2025

LOUISIANA DEPARTMENT *of* REVENUE

Underpayment of Individual Income Tax Penalty Computation 2025 Taxable Year

Resident Filers

GENERAL INFORMATION

Underpayment Penalty

Louisiana 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, *Louisiana Estimated Tax Declaration Voucher 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, 2025	4
After April 1 and before June 2	June 15, 2025	3
After June 1 and before Sept. 2	Sept. 15, 2025	2
After September 1	Jan. 15, 2026	1

Special Rules for Farmers and Fishermen

Louisiana 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-210R, *Underpayment of Individual Income Tax Penalty Computation,* for 2025

1. A copy of your 2024 Louisiana individual income tax return
2. Your 2025 Louisiana individual income tax return
3. The dates and amounts of your declaration payments made for the 2025 taxable year
4. The date and amount of your extension payment for 2025, 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 La. R.S. 47:116(A).

If you do not meet Exception 1, complete Form R-210R and attach it to your 2025 Form IT-540, *Louisiana Resident Individual Income Tax Return*. 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.

Exceptions 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 made on or before January 15, 2026, must be applied to the fourth installment period. Any credit carry forward from the 2024 tax year to the 2025 tax year must be included in the first installment period.

Instructions – Form R-210R

Section 1 — Required Annual Payment Computation

The required annual payment **is the lesser of:** 90 percent of your 2025 Louisiana income tax liability OR 100 percent of your 2024 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 **2025** Form IT-540.

1. Enter the amount of your Louisiana Income Tax from your 2025 Form IT-540, Line 11. ____________ .00
2. Enter the total amount of Nonrefundable Credits from your 2025 Form IT-540, Lines 12 and 21. ____________ .00
3. Enter the total amount of Refundable Credits from your 2025 Form IT-540, Lines 18 and 26. ____________ .00
4. Subtract Lines 2 and 3 from Line 1 and enter the result. ____________ .00
5. Multiply Line 4 by 90 percent and enter the result here and on Form R-210R, Line 1. ____________ .00

Line 2 — One hundred percent of previous year's tax liability. Use the steps below to compute this amount from your 2024 Form IT-540.

1. Enter the amount of your Louisiana Income Tax from your 2024 Form IT-540, Line 10. ____________ .00
2. Enter the total amount of Nonrefundable Credits from your 2024 Form IT-540, Lines 11 and 20. ____________ .00
3. Enter the total amount of Refundable Credits from your 2024 Form IT-540, Lines 17 and 25. ____________ .00
4. Subtract Lines 2 and 3 from Line 1 and enter the result here and on Form R-210R, Line 2. ____________ .00

Line 3 — On Form R-210R, Line 3, enter the amount of Line 1 or Line 2, whichever is smaller. If no return was filed for 2024 or you filed as a part-year resident for 2024, use the amount from Form R-210R, Line 1.

Line 4 — Number of installments. Generally, a person is required to make four installments beginning on April 15, 2025. You may be required to pay in fewer installments if you had a change in income. Enter 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-210R Section 1, divide the amount on Line 3 by the amount on Line 4. Round to nearest dollar and enter the result in the appropriate columns.

Line 6 — Amount paid for each period – For each period, enter the amounts paid for estimated tax, withholding, and credit carry forward. Include any extension payment made on or before January 15, 2026, 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:

	04/15/25	06/15/25	09/15/25	01/15/26
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 2025 tax liability exceeds these guidelines.

Exception 1

1.	Enter the amount from your 2025 Form IT-540, Line 11.	.00
2.	Enter the total amount from your 2025 Form IT-540, Lines 12 and 21.	.00
3.	Enter the total amount from your 2025 Form IT-540, Lines 18 and 26 through 30.	.00
4.	Subtract Lines 2 and 3 from Line 1 and enter the result.	.00
5.	Enter any extension payment(s) included on your 2025 Form IT-540, Line 30, that were made after January 15, 2026.	.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 Surviving Spouse **AND** the amount on Line 6 above is less than or equal to $1,000, **STOP – NO PENALTY IS DUE.**
8. If your filing status is Married Filing Joint **AND** the amount on Line 6 above is less than or equal to $2,000, **STOP – NO PENALTY IS DUE.**

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 2024.

This exception applies if your 2025 payments (withholding, declarations, and any extension payments made before January 15, 2026) equal or exceed your 2024 income tax liability for each installment period. Your Louisiana income tax return for 2024 must have covered a full twelve month taxable year and must have reflected an income tax liability.

Exception 2

Line A — In each column, enter the total amount of payments for the indicated period. Payments include declarations, withholding, and any extension payment made on or before January 15, 2026.

Line B — Use the amount from Form R-210R, Line 2. This is 100% of your 2024 tax liability. Multiply the 2024 tax liability by the percentage in each column and enter the result.

		April 15, 2025	June 15, 2025	Sept. 15, 2025	Jan. 15, 2026
A.	Total amount paid and withheld from January 1, 2025 **through the installment date indicated**	.00	.00	.00	.00
	Amount from Form R-210R, Line 2 (_______________)	25%	50%	75%	100%
B.	2024 tax. Multiply the 2024 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-210R, Line 11, enter "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 2024.

This exception applies if your 2025 payments equal or exceed the tax computed on prior year's income using 2025 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 payment made on or before January 15, 2026.

Line B — Use the following worksheet to compute the amount for Line B.

1.	Enter the amount of your taxable income from your 2024 Form IT-540, Line 9.	.00
2.	Multiply Line 1 by.03. Round to the nearest dollar.	.00
3.	Enter the total amount of 2024 Nonrefundable Credits from Form IT-540, Lines 11 and 20.	.00
4.	Enter the total amount of 2024 Refundable Credits from Form IT-540, Lines 17 and 25.	.00
5.	Subtract Lines 3 and 4 from Line 2.	.00

		April 15, 2025	June 15, 2025	Sept. 15, 2025	Jan. 15, 2026
A.	Total amount paid and withheld from January 1, 2025, **through the installment date indicated**	.00	.00	.00	.00

		25%	50%	75%	100%
B.	2024 tax. Multiply the 2024 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-210R, Line 12, enter “Exception” for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty.

Line 13 — Exception 4 – Annualized Income

This exception provides for annualizing the income for the 1st, 2nd, and 3rd **quarters.** This exception applies if your 2025 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 I to the amount on Line J. If Line J is equal to or greater than the amount on Line I, you have met the exception for that period. On Form R-210R, Line 13, enter “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 H substitute 16.67% for the period ending 03/31/25; 33.33% for the period ending 06/30/25; and 50% for the period ending 09/30/25.*

			01/01/25 through 03/31/25	01/01/25 through 06/30/25	01/01/25 through 09/30/25
A	Enter the amount of your Federal Adjusted Gross Income for **each period.**	A	.00	.00	.00
B	Annualization factors	B	4	2	1.33
C	Multiply Line A by Line B.	C	.00	.00	.00
D	For the amounts on Line C, multiply by .03. Round to nearest dollar.	D	.00	.00	.00
E	Enter the amount of refundable and nonrefundable credits **associated with each period.** Refer to your 2025 Form IT-540, Lines 12, 18, 21, and 26.	E	.00	.00	.00
F	Multiply Line E by corresponding annualization factor on Line B.	F	.00	.00	.00
G	Subtract Line F from Line D.	G	.00	.00	.00
H	Applicable percentage - (Farmers and fishermen, see instructions above.)	H	22.5%	45%	67.5%
I	Multiply Line G by Line H.	I	.00	.00	.00
J	Enter the total of credit carry forward, declarations, and withholding **associated with each period.** First, second, and third period declaration payments paid during the extended time to file should be attributed to their respective periods.	J	.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 F. For each column, compare the amount on Line E to the amount on Line F. If Line F is equal to or greater than the amount on Line E, you have met the exception for that period. On Form R-210R, Line 14, enter "Exception" for each period exempted. If you have an exception for all periods, you do not owe an underpayment penalty.

			01/01/2025 through 03/31/2025	01/01/2025 through 05/31/2025	01/01/2025 through 08/31/2025	01/01/2025 through 12/31/2025
A	Enter the amount of your Federal Adjusted Gross Income for **each period.**	A	.00	.00	.00	.00
B	Enter the amount of Louisiana Individual income tax due on your 2025 Form IT-540, Line 11.	B	.00	.00	.00	.00
C	Enter the amount of nonrefundable and refundable credits **associated with each period.** Refer to your 2025 Form IT-540, Lines 12, 18, 21, and 26.	C	.00	.00	.00	.00
D	Subtract Line C from Line B and enter the result for each period. This is your tax for each period.	D	.00	.00	.00	.00
E	Multiply Line D by 90 percent.	E	.00	.00	.00	.00
F	Enter 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.	F	.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-210R, Lines 11 through 14, enter any underpayment found on Line 9 in the appropriate column.

Line 16 — Enter the date the payment was made that satisfied the underpayment. This date may be the date you 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 15th 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 enter the result in the appropriate column. To compute the underpayment penalty for farmers and fishermen, determine the number of days from January 15, 2026, to the date that the underpayment is satisfied OR the 15th 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-210R, Line 18, and enter the result on Line 19. This penalty must be entered on Form IT-540, Line 33, if you have calculated an **overpayment** on your 2025 return and you failed to sufficiently pay income tax throughout the year. If you have a **balance due** on your 2025 Form IT-540, Line 39, and you failed to sufficiently pay income tax throughout the year, enter the amount from R-210R, Line 19, on Form IT-540, Line 46.