



Enter name(s) as shown on page 1, Form 740, 740-NP or 741.

Social Security or Federal Identification Number

--	--	--	--	--	--	--	--

PART I—EXCEPTIONS TO THE PENALTY

The penalty shall not apply if one of the following exceptions is met. If one or more of the following applies to you, check the appropriate box(es), complete any necessary blank(s) and check the "Form 2210-K attached" box located on Form 740, line 34(a), Form 740-NP, line 34(a), or Form 741, line 22(a).

Check applicable box(es). If none of the exceptions apply, go to Part II.

- 1 Prepaid tax **equals or exceeds** last year's income tax liability.
 - a Enter the liability from the 2022 return, Form 740 or Form 740-NP, page 1, line 26, or Form 741, line 20 (see instructions).....
 - b Enter amount from the 2023 Form 740, line 32, Form 740-NP, page 2, line 32*, or Form 741, line 20(d)

Line (b) must **equal or exceed** line (a) to claim the exception.
- 2 Two-thirds ($\frac{2}{3}$) or more of the gross income was from farming for 2022 or 2023; this return is being filed on or before March 1, 2024; **and** the total tax due is being paid in full. Fiscal year taxpayers must file a return and pay the tax due on or before the first day of the third month following the close of the tax year.
 - a Enter total gross income
 - b Multiply by $\frac{2}{3}$ (.67).....
 - c Enter gross income from farming.....

Line (c) must **equal or exceed** line (b) to qualify for the exception.
- 3 You're filing a decedent's estate return for any tax year ending before the date that is two years after the decedent's death.
- 4 You're filing a trust return for a trust that was owned by the decedent for any tax year ending before the date that is two years after the decedent's death.

1a		00
1b		00
2a		00
2b		00
2c		00

PART II—REQUIRED ANNUAL PAYMENT

Check if using Annualized Income Installment Method, go to Part III

1	Enter 2023 income tax liability: (Form 740 or Form 740-NP, page 2, line 26, or Form 741, line 19)	1		00
2	Enter 2023 income tax withheld and refundable credits: (Form 740 or Form 740-NP, page 2, line 31(a) and 31(c), or Form 741, line 20(b)).....	2		00
3	Enter 2023 nonresident withholding: (Form 740-NP, page 2, line 31(d), or Form 741, line 20(c)).....	3		00
4	Add lines 2 and 3. Enter total here.....	4		00
5	Subtract line 4 from line 1. If the result is \$500 or less, stop here; you do not owe a penalty. (Do not file Form 2210-K.).....	5		00
6	Multiply line 1 by 90% (.90).....	6		00
7	Enter 2022 income tax liability: (2022 Form 740 or Form 740-NP, page 2, line 26, or Form 741, line 20) (see instructions).....	7		00
8	Required annual payment. Enter the smaller of line 6 or line 7	8		00

*Do not include amounts prepaid with extension after the due date with a fourth declaration installment or amounts paid with the original return.

DRAFT
7/23



NOTE: Use this page to calculate the estimated tax penalty due.

PAYMENT DUE DATES

	A 4/15/23	B 6/15/23	C 9/15/23	D 1/15/24
9 Required Installments. Enter 25% (.25) of Part II, line 8 in each column.....	9	00	00	00
10 Estimated tax paid and tax withheld. For column A only, enter the amount from line 10 on line 14. If line 10 is equal to or greater than line 9 for all payment periods (columns A through D), stop here. You do not owe a penalty. Complete lines 11 through 18 of each column before going to the next column	10	00	00	00
11 Enter amount, if any, from line 18 of previous column.....	11		00	00
12 Add lines 10 and 11. Enter here.....	12		00	00
13 Enter the amount from line 17 of previous column.	13		00	00
14 Subtract line 13 from line 12. If zero or less, enter -0-. For column A only, enter the amount from line 10	14	00	00	00
15 If the amount on line 14 is zero, subtract line 12 from line 13. Otherwise, enter zero	15	00	00	00
16 Underpayment. If line 9 is equal to or greater than line 14, subtract line 14 from line 9. Otherwise, go to line 18	16	00	00	00
17 Add lines 15 and 16. Enter here. If line 9 is equal to or greater than line 14, then go to line 11 of the next column	17	00	00	00
18 Overpayment. If line 14 is more than line 9, subtract line 9 from line 14, then go to line 11 of the next column	18	00	00	00

FIGURING THE PENALTY

	19	6/15/23	9/15/23	1/15/24	4/15/24
19 Penalty calculation payment date	19	6/15/23	9/15/23	1/15/24	4/15/24
20 Number of days from the payment due date shown at the top of the column above line 9 to the date the amount on line 17 was paid, or the date shown for that column on line 19, whichever is earlier	20				
21 Annual Percentage Rate (APR).....	21	.08	.08	.08	??
22 Underpayment from line 17 X Number of days from line 20 X APR on line 21	22	00	00	00	00
23 ESTIMATED TAX PENALTY: Add amounts on line 22 columns A through D, this is your estimated tax penalty. Enter here and on Form 740 or Form 740-NP, line 34(a) or Form 741, line 22(a)	23				00

DRAFT



PART III—ANNUALIZED INCOME INSTALLMENT METHOD (See federal instructions)

Estates and trusts, don't use the period ending dates shown to the right. Instead, use the following: 2/28/23, 4/30/23, 7/31/23, and 11/30/23.

Annualized Income Installments

1 Enter your adjusted gross income for each period (see instructions). (Estates and trusts, enter your taxable income without your exemption for each period.)

2 Annualization amounts. (Estates and trusts, see federal instructions)

3 Annualized income. Multiply line 1 by line 2

4 If you itemize, enter itemized deductions for the period shown in each column. All others enter -0-, and skip to line 7. Exception: Estates and trusts, skip to line 9 and enter amounts from line 3

5 Annualization amounts

6 Multiply line 4 by line 5

7 In each column, enter the full amount of your standard deduction from Form 740 or 740-NP, line 10

8 Enter the larger of line 6 or line 7

9 Subtract line 8 from line 3

10 Form 740 or 740-NP filers, enter -0- in each column. (Estates and trusts, see federal instructions.)

11 Subtract line 10 from line 9. If zero or less, enter -0-

12 Figure your tax on the amount on line 11. Multiply by 4.5% (.045)

13 Applicable Percentage

14 Multiply line 12 by line 13

Complete lines 15-20 of one column before going to line 15 of the next column

15 Enter the total of the amounts in all columns of line 20

16 Subtract line 15 from line 14. If zero or less, enter -0-

17 Enter 25% (0.25) of Part II, line 8 of Form 2210-K in each column

18 Subtract line 20 of the previous column from line 19 of that column

19 Add lines 17 and 18

20 Enter the smaller of line 16 or line 19 here and on Form 2210-K, Part II, line 9

Table with 4 columns (A, B, C, D) and 20 rows. Column headers: A (1/1/23-3/31/23), B (1/1/23-5/31/23), C (1/1/23-8/31/23), D (1/1/23-12/31/23). Rows 1-20 contain numerical data and percentages.

DRAFT

Instructions for Form 2210-K

2023

General Instructions

Purpose of Form—To determine if you owe an underpayment of estimated tax penalty.

Who Must File Form 2210-K—In general, you may owe a penalty for 2022 if you owe more than \$500 and if the total of your withholding and timely estimated tax payments didn't equal at least the smaller of:

1. 90% of your 2022 tax, or
2. 100% of your 2021 tax. Your 2021 tax return must cover a 12-month period.

Special rules for certain individuals—Different percentages are used for farmers and fishermen, and certain higher income taxpayers.

Farmers and fishermen—If at least two-thirds of your Kentucky gross income for 2021 or 2022 is from farming and fishing, substitute 66 2/3% for 90% in (1) above. See federal Form 2210 instructions.

Higher income taxpayers—If your Kentucky adjusted gross income for 2021 was more than \$150,000 (\$75,000 if your Kentucky 2021 filing status was married filing separately on a combined return or separate returns), substitute 110% for 100% in (2) above.

Part I—Exceptions to the Penalty—You may not owe a penalty if one of the exceptions below are met. If you meet one or more of the exceptions, check the appropriate box(es), complete the lines associated with the exception and check the "Form 2210-K attached" box on form 740, line 34(a) (Form 740-NP, line 34(a)). If none of the exceptions apply, go to Part II.

Exceptions:

- You had no liability for 2021, you were a U.S. Citizen or resident alien for the entire year (or an estate of a domestic decedent or a domestic trust), and your 2021 tax return (or would have been required to file) was for a full 12 months.
- The tax shown on the 2022 return minus the amount of tax you paid through withholding, estimated payments, and refundable credits is less than \$500.
- Your gross income from farming or fishing is at least two-thirds of your annual gross income from all sources for 2021 or 2022 and you paid the entire tax due by March 1, 2023.
- You're filing a decedent's estate return for any tax year ending before the date that is two years after the decedent's death.
- You're filing a trust return for a trust that was owned by a decedent for any tax year ending before the date that is two years after the decedent's death.

Part II—Required Annual Payment

Lines 1–8—This section is used to calculate your required annual payment. The required annual payment is used to calculate the amount of payment that you should have made each quarter. The required annual payment is the lesser of: (1) 90% of your income tax liability after refundable credits are applied or (2) 100% of the tax shown on your 2021 tax return (2021 Form 740 or Form 740-NP, page 1, line 26 or Form 741, line 20). Higher income taxpayers see instructions above.

Line 9—Multiply line 8 by 25 percent (.25) and enter in columns A through D, or if you used the annualized income installment method in Part III, enter the amount from Part III, line 20 into the appropriate columns. To use the annualized income installment method complete Part III.

42A740-S1 (10-23)

Line 10—Enter the sum of estimated tax payments made and Kentucky withholding for each quarter. If you have Kentucky income tax withheld, multiply the total by 25 percent (.25) and enter in columns A through D. If you had a credit forward from a prior year return, enter the total amount in Column A only.

Note: Complete lines 11 through 18 for Column A before going to Column B, etc.

Line 11—Enter amount from line 18 of the previous column. This amount should be the overpayment if any from the previous column.

Line 13—Enter amount from line 17 of the previous column. This amount should be the underpayment amount from the previous column that will be carried over to each column until the payment is made.

Line 17—This is the underpayment amount for that column and any underpayment from the previous columns. The underpayment will continue to carryover to the next column until the payment is made or the due date, whichever is earlier.

Figuring the Penalty—The penalty will be calculated on each underpayment in each column from the payment due date written above line 9 to the date on line 19 or the date the payment was made, whichever is earlier. The underpayments will carryover to the next column and be added to that column's underpayment to calculate the penalty on that balance.

Line 19—Use this date to calculate the number of days that the current interest amount will be based upon, unless the underpayment was paid prior to this date.

Line 20—This is the number of days from the payment due date shown above line 9 to the date the amount on line 17 was paid or the date shown on line 19 for the column in which you are calculating penalty.

For example, if your underpayment on line 17 for column A is \$1,000, you would calculate the penalty from 4-15-22 to 6-15-22 and enter 61 days on line 20. If this \$1,000 remains unpaid, it will be added to any underpayment in column B and you would calculate interest from 6-15-22 until 9-15-22 which would be 92 days for that period, etc.

Line 21—The annual percentage rate is established by the Department of Revenue for each calendar year. The percentage rate for calendar years 2022 is 5 percent and 2023 is 8 percent. The penalty calculation for the required third installment payment may be calculated using two different rates.

Part III—Annualized Income Installment Method

If your income varied during the year you may be able to lower or eliminate the amount of one or more required installments by using the annualized income installment method. For example, you operated your business on a seasonal basis or you had a large capital gain late in the year. Note: If you use Part III for any payment due dates, you must use it for all payment due dates.

Line 1—For each period (column), figure your total income minus your adjustments to income. Include your share of partnership or S corporation income or loss items for the period.

Line 2—Estates and trusts don't use the amounts shown in columns (a) through (d). See Federal instructions.

Line 6—If you itemized deductions, multiply line 4 of each column by line 5 and enter the result on line 6.

Line 7—Enter the standard deduction amount of \$2,770.

Line 10—Form 740 or 740-NP filers, enter -0- in each column. Estates and trusts see federal instructions.

DRAFT
7/23