

1991



Department of the Treasury
Internal Revenue Service

Instructions for Form 2210

Underpayment of Estimated Tax by Individuals and Fiduciaries

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average times are:

	Short Method	Regular Method
Recordkeeping	7 min.	13 min.
Learning about the law or the form	5 min.	34 min.
Preparing the form	29 min.	1 hr., 49 min.
Copying, assembling, and sending the form to the IRS	20 min.	35 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

Purpose of Form

Use Form 2210 to see if you owe a penalty for underpaying your estimated tax, and if you do, to figure the amount of the penalty.

IRS Will Figure the Penalty for You

Because Form 2210 is complicated, we encourage you to let us figure the penalty. If you owe it, we will send you a bill. And, as long as you file your return by April 15, 1992, we will not charge you interest if the bill is paid within 10 days after the notice date.

If you want us to figure the penalty for you, complete your return as usual. Leave the penalty line on your return blank; do not file Form 2210.

Caution: See Part I of the form. If any of the boxes on line 1 apply, you must figure the penalty yourself and attach a completed Form 2210 to your return.

Other Methods

We realize that there are different ways to figure the correct penalty. You do not have to use the method prescribed by Form 2210 as long as you enter the correct penalty amount on the penalty line of your return.

However, if you are required to file Form 2210, because one or more of the boxes in Part I applies to you, you must complete certain lines. If you use the short method, you must complete lines 1-17 and enter the penalty on line 20. If you use the regular method, you must complete lines 1-13 and lines 21-29 and enter the penalty on line 34.

Who Must Pay the Underpayment Penalty

You may be charged a penalty if you did not pay enough estimated tax by any of the due dates or if you did not have enough Federal income tax withheld. This is true even if you are due a refund when you file your tax return. The penalty is figured separately for each due date. Therefore, you may owe the penalty for an earlier payment due date, even if you paid enough tax later to make up the underpayment.

In general, you may owe the penalty for 1991 if you did not pay at least the smaller of 90% of your 1991 tax liability or 100% of your 1990 tax liability (if you filed a 1990 return that covered a full 12 months).

Exceptions to the Penalty

You will not have to pay the penalty if either 1 or 2 applies:

1. You had no tax liability for 1990, you were a U.S. citizen or resident for the entire year, and your 1990 tax return was (or would have been had you been required to file) for a full 12 months.
2. The total tax shown on your 1991 return minus the amount of tax you paid through withholding is less than \$500. To determine whether the total tax is less than \$500, complete lines 2-11.

Special Rules for Farmers and Fishermen

If you meet both tests 1 and 2 below, you do not owe a penalty for underpaying estimated tax.

1. Your gross income from farming and fishing is at least two-thirds of your annual gross income for 1990 or 1991.
2. You filed Form 1040 or 1041 and paid the entire tax due by March 2, 1992.

Get Pub. 505, Tax Withholding and Estimated Tax, for the definition of gross income from farming and fishing.

If you meet test 1 but not test 2, use Form 2210F, Underpayment of Estimated Tax by Farmers and Fishermen, to see if you owe a penalty. If you do not meet test 1, use Form 2210.

Waiver of Penalty

If you have an underpayment on line 17 (line 28 if you use the regular method), all or part of the penalty for that underpayment will be waived if the IRS determines that:

1. The underpayment was due to a casualty, disaster, or other unusual circumstances and it would be inequitable to impose the penalty, or
2. In 1990 or 1991, you retired after age 62 or became disabled, and your underpayment was due to reasonable cause.

To request either of the above waivers, do the following:

1. Check the box on line 1a.
2. Complete Form 2210 through line 19 (line 33 if you use the regular method) without regard to the waiver. Write the amount you want waived in parentheses on the dotted line next to line 20 (line 34 for the regular method). Subtract this amount from the total penalty you figured without regard to the waiver, and enter the result on line 20 (line 34 for the regular method).
3. Attach Form 2210 and a statement to your return explaining the reasons you were unable to meet the estimated tax requirements and the time period for which you are requesting a waiver.
4. If you are requesting a penalty waiver due to a casualty, disaster, or other unusual circumstances, attach documentation such as police and insurance company reports.
5. If you are requesting a penalty waiver due to retirement or disability, attach documentation that shows your retirement date (and your age on that date) or the date you became disabled.

The IRS will review the information you provide and decide whether to grant your request for a waiver.

Additional Information

See Pub. 505 for more details. It has examples and samples of filled-in Forms 2210.

For guidance on figuring estimated taxes for trusts and certain estates, see Notice 87-32, 1987-1 C.B. 477.

Part II—Required Annual Payment

Complete lines 2–13 to determine your required annual payment.

If you file an **amended return** by the due date of your original return, use the amounts shown on your amended return to figure your underpayment. If you file an amended return after the due date of your original return, use the amounts shown on the original return.

Exception: If you and your spouse file a joint return after the due date to replace separate returns you originally filed by the due date, use the amounts shown on the joint return to figure your underpayment. This rule applies only if both original separate returns were filed on time.

Line 2

Enter the amount from Form 1040, line 46; Form 1040A, line 25; or Form 1040NR, line 43. For an estate or trust, enter the amount from Form 1041, Schedule G, line 4.

Line 3

Enter the total of the following amounts on line 3:

- Self-employment tax,
- Alternative minimum tax,
- Tax from recapture of investment credit or low-income housing credit,
- Tax on early distributions (Form 5329, Part II, only),
- Internal Revenue Code section 72(m)(5) penalty tax,
- Excise tax on golden parachute payments,
- Advance earned income credit payments,
- An increase or decrease in tax as a shareholder in a qualified electing fund, and
- Interest due under Internal Revenue Code sections 453(l)(3) and 453A(c) on certain installment sales of property.

Line 10

Enter the taxes withheld from Form 1040, lines 54 and 58; Form 1040A, line 28a; or Form 1040NR, lines 51, 55, 58, and 59. For an estate or trust, enter the amount from Form 1041, line 24e.

Line 12

Prior Year Tax.—Figure your 1990 tax using the taxes and credits from your 1990 tax return. Use the same type of taxes and credits as shown on lines 2, 3, 5, and 6 of Form 2210.

If you did not file a return for 1990, or if your 1990 tax year was less than 12 months, **do not** complete line 12. Instead, enter the amount from line 9 on line 13. However, see **Exceptions to the Penalty** on page 1.

Filing Status Change.—If you are filing a joint return for 1991, but you **did not** file a joint return for 1990, add the tax shown on your 1990 return to the tax shown on your spouse's 1990 return and enter the total on line 12. If you filed a joint return for 1990, but you are **not** filing a joint return for 1991, see Pub. 505 to figure your share of the 1990 tax to enter on line 12. Also, see the **Caution** under the line 13 instructions.

Line 13

Compare the amounts on lines 9 and 12. Enter the **smaller** of the two amounts on line 13.

If the amount on line 10 is equal to or more than the amount on line 13, you will not have to complete or attach Form 2210 unless the **Caution** below applies to you.

Caution: *If the amount you enter on line 13 is your prior year tax (from line 12), and you filed or are filing a joint return for either 1990 or 1991 but not for both years, you must check the box on line 1d and complete and attach Form 2210, even if you do not owe a penalty.*

Part III—Short Method

You may use the short method **only** if:

1. You made no estimated tax payments (or your only payments were withheld Federal income tax); or

2. You paid estimated tax in four **equal** amounts on the due dates.
Note: *If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.*

You **may not** use the short method if any of the following applies:

1. You made any estimated tax payments late.
2. You checked the box on either line 1b or line 1c in Part I.
3. You are filing Form 1040NR and you did not receive wages as an employee subject to U.S. income tax withholding.

If you can use the short method, complete lines 14–17 to figure your total underpayment for the year, and lines 18–20 to figure the penalty.

In certain circumstances, if you have an underpayment on line 17, the IRS will waive all or part of the penalty. See **Waiver of Penalty** on page 1.

Part IV—Regular Method

Use the regular method if you are not eligible to use the short method.

Form 1040NR Filers

If you are filing Form 1040NR and you **did not** receive wages as an employee subject to U.S. income tax withholding, the instructions for figuring your underpayment and penalty are modified as follows:

1. Skip column (a) in Part IV. If you are using the Annualized Income Installment Worksheet, also skip column (a) of the worksheet.

2. In column (b) of line 21 in Part IV, enter one-half of the amount on line 13 (unless you are using the Annualized Income Installment Worksheet). If you are using the worksheet, enter in column (b), line 22 of the worksheet one-half of the amount on Form 2210, line 13.

3. In column (b) of line 22 in Part IV, enter the total tax payments made through June 15, 1991, for the 1991 tax year. If you are treating Federal income tax (and excess social security, Medicare, and railroad retirement tax) as having been withheld evenly throughout the year, you are considered to have paid one-third of these amounts on each payment due date.

4. Skip all lines in column (b) that are shaded in column (a) in Part IV. If you are using the Annualized Income Installment Worksheet, also skip lines 20 and 23 in column (b) of the worksheet.

Section A—Figure Your Underpayment

Line 21

Enter on line 21, columns (a)–(d), the amount of your **required installment** for the due date shown in each column heading. For most taxpayers, this is the required annual payment shown on line 13 of Part II, divided by four (4). However, it may be to your benefit to figure your required installments by using the Annualized Income Installment Worksheet on page 5. For more details, see the instructions for the worksheet on page 4.

Line 22

Enter the estimated tax payments you made plus any Federal income tax withheld and excess social security, Medicare, and railroad retirement tax paid.

In column (a), enter the tax payment(s) you made by April 15, 1991, for the 1991 tax year; in column (b), enter

payments you made after April 15 through June 15, 1991; in column (c), enter payments you made after June 15 through September 15, 1991; and in column (d), enter payments you made after September 15, 1991, through January 15, 1992.

When figuring your payment dates and the amounts to enter on line 22 of each column, apply the following rules:

1. For Federal income tax withheld and excess social security, Medicare, and railroad retirement tax, you are considered to have paid one-fourth of these amounts on each payment due date, unless you can show otherwise. **Note:** If you treat withholding as paid for estimated tax purposes when it was actually withheld, you must check the box on line 1c and complete and attach Form 2210 to your return.

2. Include in your estimated tax payments any overpayment of tax from your 1990 return that you elected to apply to your 1991 estimated tax. If you file your return by the due date (including extensions), treat the overpayment as a payment made on April 15, 1991.

3. If you file your return and pay the tax due by January 31, 1992, include on line 22, column (d), the amount of tax you pay with your tax return. In this case, you will not owe a penalty for the payment due by January 15, 1992.

4. If you paid estimated tax on June 16 or 17, 1991, it is considered paid on June 15. If you paid estimated tax on September 16, 1991, it is considered paid on September 15.

Line 28

If line 28 is zero for all payment periods, you do not owe a penalty. But if you checked box 1b, c, or d in Part I, you must file Form 2210 with your return.

If line 28 shows an underpayment for any payment period, see **Waiver of Penalty** on page 1. In certain circumstances, the IRS will waive all or part of the penalty.

Section B—Figure the Penalty

Caution: Read through the following instructions and examples before completing Section B.

Figure the penalty by applying the applicable rate against each underpayment shown on line 28. The penalty is figured for the number of days that the underpayment remained unpaid.

The rates are established at various times throughout the year. For example, there were two rates in effect for the period covered by the 1991 Form 2210. If an underpayment remained unpaid for more than one rate period, the penalty on that underpayment will be figured using both rate periods.

Use lines 30 and 32 to figure the number of days the underpayment remained unpaid. Use lines 31 and 33 to compute the actual penalty amount by applying the rate against the underpayment for the number of days it remained unpaid.

Your payments are applied to any underpayment balance on an earlier installment. It doesn't matter if you designate a payment for a later period. For example, you had an underpayment for the April 15 installment of \$500. The June 15 installment required a payment of \$1,200. On June 10 you sent in a payment of \$1,200 to cover the June 15 installment. However, \$500 of this payment is considered to be for the April 15 installment. The penalty for the April 15 installment is figured to June 10 (56 days). The payment to be applied to the June 15 installment will then be \$700.

List Your Payments for 1991.—Before figuring your penalty in Section B, it will be helpful to list the payments you made for 1991 as shown in the tables below.

TABLE 1

(Payments after 4/15/91 through 12/31/91)

(a) Date	(b) Payments

TABLE 2

(Payments after 12/31/91 through 4/15/92)

(a) Date	(b) Payments

In each table, list only the payments made during the dates shown in the table heading. Also, apply the following rules:

1. Any withheld Federal income tax and excess social security, Medicare, and railroad retirement tax should be included. You are considered to have paid one-fourth of these amounts on each payment due date unless you can show otherwise.

For example, if you had Federal income tax withheld from your wages of \$4,000 during the year, list \$1,000 as being paid on 6/15/91, 9/15/91, and 1/15/92 in the applicable table. Do not list the withholding attributable to the first payment due date (4/15/91).

2. For Table 2, any balance due of income tax that you pay with your tax return is considered a payment for this purpose and should be listed. Use the date you file your return as the payment date, or 4/15/92, whichever is earlier.

Chart of Total Days per Rate Period.—If an underpayment remained unpaid for an entire rate period, use the chart below to determine the number of days to enter in each column. The chart is organized in the same format as Form 2210, Part IV, Section B.

Rate Period	(a)	(b)	(c)	(d)
1 (line 30)	260	199	107	---
2 (line 32)	106	106	106	91

For example, if you have an underpayment on line 28, column (a), but show no payments in Table 1, you would enter 260 on line 30, column (a). This is further explained under Rate Period 1, below.

The following line-by-line instructions apply only to column (a) of Section B. If there is an underpayment shown in column (b), (c), or (d) on line 28, complete lines 30 through 33 for those columns in a similar manner.

Rate Period 1

Line 30

Enter on line 30, column (a), the number of days from 4/15/91 to the date of the first payment listed in Table 1. (If no payments are listed, enter "260.")

Example 1. Assume you had an underpayment of \$5,000 on line 28 and your first payment shown in the table was made on 4/30/91 in the amount of \$3,000. Enter "15" on line 30, column (a) (days from 4/15 to 4/30).

Line 31

Make the computation requested on line 31 and enter the result. Note that the computation calls for the "underpayment on line 28." The amount you use as the "underpayment" depends on whether or not a payment is listed in Table 1.

If There Is a Payment Listed in Table 1.—On a separate sheet of paper apply the payment to the underpayment shown on line 28. The "underpayment" for the computation on line 31 is the amount of the payment applied to the line 28 underpayment. If the payment is more than the underpayment, apply only an amount equal to the underpayment and use that amount for the line 31 computation.

Example 2. Assume the same facts as in Example 1. Because you paid \$3,000 toward the underpayment, enter \$12.33 on line 31 ($\$3,000 \times 15/365 \times .10$).

Example 3. Assume your underpayment on line 28 was \$5,000 and that you paid \$8,000 on 4/30/91. Because your payment was more than your underpayment, you would apply \$5,000 to the underpayment. Enter \$20.55 on line 31 ($\$5,000 \times 15/365 \times .10$).

If There Are No Payments Listed in Table 1.—The “underpayment” is the entire underpayment balance.

Determine If You Need To Make Additional Computations for Column (a)

Whether you need to make additional computations depends on which of the following four conditions applies to you.

1. The payment listed in Table 1 was enough to reduce the underpayment to zero.—There are no further computations to make for column (a). Figure the penalty for any other underpayments shown in columns (b)–(d) of line 28.

2. No payments are listed in Table 1.—You will need to figure the penalty for the next rate period. See **Rate Period 2** on this page.

3. The payment listed in Table 1 did not reduce the underpayment to zero, and no other payments are listed.—Make one more computation for column (a) on lines 30 and 31. This second computation is to figure the penalty on the underpayment balance; that is, the portion of the underpayment that remained unpaid for the entire rate period. In this case, you would enter another number in the entry space for lines 30 and 31, as follows:

- On line 30, enter “260.” This is the total number of days in the first rate period (see the **Chart** on page 3).
- On line 31, make the computation and enter the result. In this case, however, the “underpayment” in the computation

is the remaining balance of the underpayment.

Example 4. Assume the same facts as in Examples 1 and 2. After applying the \$3,000 payment, the underpayment balance is \$2,000. Line 31, therefore, will contain a second entry of \$142.47 ($\$2,000 \times 260/365 \times .10$). Go to line 32 to figure the penalty on the underpayment balance for Rate Period 2.

4. Additional payments are listed in Table 1 and the first payment was not enough to reduce the underpayment to zero.—Make a separate computation for each payment listed until the underpayment is reduced to zero. If there is still an underpayment balance after applying all of the payments, you will need to figure the penalty on the balance of the underpayment in the same manner as shown in Example 4.

Example 5. Assume that your underpayment on line 28, column (a), is \$5,000 and that you made two payments: \$3,000 on 4/30/91 and \$2,000 on 6/20/91.

Line 30 will show two entries in column (a) as follows: “15” (days from 4/15 to 4/30); and “66” (days from 4/15 to 6/20).

Line 31 will show two entries—“\$12.33” ($\$3,000 \times 15/365 \times .10$) and “\$36.16” ($\$2,000 \times 66/365 \times .10$).

Example 6. Assume your underpayment on line 28, column (a), is \$8,000 and that you made two payments: \$3,000 on 4/30/91 and \$3,000 on 6/20/91. Lines 30 and 31 will each show three entries in column (a);

one for each payment, and a third for the underpayment balance of \$2,000 ($\$8,000$ minus $\$6,000$).

Line 30 will, therefore, show “15” days (from 4/15 to 4/30); “66” days (from 4/15 to 6/20); and “260” days (from 4/15/91 to 12/31/91).

Line 31 will show \$12.33, \$54.25, and \$142.47, computed as follows: $\$3,000 \times 15/365 \times .10$ (first payment), $\$3,000 \times 66/365 \times .10$ (second payment), and $\$2,000 \times 260/365 \times .10$ (remaining underpayment balance).

Then figure the penalty for Rate Period 2 (lines 32 and 33). Figure it on the remaining \$2,000 balance.

Rate Period 2

If an underpayment balance remains after applying any payments in Table 1, figure the penalty attributable to that balance on lines 32 and 33. Generally, use the same steps as explained under the instructions for Rate Period 1. But use the dates and interest rate shown on lines 32 and 33 and use only the payments listed in Table 2.

Line 32

Enter on line 32, column (a), the number of days from 12/31/91 to the date of the first payment listed in Table 2. (If no payments are listed in Table 2, enter “106.”)

Line 33

Figure line 33 in the same manner as explained for line 31, except use 9% instead of 10% and a denominator of 366 instead of 365.

Instructions for Annualized Income Installment Worksheet

If your income varied during the year because, for example, you operated your business on a seasonal basis, you may be able to lower or eliminate the amount of one or more required installments by using the annualized income installment method. Use the worksheet on page 5 to figure the amounts to enter on line 21 of Form 2210.

If you use the Annualized Income Installment Worksheet for any payment due date, you must use it for all payment due dates. To arrive at the amount of each required installment, the worksheet automatically selects the smaller of the annualized income installment or the regular installment (increased by the amount saved by using the annualized income installment method in figuring earlier installments).

To use the annualized income installment method, you must do **all**

three of the following:

1. Enter the amount from line 26 of the worksheet in each column of line 21 of Form 2210.
2. Check the box on line 1b.
3. Attach both Form 2210 and a copy of the worksheet to your return.

Additional Information. See Pub. 505 for more information about the annualized income installment method, and a completed sample worksheet. Estates and trusts with short taxable years, see Notice 87-32.

Caution: If you are filing Form 1040NR and you **did not** receive wages as an employee subject to U.S. income tax withholding, see **Form 1040NR Filers**, on page 2, for certain modifications that must be made when completing the **Annualized Income Installment Worksheet**.

Line 1.—If you are self-employed, be sure to take into account the deduction for one-half of your self-employment tax. To figure this amount for each period, complete the self-employment tax worksheet and divide the amount in each column on line 14 of that

worksheet by 8, 4.8, 3, and 2, respectively.

Line 14.—Enter all of the taxes you owed because of events that occurred during the months shown in the column headings. Include the following:

- The same taxes used to figure line 3 of Form 2210 (except self-employment tax).
- Tax from Form 4970 (accumulation distribution of trusts).
- Tax from Form 4972 (lump-sum distributions).

Individuals use **Form 6251** to figure alternative minimum tax; fiduciaries use **Form 8656**. Figure alternative minimum taxable income based on your income and deductions during the period shown in the column headings. Multiply this amount by the annualized amounts shown on line 2 before subtracting the alternative minimum tax exemption amounts.

Line 16.—Enter the credits you are entitled to because of events that occurred during the months shown in the column headings.

Annualized Income Installment Worksheet—See the instructions on page 4. Get **Pub. 505** for more information and a completed example. **Caution: Complete lines 1–26 of one column before going to the next column.**

(Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/28/91, 4/30/91, 7/31/91, and 11/30/91.)

	(a) 1/1/91 to 3/31/91	(b) 1/1/91 to 5/31/91	(c) 1/1/91 to 8/31/91	(d) 1/1/91 to 12/31/91
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, do not use amounts shown to the right. Instead, use 6, 3, 1.71429, and 1.09091.)	4	2.4	1.5	1
3 Annualized income (multiply line 1 by line 2)				
4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter -0- and skip to line 7. (Estates and trusts, enter -0-, skip to line 9, and enter the amount from line 3 on line 9.)				
5 Annualization amounts	4	2.4	1.5	1
6 Annualized itemized deductions. Multiply line 4 by line 5				
7 In each column, enter the full amount of your standard deduction from Form 1040, line 34; or Form 1040A, line 19 (Form 1040NR filers, enter -0-)				
8 Enter line 6 or line 7, whichever is larger				
9 Subtract line 8 from line 3				
10 In each column, multiply \$2,150 by the total number of exemptions claimed. (Estates and trusts and Form 1040NR filers, enter the exemption amount shown on your tax return)				
11 Subtract line 10 from line 9				
12 Figure your tax on the amount on line 11 using the Tax Table, Tax Rate Schedules, Schedule D, or Form 8615				
13 Form 1040 filers only, enter your self-employment tax from line 14 of the Self-Employment Tax Worksheet below. (All others, enter -0-.)				
14 Enter other taxes for each payment period (see instructions)				
15 Total tax. Add lines 12, 13, and 14				
16 For each period, enter the same type of credits as allowed on Form 2210, lines 2, 5, and 6 (see instructions)				
17 Subtract line 16 from line 15. If zero or less, enter -0-				
18 Applicable percentage	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18				
20 Add the amounts in all preceding columns of line 26				
21 Subtract line 20 from line 19. If zero or less, enter -0-				
22 Divide line 13, Form 2210, by four (4) and enter the result in each column.				
23 Enter amount from line 25 of the preceding column of this worksheet				
24 Add lines 22 and 23 and enter the total				
25 If line 24 is more than line 21, subtract line 21 from line 24. Otherwise, enter -0-				
26 Enter the smaller of line 21 or line 24 here and on Form 2210, line 21				

Self-Employment Tax Worksheet (Form 1040 filers only)—Use to complete line 13 above.

	(a) 1/1/91 to 3/31/91	(b) 1/1/91 to 5/31/91	(c) 1/1/91 to 8/31/91	(d) 1/1/91 to 12/31/91
1a Net earnings from self-employment for the period. (Be sure you take the 7.65% deduction into account when figuring this amount.)				
b Annualization amounts	4	2.4	1.5	1
c Multiply line 1a by line 1b				
2 Social security tax limit	\$53,400	\$53,400	\$53,400	\$53,400
3 Enter actual wages subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax				
4 Annualization amounts	4	2.4	1.5	1
5 Multiply line 3 by line 4				
6 Subtract line 5 from line 2. If zero or less, enter -0-				
7 Multiply the smaller of line 1c or line 6 by .124				
8 Medicare tax limit	\$125,000	\$125,000	\$125,000	\$125,000
9 Enter actual wages subject to Medicare tax or the 1.45% portion of the 7.65% railroad retirement (tier 1) tax				
10 Annualization amounts	4	2.4	1.5	1
11 Multiply line 9 by line 10				
12 Subtract line 11 from line 8. If zero or less, enter -0-				
13 Multiply the smaller of line 1c or line 12 by .029				
14 Add lines 7 and 13. Enter the result here and on line 13 of the worksheet above				