

**New Jersey Gross Income Tax**  
**Instructions for Form NJ-2210**  
**Underpayment of Estimated Tax by Individuals, Estates, or Trusts**  
**2015**

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 attached worksheet, *Computing The Interest*, 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 2015 tax liability (Line 44, Form NJ-1040) or 100% of your 2014 tax liability, provided your 2014 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 computations 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 48, Form NJ-1040), Property Tax Credit (Line 49, Form NJ-1040), New Jersey Earned Income Tax Credit (Line 51, Form NJ-1040), Excess NJ UI/WF/SWF Withheld (Line 52, Form NJ-1040), Excess NJ Disability Insurance Withheld (Line 53, NJ-1040) and Excess NJ Family Leave Insurance Withheld (Line 54, 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 2014 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 computations 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 twelve 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 computed 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. Compute 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 by computing 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.

## Computing the Interest

Use the table in **Option 1** to compute interest on the amount of the underpayment from page 1, NJ-2210. If your estimated tax payments for tax year 2015 were not paid timely, interest must be computed 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						.010	
2.	6/16 - 9/15						.015	
3.	9/16 - 1/15						.021	
4.	1/16 - 4/15						.015	
<b>TOTAL INTEREST</b>								

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 46, NJ-1040.

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### OPTION 2

Compute 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 one percent since it was last set.

INTEREST RATE SCHEDULE	
PERIOD	INTEREST RATE
4/17/15 - 4/15/16	6.25%