

**UNDERPAYMENT OF ESTIMATED TAX
BY INDIVIDUALS, ESTATES OR TRUSTS**

Fill in the oval at Line 51, Form NJ-1040 and enclose this form with your return.

Name(s) as shown on Form NJ-1040	Social Security Number
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PART I FIGURING YOUR UNDERPAYMENT

1.	2018 Tax (Line 49, Form NJ-1040)	1.	
2.	Enter the total of Lines 53, 54, 56, 57, 58, 59, and 60, Form NJ-1040	2.	
3.	Subtract Line 2 from Line 1 (If less than \$400, do not complete the rest of this form)	3.	
4a.	Multiply the amount on Line 1 by .80 (80%) (Two-thirds for qualified farmers)	4a.	
4b.	Enter 2017 tax (From Form NJ-1040, Line 44)	4b.	
		PAYMENT DUE DATES	
		(A)	(B)
		APRIL 17, 2018	JUNE 15, 2018
		(C)	(D)
		SEPT 17, 2018	JAN 15, 2019
5.	Use the lesser amount on either line 4a or 4b and divide by four. Enter the result in each column	5.	
6.	Estimated tax paid and tax withheld per period (see instr.) If each column on Line 6 is greater than the corresponding column on Line 5, do not complete the rest of this form	6.	
7.	Enter the overpayment (Line 13) from the previous column (Complete Lines 7 through 13 for one column before completing the next column.)	7.	
8.	Add Line 6 and Line 7	8.	
9.	Enter the total underpayment (Line 11 plus Line 12) from the previous column	9.	
10.	Enter Line 8 minus Line 9. If zero or less, enter zero	10.	
11.	Remaining underpayment from previous period. If Line 10 is zero, enter Line 9 minus Line 8. Otherwise enter zero	11.	
12.	UNDERPAYMENT (If Line 5 is greater than Line 10, enter Line 5 minus Line 10)	12.	
13.	OVERPAYMENT (If Line 10 is greater than Line 5, enter Line 10 minus Line 5)	13.	

PART II EXCEPTIONS

(See instructions. Complete worksheets for exceptions 2, 3, and 4 and enclose calculations for each exception claimed.)

If you meet exception 1 at Line 15, do not file this form.

These amounts will be verified by the Division of Taxation.

14.	Total amount paid and withheld from January 1 through payment due date shown. (Do not include withholdings after December 31, 2018.) (See instructions)	14.	APRIL 17, 2018	JUNE 15, 2018
			SEPT 17, 2018	JAN 15, 2019
15.	Exception 1 – Enter 2017 tax (Line 44) . \$	15.	25% of 2017 Tax	50% of 2017 Tax
			75% of 2017 Tax	100% of 2017 Tax
16.	Exception 2 – Tax on 2017 gross income using 2018 exemptions and tax rates	16.	25% of Tax	50% of Tax
			75% of Tax	100% of Tax
17.	Exception 3 – Tax on annualized 2018 income	17.	20% of Tax	40% of Tax
			60% of Tax	
18.	Exception 4 – Tax on 2018 income over 3, 5 and 8-month periods	18.	90% of Tax	90% of Tax
			90% of Tax	

IF THE AMOUNT OF ANY EXCEPTION IS EQUAL TO OR LESS THAN THE CORRESPONDING AMOUNT AT LINE 14, INTEREST WILL NOT BE CHARGED FOR THAT PERIOD.

19. TOTAL INTEREST	\$	
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(Include this amount on Line 51, Form NJ-1040).

WORKSHEETS

EXCEPTION II Tax on 2017 Gross Income using 2018 exemptions and tax rates

1. Enter 2017 NJ Gross Income (Line 28, 2017 NJ-1040)	1.	
2. Enter 2018 Total Exemptions (Line 30, 2018 NJ-1040)	2.	
3. Subtract Line 2 from Line 1	3.	
4. Calculate Tax on Line 3 (2018 tax rates)	4.	
5. Enter Credit for Income Taxes Paid to Other Jurisdictions (Line 42, 2018 NJ-1040)	5.	
6. Subtract Line 5 from Line 4. Enter the applicable percentage of this amount on Line 16, Part II of this form	6.	

EXCEPTION III Tax on 2018 Annualized Income (attach calculations)

Estates and trusts, **do not** use the period ending dates shown, instead use the following ending dates: 2/28/18, 4/30/18, and 7/31/18. Also, estates and trusts cannot use the annualization amounts shown on Line 2 and must use 6, 3, and 1.7143, respectively.

		1/1/18 – 3/31/18	1/1/18 – 5/31/18	1/1/18 – 8/31/18
1. Enter the portion of NJ Gross Income (Line 29, NJ-1040) that is applicable to each period shown	1.			
2. Annualization amounts	2.	4	2.4	1.5
3. Annualized Income (Multiply Line 1 by Line 2)	3.			
4. Enter Total Exemptions (Line 30, NJ-1040)	4.			
5. Subtract Line 4 from Line 3	5.			
6. Calculate Tax on Line 5	6.			
7. Enter the portion of the Credit for Income Taxes Paid to Other Jurisdictions (Line 42, NJ-1040) that is applicable to each period	7.			
8. Subtract Line 7 from Line 6. Enter the applicable percentage of this amount on Line 17, Part II of this form	8.			

EXCEPTION IV Tax on Actual 2018 Taxable Income over 3, 5, and 8-month periods. (Attach calculations)

		1/1/18 – 3/31/18	1/1/18 – 5/31/18	1/1/18 – 8/31/18
1. Enter the actual amount of NJ Taxable Income (Line 40, NJ-1040) that is applicable to each period shown	1.			
2. Calculate Tax on Line 1	2.			
3. Enter the portion of the Credit for Income Taxes Paid to Other Jurisdictions (Line 42, NJ-1040) that is applicable to each period shown.	3.			
4. Subtract Line 3 from Line 2. Enter 90% of this amount on Line 18, Part II of this form	4.			

New Jersey Gross Income Tax
Instructions for Form NJ-2210
Underpayment of Estimated Tax by Individuals, Estates, or Trusts
2018

Use Form NJ-2210 to determine if you are subject to interest on the underpayment of estimated tax. Estates and trusts are subject to interest on underpayment of estimated tax and may need to complete Form NJ-2210, except estates and trusts that meet the two-year limitation and other criteria of federal Internal Revenue Code section 6654(1)(2). Complete Part I, *Figuring your Underpayment*, to determine if you have not paid enough estimated tax during any of the payment periods. If you have not, complete Part II, *Exceptions*, to determine if an exception applies to any of the payment periods. If no exception applies, use the worksheet on the next page to calculate the interest for that period.

In General – You may owe interest if you did not make estimated payments, including withholdings (see Line 6), equal to at least 80% of your 2018 tax liability (Line 49, Form NJ-1040) or 100% of your 2017 tax liability, provided your 2017 New Jersey Gross Income Tax return covered a full 12-month period.

If an underpayment does exist for any column in Part I, you should complete Part II, *Exceptions*, and the appropriate worksheet on page 2, NJ-2210 to determine if any of the exceptions on Part II may apply. You **must** complete the appropriate worksheet for exceptions 2, 3, and 4 and attach all calculations for each of the exceptions claimed.

SPECIFIC INSTRUCTIONS

PART I

Line 3 – If Line 3 is \$400 or more, complete Lines 4 through 13.

Line 6 – For the purpose of determining your underpayment of estimated tax, tax withheld includes the amount of New Jersey Tax Withheld (Line 53, Form NJ-1040), Property Tax Credit (Line 54, Form NJ-1040), New Jersey Earned Income Tax Credit (Line 56, Form NJ-1040), Excess NJ UI/WF/SWF Withheld (Line 57, Form NJ-1040), Excess NJ Disability Insurance Withheld (Line 58, NJ-1040), Excess NJ Family Leave Insurance Withheld (Line 59, NJ-1040), and Wounded Warrior Caregivers Credit (Line 60, NJ-1040). The total amount of tax withheld is considered to have been paid evenly (one-fourth of total amount) on each payment due date, unless you can show otherwise. Include this amount with the amount of any estimated tax payments on each of the columns on Part I. The total amount of credit, if any, from your prior year tax return should be included in the amount of your payment on Column A. If each column on Line 6 is greater than the corresponding column on Line 5, do not complete the rest of this form.

Line 7 – Complete Lines 7 through 13 for one column before completing the next column.

Line 12 – If Line 12 is zero for all payment periods, you are not subject to the interest and therefore do not have to file Form NJ-2210. If you have an underpayment in any column on Line 12, complete Part II.

PART II

You will not have to pay interest if (1) you have paid your 2018 tax payments (Line 14) on time; and (2) the amount on Line 14 is equal to or more than the tax calculated under any of the four exceptions for the same payment period.

Line 14 – Based on the amounts indicated on Line 6, Part I, enter the **total** amount of all estimated tax payments and taxes withheld by each of the due dates indicated on Part II.

Exceptions 1, 2, 3 & 4 – You must complete the appropriate worksheet for exemptions 2, 3, and 4 and attach all calculations for each of the exceptions claimed. If you meet exception 1 at Line 15 do not file this form. These amounts will be automatically verified by the Division of Taxation.

Exception 1 – Enter your prior year tax liability in the space provided at Line 15. Exception 1 only applies if your prior year tax return covered a full 12-month period and your current tax year payments (Line 14) are at least equal to your prior year tax liability. Your prior year tax liability is zero, if a return was not required to be filed. Enter the applicable percentage of your prior year tax liability in each column at Line 15, as indicated.

Exception 2 – Exception 2 is calculated by subtracting the total amount of your current tax year exemptions from your **prior** year Gross Income. Tax is calculated using the current year tax rates. Subtract your Credit for Income Taxes Paid to Other Jurisdictions, if any. Enter the applicable percentage of Line 6 of the worksheet on each column at Line 16, as indicated. Exception 2 only applies if your current year tax payments (Line 14) are at least equal to the amounts indicated at Line 16.

Exception 3 – Exception 3 is calculated by multiplying the actual portion of NJ Gross Income that is applicable to each period shown, by the annualization amounts at Line 2 of the worksheet. Subtract the total amount of exemptions from your Annualized Income on Line 3. Calculate tax on this amount. Subtract your Credit for Income Taxes Paid to Other Jurisdictions, if any. Enter the applicable percentage of each amount from Line 8 of the worksheet on the corresponding column at Line 17 as indicated. Exception 3 only applies if your current year tax payments (Line 14) are at least equal to the amounts indicated at Line 17.

Exception 4 – Exception 4 is calculated using the tax on the actual amount of NJ Taxable Income that is applicable to each period shown. Subtract your Credit for Income Taxes Paid to Other Jurisdictions, if any. Enter 90% of each amount from Line 4 of the worksheet on the corresponding column at Line 18. Exception 4 only applies if your current year tax payments (Line 14) are at least equal to the amounts indicated at Line 18.

Calculating the Interest

Use the table in **Option 1** to calculate interest on the amount of the underpayment from page 1, NJ-2210. If your estimated tax payments for Tax Year 2018 were not paid timely, interest must be calculated based on the Interest Rate Schedule in **Option 2**.

OPTION 1

Q U A R T E R	PERIOD	A	B	C	D	E	F	G
		Amount Due (Line 5, NJ-2210)	Balance Due Previous Qtr. (Col. E)	Total Due (Col. A + B)	Total Paid (Line 6, NJ-2210)	Balance (Col. C - D)	Multiplier	Interest (Col. E x Col. F)
1.	4/16 – 6/15						.012	
2.	6/16 – 9/15						.018	
3.	9/16 – 1/15						.024	
4.	1/16 – 4/15						.021	
TOTAL INTEREST								

Column A Enter the amount due per quarter (Line 5, NJ-2210).

Column B Enter the balance due (Column E) from the previous quarter.

Column C Enter the total of Column A plus Column B.
If Column B is negative, subtract Column B from Column A.

Column D Enter the total estimated tax paid and withheld (Line 6, NJ-2210).

Column E Subtract Column D from Column C.

Column F The multiplier is based on the interest rates in effect during each quarter.

Column G Multiply Column E by the multiplier in Column F. If Column E is negative, enter zero in Column G.

TOTAL INTEREST Add the interest for each quarter and enter this amount in the block marked **TOTAL INTEREST** on Line 19, NJ-2210 and on Line 51, NJ-1040.

OPTION 2

Calculate the interest on the amount of the underpayment on Line 12 from the date the underpayment was incurred to the date the underpayment was satisfied or the original due date of the final tax return (Form NJ-1040), whichever is earlier. Interest is assessed at the annual rate of 3% above the average predominant prime rate and is imposed each month or fraction thereof the underpayment exists. The interest rate will be reviewed quarterly and will only change if there has been a cumulative change of more than 1% since it was last set.

INTEREST RATE SCHEDULE	
PERIOD	INTEREST RATE
4/17/18 – 1/15/19	7.25%
1/16/19 – 4/15/19	8.25%