

Mississippi Individual Income Tax Underestimate Computation Example

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- 09 **Line 5** Required installments. Enter 1/4th (.25) of line 4 in each columns A through D. Divide the amount on Line 4 by (4) four and enter in each column A through D.
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- 12 **Line 6** **Income tax withheld (column A only) and estimated tax paid.** For column (A) *only*, enter the total **overpayment from prior year, estimated tax paid and/or withholding as of payment due date.** In remaining columns B through D enter estimated tax paid as of payment due dates on line 6. If line 6 is equal to or more than line 4 for all payment periods, stop here; you do not owe the penalty.
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- 16 **Line 7** Overpayment (negative) or underpayment (positive) - carryforward (from line 8) any overpayment or underpayment from previous column(s) line 8.
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- 19 **Line 8** Underestimate subject to interest (line 5 minus line 6 plus line 7); enter result here and on line 7, columns B through D.
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- 21 **Line 9** Enter percentage of interest (compute interest at 1/2% per month from payment due date until paid or next payment due date, whichever is earlier).
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- 24 **Line 10** Interest due (multiply line 9 by line 10); **if line 8 is negative enter zero on line 10.**
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- 26 **Line 11** Total underestimate interest due (enter the total of line 10, columns A through D); If an overpayment is due, enter here and on Form 80-105, line 30 and Form 80-205, line 32.
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Example:

INTEREST ON UNDERPAYMENT OF ESTIMATED TAX

	CALCULATION OF ESTIMATE PAYMENT			
1 2023 Mississippi income tax liability (see instructions)	1	6520		
2 Multiply the amount on line 1 by 80% and enter the result	2	5216		
3 2022 Mississippi income tax liability (see instructions)	3	4510		
4 Enter the lesser of line 2 or line 3 (see instructions)	4	4510		

	INTEREST CALCULATION			
	A Apr-15-2023	B Jun-15-2023	C Sept-15-2023	D Jan-15-2024
5 Required installments Enter 1/4th (.25) of line 4 in columns A through D)	1127.50	1127.50	1127.50	1127.50
6 Income tax withheld (column A only) and estimated tax paid (enter total estimated tax paid as of payment due dates in columns A through D).	1500.00	1000.00	500.00	0.00
7 Overpayment (negative) or underpayment (positive) - carryforward (from line 8) any overpayment or underpayment from previous column(s) line 8.		(372.50)	(245.00)	382.50
8 Underestimate subject to interest (line 5 minus line 6 plus line 7); enter result here and on line 7, columns B through D.	(372.50)	(245.00)	382.50	1510.00
9 Enter percentage of interest (compute interest at 1/2% per month from payment due date until paid or next payment due date, whichever is earlier)	0.010	0.015	0.020	0.015
10 Interest due (multiply line 8 by line 9; if line 8 is negative, enter zero)	0.00	0.00	7.65	22.65
11 Total underestimate interest due (enter the total of line 10, columns A through D)		11		30.30