Attachment
Sequence No.15

FORM 2210ME

2014

Underpayment of Estimated Tax by Individuals, Estates or Trusts
Enclose with your Form 1040ME or Form1041ME
(See instructions on back)

For calendar year 2014 or fiscal year beginning _____ , 2014 and ending _____ , _____

Name(s) as shown on Form 1040ME or 1041ME

Your SSN or EIN

___ ___ ___ - ___ ___ - ___ ___ ___ ___

Part I — Calculating Your Underpayment

1. 2014 tax. (Form 1040ME - line 24 minus lines 25c and 25d or Form 1041ME - line 6 minus any refundable tax credit included on Form 1041ME, line 7c) .... **1.** _____

2. Multiply tax on line 1 by 90% (66 2/3% for farmers and fishermen) .... **2.** _____

3. 2014 Maine Income Tax Withheld, Form 1040ME, line 25a, or Form 1041ME, line 7a. .... **3.** _____

4. Subtract line 3 from line 1. If the result is less than $1,000, do not complete or file this form..................... **4.** _____

5. 2013 tax (if short year, enter the amount from line 2): 2013 Form 1040ME, line 24 minus lines 25c and 25d or 2013 Form 1041ME, line 6 minus any refundable tax credit included on Form 1041ME, line 7a. If less than $1,000, do not complete or file this form .... **5.** _____

6. Enter line 2 or line 5, whichever is less .... **6.** _____

7. Multiply the amount on line 6 by .25 (To compute the amount for line 9). Enter result here .... **7.** _____

		A\nApril 15, 2014	B\nJune 16, 2014	C\nSept. 15, 2014	D\nJan. 15, 2015
8.	**Due dates** for estimated tax payments .... **8.**				
9.	**Estimated tax due.** Enter amount from line 7 above or line 25 of annualized worksheet under each payment due date............... **9.**				
10.	**Less tax payments.** **a.** Tax withheld (Enter 25% [0.25] of line 3 in each column).................. **10a.**				
	b. Estimated tax paid by due date on line 8 .... **10b.**				
	c. Amount carried forward (overpaid) from line 11b, previous column. For column A, enter credit carried forward from previous tax year...... **10c.**				
	d. Total. Add lines 10a, 10b and 10c.................................... **10d.**				
11.	Subtract line 10d from line 9 (may be a negative amount)...................... **11.**				
	a. If line 9 is larger than line 10d, enter the **underpayment** here .... **11a.**				
	b. If line 10d is larger than line 9, enter **overpayment** here.................. **11b.**				

Part II — Calculating the Penalty — For Quarters with entries on line 11a

12.	Enter date of payment of the underpayment on line 11a or the 15th day of the fourth month after close of taxable year, whichever is earlier. **12.**				
13.	Number of months from due date of installment (line 8) to date shown on line 12. A part of a month is considered a whole month .... **13.**				
14.	Enter the rate from the table on next page... **14.**				
15.	Underpayment Penalty — Multiply underpayment on line 11a by the rate on line14.. **15.**				

16. Total of amounts shown on line 15. Enter result here and on Form 1040ME, line 34b or Form 1041ME, line 8b. .... **16.** _____
    (**If zero, do not file this form.** However, if you used the annualized income installment method, you <u>must</u> file this form even if the penalty amount is zero.)

17. Check here <u>and</u> on **Form 1040ME, line 34b** or **Form 1041ME**, **line 8b,** if you use the annualized income installment method..................... **17.** ☐

FORM 2210ME INSTRUCTIONS

Purpose of Form. Use this form to see if you must pay a penalty for underpaying your estimated tax or paying your estimated tax late. Use Part I to see if you paid enough estimated tax on time. If you did not, use Part II to calculate the penalty on any underpayment.

Who Must Pay the Underpayment Penalty? In general, you will owe an underpayment penalty if your 2014 tax liability less allowable credits and withholding is $1,000 or more **and** your 2013 tax liability before tax credits, income tax withholding or any other tax payment(s) for the tax year was $1,000 or more. **NOTE**: Maine law disallows the use of the election to pay estimated tax based on the prior year's tax liability when an unusual event occurs, such as realization of a large, one-time capital gain. You must pay 90% of the tax on the unusual event income for the installment period during which the unusual event occurs. An unusual event occurs when taxable income for the estimated tax installment period exceeds the taxable income received during the same period in the prior tax year by at least $500,000. **If you received unusual event income during any estimated tax installment period beginning in 2014, you must adjust the estimated tax due on line 9 of this form for that period. You may be able to use the actual liability method described below to accomplish this recalculation.**

You will not owe an underpayment penalty or need to file this form if your 2014 tax liability reduced by allowable credits and Maine income tax withheld is less than $1,000, or your 2013 tax liability was less than $1,000. Even though you are required to file this form, you will avoid the underpayment penalty if you paid at least 90% of the 2014 tax on time.

Farmers and Fishermen. If you are a farmer or fisherman who files an income tax return and pays the tax liability in full on or before March 1 of the following year, no penalty is due.

Payment Method. Individuals must make <u>four (4) equal installment payments</u> of estimated tax unless they can document the actual liability for each required installment of estimated tax.

Use the <u>actual liability method</u> if your income varied during the year because, for example, you own a seasonal business or the majority of your income was received in one payment. *Using this method may lower or eliminate the amount of your quarterly estimated tax payments.* To calculate your actual liability, complete the Annualized Installment Worksheet for each payment due date and check the box on line 17 on this form and on **Form 1040ME, line 34b** or **Form 1041ME, line 8b.**

NOTE: Forms are available at <u>www.maine.gov/revenue/forms</u> or call 207-624-7894.

Computation of Underpayment Penalty. Calculate the penalty on the amount of the underpayment of each installment for the period of underpayment. The penalty rate for calendar year 2014 is .5833% per month or fraction thereof, compounded monthly. For calendar year 2015, the penalty rate is .5833% per month or fraction thereof, compounded monthly Enter on line 14 the appropriate rate from the table below that corresponds to the number of months shown on line 13. Multiply the underpayment on line 11a by the rate on line 14 and enter the result on line 15. **Do not calculate the penalty for the 4th required payment if the tax return for the taxable year is filed and the tax is paid in full by January 31.**

Fiscal-year filers may not use the table below.

Number of Months shown on Line 13	1	2	3	4	5	6	7	8	9	10	11	12
Enter this Rate on line 14, column A	.005833	.011701	.017602	.023538	.029509	.035514	.041555	.047631	.053742	.059889	.066071	.072290
Enter this Rate on line 14, column B	.005833	.011701	.017602	.023538	.029509	.035514	.041555	.047631	.053742	.059889		
Enter this rate on line 14, column C	.005833	.011701	.017602	.023538	.029509	.035514	.041555					
Enter this rate on line 14, column D	.005833	.011701	.017602									