on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid (*See Exception 5*).

#### Applying Credits And Withholding

When applying credits and withholding to a period, you may equally distribute the amounts to each period based upon the number of months in the period. You may use the actual date when those amounts were withheld or the date on which the credit was earned. Any extension payment or composite partnership return payments made on or before January 15, 2010, must be applied to the fourth installment period. Any credit carry forward from the 2008 tax year to the 2009 tax year must be included in the first installment period.

## Instructions – Form R-210NR

### Section 1 – Required annual payment computation

The required annual payment is the lesser of: 90 percent of your 2009 Louisiana income tax liability OR 100 percent of your 2008 Louisiana income tax liability. The underpayment period is from the date the installment was required to be paid to whichever of the following dates is earlier: the 15th day of the fourth month following the close of the taxable year OR the date on which any portion of the underpayment is paid limited to the payment amount.

**Line 1** – Ninety percent of current year’s tax liability. Use the steps below to compute this amount from your **2009** Form IT-540B.

1. Print the amount of your Louisiana Income Tax from your 2009 IT-540B, Line 12.	.00
2. Print the amount of Nonrefundable Credits from your 2009 Form IT-540B, Line 16.	.00
3. From your 2009 Form IT-540B, add Lines 20 and 21 through 23 and print the result.	.00
4. Subtract Lines 2 and 3 from Line 1 and print the result.	.00
5. Multiply Line 4 by 90 percent and print the result here and on Form R-210NR, Line 1.	.00

**Line 2** – One hundred percent of previous year’s tax liability. Use the steps below to compute this amount from your **2008** Form IT-540B.

1. Print the amount of your Louisiana Income Tax from your 2008 IT-540B, Line 12.	.00
2. Print the amount of Nonrefundable Credits from your 2008 Form IT-540B, Line 16.	.00
3. From your 2008 Form IT-540B, add Lines 20 and 21 through 24 and print the result.	.00
4. Subtract Lines 2 and 3 from Line 1 and print the result here and on Form R-210NR, Line 2.	.00

**Line 3** – On Form R-210NR, Line 3 print the amount of Line 1 or Line 2, whichever is smaller. If no return was filed for 2008, use the amount from Form R-210NR, Line 1.

**Line 4** – Number of installments. Generally, a person is required to make four installments beginning on April 15, 2009. You may be required to pay in fewer installments if you had a change in income. Print the number of installments required to be paid. (See General Information, “Filing An Estimate.”)

### Section 2 – Underpayment computation

**Line 5** – Required payment - From Form R-210NR Section 1, divide the amount on Line 3 by the amount on Line 4. Round to nearest dollar and print the result in the appropriate columns.

**Line 6** – Amount paid for each period - For each period, print the amounts paid for estimated tax, withholding, and credit carry forward. Include any extension or composite partnership payments made on or before January 15, 2010 in the last period. (See General Information, “Applying Credits And Withholding.”)

**Line 7** – Carryforward - Overpayment or underpayment from previous period shown on Line 9 of each column. Carryforward amounts from the previous period can be a positive number or a negative number. Note: *No carryforward amount can be shown for the first period.*

**Example:**

	04/15/09	06/15/09	09/15/09	01/15/10
Required payment - Amount on Line 3 divided by amount on Line 4.	400.00	400.00	400.00	400.00
Amount paid for each period	300.00	600.00	350.00	0
Carryforward - No carryforward amount can be shown for the first period.		-100.00	100.00	50.00
Amounts available for period - Add the amount paid for each period plus any carryforward amount.	300.00	500.00	450.00	50.00
Overpayment (positive number) or Underpayment (negative number)	-100.00	100.00	50.00	-350.00

**Line 8** – Amount available for period. Add Lines 6 and 7.

**Line 9** – Underpayment or overpayment - Subtract the amount of the required payment on Line 5 in each column from the amount of payments available for each respective period on Line 8 in each column. A positive number indicates an overpayment for that particular period. A negative number indicates an underpayment for that particular period. Copy the number on this line to Line 7 in next column.

**Section 3 – Exceptions**

**Line 10 – Exception 1**

You are **not** legally responsible for an underpayment penalty if your tax liability does not **exceed** \$1,000, or \$2,000 for joint filers. Use the calculation below to determine if your 2009 tax liability exceeds these guidelines.

**Exception 1**

- |  |     |
|--|-----|
| 1. Print the amount from your 2009 Form IT-540B, Line 12.  | .00 |
| 2. Print the amount from your 2009 Form IT-540B, Line 16.  | .00 |
| 3. Print the amount from your 2009 Form IT-540B, Line 29.  | .00 |
| 4. Subtract Lines 2 and 3 from Line 1 and enter the result.  | .00 |
| 5. Print any extension payment(s) included on your 2009 Form IT-540B, Line 28 that were made after January 15, 2010.   | .00 |
| 6. Add Line 4 to Line 5 and enter result here.   | .00 |
| 7. If your filing status is Single, Married Filing Separately, Head of Household, or Qualifying Widow <b>AND</b> the amount on Line 6 above is less than or equal to \$1,000, <b>STOP – NO PENALTY IS DUE.</b> |     |
| 8. If your filing status is Married Filing Joint <b>AND</b> the amount on Line 6 above is less than or equal to \$2,000, <b>STOP – NO PENALTY IS DUE.</b>  |     |

**If you meet this exception, do not proceed with any other calculations. You do not owe an underpayment penalty.**

**Line 11 – Exception 2 – Prior Year’s Tax Liability. This exception does NOT apply to part year residents for 2008.**

This exception applies if your 2009 payments (withholding, declarations, and any extension payments made before January 15, 2010) equal or exceed your 2008 income tax liability for each installment period. Your Louisiana income tax return for 2008 must have covered a full twelve month taxable year and must have reflected an income tax liability.

**Exception 2**

**Line A** – In each column, print the total amount of payments for the indicated period. Payments include declarations, withholding, and any extension or composite partnership payments made on or before January 15, 2010.

**Line B** – Use the amount from Form R-210NR, Line 2. This is 100% of your 2008 tax liability. Multiply the 2008 tax liability by the percentage in each column and print the result.

		April 15, 2009	June 15, 2009	Sept. 15, 2009	Jan. 15, 2010
A.	Total amount paid and withheld from January 1, 2009, through the installment date indicated.	.00	.00	.00	.00
		25%	50%	75%	100%
B.	Amount from Form R-210NR, Line 2 ( _____ ) 2008 tax. Multiply the 2008 tax by the percentage in each column.	.00	.00	.00	.00

If Line A is greater than or equal to Line B, the period has met the exception. On Form R-210NR, Line 11 print “Exception” for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty.

**Line 12 – Exception 3 – Prior Year’s Income. This exception does NOT apply to part year residents for 2008.**

This exception applies if your 2009 payments equal or exceed the tax computed on prior year’s income using 2009 rates and filing status.

**Exception 3**

**Line A** – In each column, enter the total amount of payments for the indicated period. Payments include declarations, withholding, and any extension or composite partnership payments made on or before January 15, 2010.

**Line B** – Use the following worksheet to compute the amount for Line B.

1. Print the amount of your taxable income from your 2008 Form IT-540B, Line 11. .00
2. Compute tax on above amount using 2009 filing status and 2009 Tax Computation Worksheet shown below. .00
3. Print the amount of 2008 Nonrefundable Credits from Form IT-540B, Line 16. .00
4. Print the amount of 2008 Refundable credits from Form IT-540B, Lines 20, 21 through 24. .00
5. Subtract Lines 3 and 4 from Line 2. .00

		April 15, 2009	June 15, 2009	Sept. 15, 2009	Jan. 15, 2010
A.	Total amount paid and withheld from January 1, 2009, through the installment date indicated.	.00	.00	.00	.00

		25%	50%	75%	100%
B.	2008 tax. Multiply the 2008 recomputed tax (Line 5 above) by the percentage in each column.	.00	.00	.00	.00

If Line A is greater than or equal to Line B, the period has met the exception. On Form R-210NR, Line 12 print “Exception” for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty.

**2009 Tax Computation Worksheet (Keep this worksheet for your records.)**

<b>A</b>	<b>Taxable Income:</b> Print the amount from Form IT-540B, Line 11.	<b>A</b>		00
<b>B</b>	<b>First Bracket:</b> If Line A is greater than \$12,500 (\$25,000 if filing status is 2 or 5), print \$12,500 (\$25,000 if filing status is 2 or 5). If Line A is less than \$12,500 (\$25,000 if filing status is 2 or 5), enter amount from Line A.	<b>B</b>		00
<b>C1</b>	<b>Combined Personal Exemption – Standard Deduction:</b> If your filing status is 2, 4, or 5, print \$9,000; if 1 or 3, print \$4,500.	<b>C1</b>		00
<b>C2</b>	<b>Credit for Dependents:</b> Print \$1,000 for taxpayers and/or spouses who are 65 or over, or blind, and for each dependent claimed on Form IT-540B, Line 6C.	<b>C2</b>		00
<b>C3</b>	<b>Total:</b> Add Lines C1 and C2, and print the result.	<b>C3</b>		00
<b>D</b>	<b>Ratio:</b> Print the ratio from Form IT-540B, Line 9.	<b>D</b>		%
<b>E</b>	<b>Allowable Deduction:</b> Multiply Line C3 by the ratio on Line D, and print the result.	<b>E</b>		00
<b>F</b>	<b>Taxable First Bracket:</b> Subtract Line E from Line B. Multiply balance by 2% and print the result in the TAX column.	<b>F</b>		00
<b>G</b>	<b>Second Bracket:</b> Subtract Line B from Line A; and, if the balance is greater than zero, print the balance or \$37,500 or \$75,000 if filing status is 2 or 5, whichever is less. <b>Note:</b> Reduce this amount by the amount that Line E exceeds Line B. Multiply balance by 4%, and print the result in the TAX column.	<b>G</b>		00
<b>H</b>	<b>Third Bracket:</b> Subtract \$50,000 or \$100,000 if filing status is 2 or 5 from Line A, and print the balance. If less than zero, print “0.” Multiply the balance by 6%, and print the result in the TAX column.	<b>H</b>		00
<b>I</b>	<b>Total Tax:</b> Add the amounts in the TAX column on Lines F, G, and H. Print here and on Form IT-540B, Line 12.	<b>I</b>		00

**Line 13 – Exception 4 – Annualized Income**

This exception provides for annualizing the income for the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> **quarters**. This exception applies if your 2009 payments equal or exceed 90 percent of the tax computed on annualized income for **the period ending based on calendar quarters**. **Important: Except for the first installment period, the remaining installment periods do not coincide with calendar quarters**. You must be careful when calculating your payments for each quarter. “Annualized income” means the actual income (Federal Adjusted Gross Income) received during the period.

For each column, compare the amount on Line L to the amount on Line M. If Line M is equal to or greater than the amount on Line L, you have met the exception for that period. If using this exception, please attach a schedule indicating your computation for the federal income tax deduction taken on Line D. On Form R-210NR, Line 13 print “Exception” for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty. **Note:** *If you are a farmer or fisherman, on Line K substitute 16.67% for the period ending 03/31/09; 33.33% for the period ending 06/30/09; and 50% for the period ending 09/30/09.*

		01/01/09 through 03/31/09	01/01/09 through 06/30/09	01/01/09 through 09/30/09	
A	Print the amount of your Federal Adjusted Gross Income for <b>each period</b> .	A	.00	.00	.00
B	Annualization factors.	B	4	2	1.33
C	Multiply Line A by Line B.	C	.00	.00	.00
D	Print the amount of <b>federal income tax</b> associated with the income for <b>each period</b> .	D	.00	.00	.00
E	Multiply Line D by corresponding annualization factor on Line B.	E	.00	.00	.00
F	Subtract Line E from Line C.	F	.00	.00	.00
G	For the amounts on Line F, determine the correct Louisiana tax based on filing status and number of exemptions claimed on your 2009 Form IT-540B, Line 6D.	G	.00	.00	.00
H	Print the amount of refundable and nonrefundable credits <b>associated with each period</b> . Refer to your 2009 Form IT-540B, Schedules F-NR and G-NR along with other available credits for 2009: Child Care Credit, Child Care Credit Carryforward, School Readiness Credit, School Readiness Credit Carryforward, Education Credit, and Louisiana Citizens Insurance Credit.	H	.00	.00	.00
I	Multiply Line H by corresponding annualization factor on Line B.	I	.00	.00	.00
J	Subtract Line I from Line G.	J	.00	.00	.00
K	Applicable percentage - (Farmers and fishermen see instructions above.)	K	22.5%	45%	67.5%
L	Multiply Line J by Line K.	L	.00	.00	.00
M	Print the total of credit carry forward, declarations and withholding <b>associated with each period</b> . First, second, and third period declaration payments paid during the extended time to file should be attributed to their respective periods	M	.00	.00	.00

**Line 14 – Exception 5 – Installment Period Income**

This exception is computed by paying an amount equal to 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. Complete Lines A through G. For each column, compare the amount on Line G to the amount on Line H. If Line H is equal to or greater than the amount on Line G, you have met the exception for that period. If using this exception, please attach a schedule indicating your computation for the federal income tax deduction taken on Line B. On Form R-210NR, Line 14 print "Exception" for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty.

		01/01/09 through 03/31/09	01/01/09 through 05/31/09	01/01/09 through 08/31/09	01/01/09 through 12/31/09
A	Print the amount of your Federal Adjusted Gross Income for <b>each period</b>	.00	.00	.00	.00
B	Print the amount of <b>federal income tax</b> associated with the income from Line A	.00	.00	.00	.00
C	Subtract Line B from Line A and print the result for each period.	.00	.00	.00	.00
D	Print the amount of Louisiana individual income tax due using the 2009 Louisiana individual income tax tables. Determine tax based upon the total exemptions claimed on your 2009 Form IT-540, Line 6D.	.00	.00	.00	.00
E	Print the amount of nonrefundable and refundable credits <b>associated with each period</b> . Refer to your 2009 Form IT-540B, Schedules F-NR and G-NR along with other available credits for 2009: Child Care Credit, Child Care Credit Carryforward, School Readiness Credit, School Readiness Credit Carryforward, Education Credit, and Louisiana Citizens Insurance Credit.	.00	.00	.00	.00
F	Subtract Line E from Line D and enter the result for each period. This is your tax for each period.	.00	.00	.00	.00
G	Multiply Line F by 90 percent.	.00	.00	.00	.00
H	Print the amount of payments and withholding for each period. First, second, and third period declaration payments paid during the extended time to file should be attributed to their respective periods.	.00	.00	.00	.00

**Section 4 – Penalty Computation**

**Line 15** – For each period that did not meet one of the exceptions listed on Form R-210NR, Lines 11 through 14, print any underpayment found on Line 9 in the appropriate column.

**Line 16** – Print the date the payment was made that satisfied the underpayment. This date may be the date you filed an extension or filed the return.

**Line 17** – Compute the number of days from the due date of the installment to the date that the underpayment is satisfied (Line 16) OR the 15<sup>th</sup> day of the fourth month following the close of the taxable year, whichever is earlier. The installment due date for each installment is shown at the top of each column.

**Line 18** – The penalty rate is 12 percent per year. The daily penalty rate is 0.0329 percent. Multiply the number of days late by the daily penalty rate to determine the penalty factor. Example: Assume the installment is 30 days late. The penalty factor is 30 X 0.000329 = 0.00987. Multiply the computed penalty factor times the amount of the underpayment and print the result in the appropriate column. To compute the underpayment penalty for farmers and fishermen, determine the number of days from January 15, 2010 to the date that the underpayment is satisfied OR the 15<sup>th</sup> day of the fourth month following the close of the taxable year, whichever is earlier. Use this number to compute the penalty factor.

**Line 19** – Add the amounts on Form R-210NR, Line 18 and print the result on Line 19. This penalty must be printed on Form IT-540B, Line 30 if you have calculated an **overpayment** on your 2009 return, and you failed to sufficiently pay income tax throughout the year. If you have a **balance due** on your 2009 Form IT-540B, Line 45, and you failed to sufficiently pay income tax throughout the year, print the amount from R-210NR, Line 19 to Form IT-540B, Line 51.