

Name shown on Form RI-1040C	Federal Identification Number
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PART 1 REQUIRED ANNUAL PAYMENT

1. Enter the entity's **2008** RI income tax from RI-1040C, line 15..... 1. _____
2. Enter 80% of the amount shown on line 1..... 2. _____
3. RI withholding taxes paid for **2008** from RI-1040C, lines 17 and 18..... 3. _____
4. Subtract line 3 from line 1 - (If the result is \$250.00 or less, do not complete the rest of this form.)..... 4. _____
5. Enter the entity's **2007** RI tax from RI-1040C, line 15..... 5. _____
6. Enter the **SMALLER** of line 2 or line 5..... 6. _____

PART 2 SHORTCUT METHOD

You can use this method if you meet the following conditions (Otherwise, you must complete parts 3 and 4 to figure your underestimating interest):

- ① the entity made no estimated payments **OR** all 4 estimated payments were equal and paid by the appropriate due dates;
- ② **AND** the entity did not complete RI-2210C, part 5 (Annualized Income Installment Worksheet).

7. Enter the amount from Part 1, line 6 above..... 7. _____
8. Enter the total withholding and estimated tax paid from RI-1040C, lines 16, 17 and 18..... 8. _____
9. Underpayment - subtract line 8 from line 7..... 9. _____
10. Multiply line 9 by 12.0205% (0.120205)..... 10. _____
11. If the amount on line 9 was paid on or after 4/15/09, then enter \$0.
If the amount on line 9 was paid before 4/15/09, then make the following calculation:
Multiply the amount on line 9 times the number of days paid before 4/15/09 times 0.00033 and enter the result here..... 11. _____
12. **UNDERESTIMATING INTEREST** - subtract line 11 from line 10 - enter here and on RI-1040C, line 22..... 12.

PART 3 FIGURE YOUR UNDERPAYMENT

PAYMENT DUE DATES

	Column A 04/15/2008	Column B 06/15/2008	Column C 09/15/2008	Column D 01/15/2009
13. Divide the amount on line 6 by four (4) and enter the results in each column..	13.			
14. Annualized income installments from part 5, line 33 NOTE: Complete lines 15 through 17 in one column before completing the next column.	14.			
15. Enter the amount from line 13 or line 14 if applicable.....	15.			
16. RI tax withheld and estimated tax paid (If line 16 is equal to or more than line 15 for all installment periods, do not complete or file this form unless you report annualized income installments on line 14).....	16.			
17. UNDERPAYMENT - Subtract line 16 from line 15 OR , OVERPAYMENT - Subtract line 15 from line 16.....	17.			

PART 4 HOW TO FIGURE THE CHARGES

	Column A 04/15/2008	Column B 06/15/2008	Column C 09/15/2008	Column D 01/15/2009
18. Payment date or date listed in instructions for line 18, whichever is earlier.....	18.	/ /	/ /	/ /
19. A. Number of days from the installment date to date of payment or the due date of the next installment, whichever is earlier.....	19A.	days	days	days
B. <u>Number of days on line 19A</u> X 18% X underpayment on line 17... 366	19B.			
20. A. Number of days from January 1, 2009 to the date of payment or January 15, 2009, whichever is earlier.....	20A.		days	
B. <u>Number of days on line 20A</u> X 18% X underpayment on line 17..... 366	20B.			
21. A. Number of days from January 15, 2009 to the date of payment or April 15, 2009, whichever is earlier.....	21A.			days
B. <u>Number of days on line 21A</u> X 18% X underpayment on line 17..... 365	21B.			

22. **UNDERESTIMATING INTEREST** - Total amount from all columns on lines 19B, 20B and 21B. Enter here and on RI-1040C, line 22. 22.

PURPOSE OF THIS FORM

Entities should use this form to determine if their income tax was sufficiently prepaid throughout the year by having Rhode Island tax withheld or by paying Rhode Island estimated tax; if not, a charge may be imposed on the underpayment of the taxes. Complete Part 1 of this form to determine if the payment of the charge may be avoided.

PART 1 - REQUIRED ANNUAL PAYMENT

- Line 1** - Enter your 2008 Rhode Island tax from RI-1040C, line 15.
- Line 2** - Enter 80% of the amount shown on line 1.
- Line 3** - Enter the amount of Nonresident real estate withholding and Nonresident withholding received from pass-through entities for 2008 from RI-1040C, lines 17 and 18.
- Line 4** - Subtract line 3 from line 1. If the result is \$250.00 or less you do not owe any amount and need not complete the rest of this form.
- Line 5** - Enter your 2007 Rhode Island tax - RI-1040C, line 15. If you had no federal tax liability for 2007, then enter zero (\$0).
- Line 6** - Enter the smaller of line 2 or line 5 (including zero). If line 6 is zero, you do not owe any amount and need not complete the rest of this form. **However, you must attach this form to your Rhode Island return.**

PART 2 - SHORTCUT METHOD

- Line 7** - Enter the amount from line 6.
- Line 8** - Enter the amount of estimated tax paid, Nonresident real estate withholding and Nonresident withholding received from pass-through entities for 2008 from RI-1040C, lines 16, 17 and 18.
- Line 9** - Subtract line 8 from line 7.
- Line 10** - Multiply line 9 by 12.0205% (0.120205)
- Line 11** - If you paid the tax balance due after 4/15/09, enter zero (\$0). If you paid the tax balance due before 4/15/09, multiply the number of days paid before 4/15/09 by the amount on line 9 and by 0.00033 and enter the result on line 11.
- Line 12** - Subtract line 11 from line 10 - enter here and in the space provided on RI-1040C, line 22.

PART 3 - FIGURE YOUR UNDERPAYMENT

- Line 13** - Divide the amount shown on line 6 by four (4) and enter the result in each column.
- Line 14** - If your income varies during the year, you may complete the annualized income installment worksheet. However, if you complete and use line 14 for any installment you must complete it and use it for all installments. **NOTE: COMPLETE LINES 15-17 FOR ONE COLUMN BEFORE COMPLETING THE NEXT COLUMN.**
- Line 15** - Enter the amount from line 13 (or from line 14, if line 14 was completed).
- Line 16** - You are considered to have paid Rhode Island withholding tax evenly during the year unless you can show otherwise. Therefore, you are considered to have paid one-fourth of your Rhode Island withholding on each installment due date. Divide the total amount withheld by 4 and enter the results in each column. Enter the estimated taxes paid that were for 2008 tax year plus any portion of your overpayment from 2007, which you elected to be applied to 2008. Enter in column A those payments made on or before April 15, 2008, in column B those payments made between April 16, 2008 and June 15, 2008, in column C those payments made between June 16, 2008 and September 15, 2008, and in column D those payments made between September 16, 2008 and January 15, 2009.

If you filed your return on or before February 15, 2009 and paid the tax balance in full, then enter that amount in column D. This only applies to those taxpayers who either were not required to make a Rhode Island estimated tax payment prior to the January 15, 2009 installment date or included their January 15, 2009 installment payment with the tax balance paid on or before February 15, 2009.

Line 17 - Subtract line 16 from line 15 for any underpayments. Subtract line 15 from line 16 for any overpayments. Any overpayments on line 17 should be used to increase the amount entered on line 16 for the next installment period. Any underpayment on line 17 should be used to decrease the amount on line 16 for the next installment period. However, if you entered amounts on line 14, annualized income installments, and the amounts on line 17 are zero (\$0) or less for all installment periods, then enter zero (\$0) on line 21 and file this form with your return.

PART 4 - HOW TO FIGURE THE CHARGE

- Line 18 - Column A:** Enter the date you paid the tax balance due for the current installment or 6/15/2008, whichever is earlier. **Column B:** Enter the date you paid the tax balance due for the current installment or 9/15/2008, whichever is earlier. **Column C:** Enter the date you paid the tax balance due for the current installment or 12/31/2008, whichever is earlier. **Column D:** Enter the date you paid the tax balance due for the current installment or 4/15/2009, whichever is earlier.
- Line 19A** - Enter the number of days from the installment due date to the date of payment or the due date of the next installment, whichever is earlier.
- Line 19B** - Compute the charge using the applicable interest rates and number of days times underpayment entered on line 17 for each installment period. Divide the number of days from line 19A by the total number of days in the year times the applicable interest rate times the amount of the underpayment on line 17 for each installment.
- Line 20A** - Enter the number of days from January 1, 2009 to the date of payment or January 15, 2009, whichever is earlier.
- Line 20B** - Compute the charge using the applicable interest rates and number of days times underpayment entered on line 17 for each installment period. Divide the number of days from line 20A by the total number of days in the year times the applicable interest rate times the amount of the underpayment on line 17.
- Line 21A** - Enter the number of days from January 15, 2009 to the date of payment or April 15, 2009, whichever is earlier.
- Line 21B** - Compute the charge using the applicable interest rates and number of days times underpayment entered on line 17 for each installment period. Divide the number of days from line 21A by the total number of days in the year times the applicable interest rate times the amount of the underpayment on line 17.
- Line 22** - Add the amounts from lines 19B, 20B and 21B in all columns and enter the total here. Include this amount with your tax balance payment and attach this form to your return. If your Rhode Island tax return has previously been filed, then attach your check to this form and mail it to the RI Division of Taxation, One Capitol Hill, Providence, RI 20908-5806.

PART 5 ANNUALIZED INCOME INSTALLMENT WORKSHEET

IMPORTANT: Complete one column lines 23-33 before completing the next column.

- 23. Figure actual taxable income.....
- 24. Annualization amounts.....
- 25. Multiply the amount on line 23 by the indicator on line 24.....
- 26. Figure the Rhode Island tax on the amount on line 25.....
- 27. Applicable percentage.....
- 28. Multiply the amount on line 26 by the applicable percentages on line 27.....
- 29. Enter the combined amount from line 33 for all preceding periods.....
- 30. Subtract line 29 from line 28 (not less than zero).....
- 31. Enter the amount from RI-2210C, page 1, line 13 for the period plus the amount from line 32 of this worksheet for the preceding period.....
- 32. If line 31 is more than line 30, **SUBTRACT** line 30 from line 31, **OTHERWISE** enter zero.....
- 33. Enter the smaller of line 30 or line 31 here and on page 1, line 14.....

	01/01/08 03/31/08	01/01/08 05/31/08	01/01/08 08/31/08	01/01/08 12/31/08
	4	2.4	1.5	1
	20%	40%	60%	80%