



2020 Ohio IT/SD 2210 Interest Penalty on Underpayment of Ohio Individual Income, School District Income and Pass-Through Entity Tax

Include with your 2020 Ohio tax return.

Use UPPERCASE letters.

Section 1: Complete this section if you are filing **Ohio IT 1040** or **SD 100**.

Taxpayer's SSN (required) Spouse's SSN (only if married filing jointly)

Taxpayer's first name M.I. Last name

Spouse's first name (only if married filing jointly) M.I. Last name

Section 2: Complete this section if you are filing **Ohio IT 4708, IT 1140, IT 1041, or SD 100E**.

FEIN Decedent's SSN (estates)

Name of pass-through entity, trust or estate

Additional line, if necessary, for name of pass-through entity, trust or estate

Section 3:

Total interest penalty due (from page 2, line 8 or page 3, line 6)

Include pages 1 and 2 when you file your Ohio IT 1040, SD 100, SD 100E, IT 1041 or IT 4708 tax return.

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

Federal Privacy Act Notice: Because we require you to provide us with a Social Security number, the *Federal Privacy Act of 1974* requires us to inform you that providing us with your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax.



10211411

Taxpayer's name _____ Taxpayer's FEIN/SSN _____

2020

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. 2020 Ohio income taxes paid (timely paid* 2020 estimated payments plus withholding plus 2019 credit carryforward)1. 00
2. 2020 Ohio income tax liability (total tax minus total credits)2. 00
3. 2019 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 5b5a. Yes No
5b. Did you timely file a 2019 Ohio income tax return? If yes, continue to line 5c. If no, skip to line 5d5b. 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 5d5c. 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 65d. 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

Table with 4 columns: A (7/15/20 - 25%), B (7/15/20 - 50%), C (9/15/20 - 75%), D (1/15/21 - 100%). Rows 1-8 for interest penalty calculation.

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.



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Taxpayer's name _____ Taxpayer's FEIN/SSN _____

2020
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. 2020 Ohio withholding taxes paid (<u>timely paid</u> * 2020 estimated payments).....	1.		00
2. 2020 Ohio withholding tax liability (total tax).....	2.		00
3. 2019 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.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5b. Did you timely file a 2019 Ohio IT 1140? If yes, continue to line 5c. If no, continue to line 6.....	5b.	<input type="checkbox"/> Yes <input type="checkbox"/> 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.	<input type="checkbox"/> Yes <input type="checkbox"/> 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	B	C	D
7/15/20 – 25%	7/15/20 – 50%	10/15/20 – 75%	1/15/21 – 100%
	0.000000	0.012594	0.011773

1. Multiply the amount on Part I, line 6 by the percentage indicated at the top of each column at right	1.		
2. Total estimated tax paid by the dates shown at the top of each column at right.....	2.		
3. Underpayment subject to interest penalty (line 1 minus line 2; if less than zero, enter zero).....	3.		
4. Ratio (if full or partial payment was made see instructions on page 4).....	4.		
5. Interest penalty for the period: Multiply line 3 by line 4 for each column at right.....	5.		
6. Total interest penalty due (sum of line 5, columns A through D). Enter here and on section 3 of page 1.....	6.		

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.



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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.

“**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 – 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

Previous Year Tax Liability – 2019

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 – 2020

IT 1140	Schedule A, line 1, sum of column I and II
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Previous Year Tax Liability – 2019

IT 1140	Schedule A, line 1, sum of column I and II
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For more information on this topic, go to tax.ohio.gov for FAQs (located under the “Income - Estimated Income/School District Taxes and the 2210 Interest Penalty” category).

Ratios – The listed ratios on the previous pages are based upon the statutory interest rate (5% for 2020 and 3% for 2021) 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 7/15/20 through 9/15/20. The taxpayer will compute interest penalty for the period 7/15/20 through 9/15/20 by multiplying the underpayment shown on Part II, line 5, column B by the ratio (0.008487) shown on line 6, column B.

Interest penalty = \$1,000 X 0.008487 = \$8.49 to Part II, line 7, column B

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 B is \$1,000. Also assume that the taxpayer paid this in full on 8/15/20. The taxpayer should ignore the ratio shown on Part II, line 6, column B and compute the rate as follows:

Step 1 – Determine the number of days from the date the payment was due (7/15/20) to the date the payment was made (8/15/20): 7/16/20 to 8/15/20 = 31 days.

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

$\text{Ratio} = \text{interest rate} \times \text{number of days late} \div 365.25$

$\text{Ratio} = 0.05 \times 31 \div 365.25 = 0.004244$

Interest penalty = \$1,000 X 0.004244 = \$4.24 to Part II, line 7, column B

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 B is \$1,000. Also assume that the taxpayer paid \$600 on 8/15/20. The taxpayer should ignore the ratio shown on Part II, line 5, column B and compute the rate as follows:

Step 1 – Determine the number of days from the date the payment was due (7/15/20) to the date the payment was made (8/15/20): 7/16/20 to 8/15/20 = 31 days.

Step 2 – Calculate the interest penalty for that period by using the following formula: $\text{interest penalty} = \text{underpayment} \times \text{interest rate} \times \text{number of days late} \div 365.25$

$\text{Interest penalty} = \$1,000 \times 0.05 \times 31 \div 365.25 = \4.24

Step 3 – Determine the number of days from the payment date (8/15/20) to the next required due date (9/15/20): 8/16/20 to 9/15/20 = 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: $\text{interest penalty} = \text{underpayment} \times \text{interest rate} \times \text{number of days late} \div 365.25$

$\text{Interest penalty} = \$400 \times 0.05 \times 31 \div 365.25 = \1.70

Step 5 – Add the interest penalty amounts calculated in Steps 2 and 4: \$4.24 + \$1.70 = \$5.94 to Part II, line 7, column B.