

Penalty for Underpayment of Estimated Tax (Individual Underpayment of Estimated Tax, Form 2210N)

(line 39, page 12)

(Use your back button to return to the Form 1040N instruction booklet.)

If you are underwithheld, have underpaid your estimated income tax for any period during the year, or did not make timely estimated income tax payments, complete Form 2210N to calculate any possible penalty. Enter the penalty on line 39, Form 1040N, include it in the line 40 total, and attach Form 2210N to your return.

Exceptions to the Penalty. You will not have to pay the penalty if:

1. You had no income tax liability for tax year 2018, you were a U.S. citizen or resident for the entire year, and your 2018 Nebraska individual income tax return was for a full 12 months (or would have been had you been required to file);
2. The total tax shown on your 2019 return, minus the amount of tax you paid through income tax withholding, is less than \$500;
3. If the total of Nebraska tax withheld and your estimated income tax payments for tax year 2019 is at least 100% of the tax shown on your 2018 return or 110% of the tax if your adjusted gross income was more than \$150,000 (more than \$75,000 if married filing separately for 2018). Your estimated income tax payments for 2019 must have been made on time and for the required amount; or
4. Your gross income from farming, ranching, or fishing is at least two-thirds of your annual gross income from all sources for 2018 or 2019, and you file Form 1040N and pay your Nebraska income tax on or before March 1, 2020. If you are engaged in farming, ranching, or fishing and meet these conditions, you are exempt from penalties for underpayment of estimated income tax and are not required to file a Form 2210N. Check the "Farmer/Rancher" box on the Form 1040N. If the gross income test was met, but the date for filing and/or payment of tax was not, file Form 2210N to calculate the penalty and attach it to your Form 1040N; or
5. The payments which were made equal or exceed 90% of the Nebraska tax liability based on annualized income earned through the end of the month preceding the installment date. Check the box on line 39 of Form 1040N, complete and attach Form 2210N, and attach a separate page showing your calculation similar to the Federal Annualized Income Installment Method, Form 2210, (Schedule AI).

Other Circumstances. Attach a statement to the Form 2210N explaining why the penalty should not be imposed. The penalty may be waived due to casualty, disaster, or other circumstances where it would be inequitable to impose the penalty. The penalty may also be waived if you retired in 2018 or 2019 after the age of 62, or became disabled, and your underpayment was due to reasonable cause.