

2010 Ohio Estimated Income Tax Instructions and Worksheet

Rev. 1/10

1. Do I Have To Make Estimated Tax Payments?

You are required to pay estimated income tax on Ohio form IT 1040ES if the tax due on your 2010 Ohio income tax return, reduced by your Ohio tax withheld and refundable tax credits, is \$530 or more.

Note: If you don't want to make estimated payments, you may ask your employer to increase the amount of Ohio tax your employer withholds from your wages. To do this, file a revised Ohio form IT 4, Employee Withholding Exemption Certificate, with your employer. Remember, if your estimated 2010 tax due amount is less than \$530, you do not have to make estimated payments.

2. Farmer or Fisherman Filing Rules

In lieu of filing the individual estimated tax, farmers or fishermen whose total estimated gross income is at least two-thirds from farming or fishing may file their Ohio income tax returns using the same filing method they use for filing their federal income tax returns. See Ohio Administrative Code Rule 5703-7-04.

3. Payment Due Dates

Payments of estimated tax ordinarily must be made in four installments. If you determine that you are required to file estimated tax payments, the quarterly payment due dates for 2010 are:

1st Quarter – April 15, 2010 3rd Quarter – Sept. 15, 2010
2nd Quarter – June 15, 2010 4th Quarter – Jan. 18, 2011

4. What Are My Payment Options?

There are three payment options available to you:

- **Electronic Check** – Save time and postage by electronically filing and paying your 2010 quarterly estimates. Simply go to our Web site at tax.ohio.gov and click on the "Make a Payment" link. Using this method of payment eliminates the need for you to file a paper copy of Ohio form IT 1040ES. The only requirement to file and pay electronically is that you filed an Ohio income tax return form IT 1040 or IT 1040EZ for the previous year.
- **Credit Card** – You may use your Discover/Novus, VISA, Master Card or American Express card to pay your estimated Ohio income taxes. You may make your credit card payments either by visiting tax.ohio.gov and clicking on the "Make a Payment" link or by calling 1-800-2PAY-TAX. Official Payments charges a convenience fee equal to 2.5% (or \$1, whichever is greater). This fee is paid directly to Official Payments Corporation and is based on the amount of your tax payment. Do not file Ohio voucher form IT 1040ES if you use the credit card method of payment.
- **Check or Money Order** – If you do not want to use an electronic check or credit card to make your payment, you may send in a personal check or money order made payable to the Ohio Treasurer of State with your quarterly estimated Ohio form IT 1040ES. Mail to the address printed on the voucher. **Do not send cash.**

5. Personal and Dependency Exemptions

You can claim a personal exemption of \$1,550 and an additional \$1,550 for your spouse if you are filing a joint estimate. In addition to your personal exemption(s) Ohio allows a dependent exemption of \$1,550 for each dependent that you support.

6. Joint and Separate Estimated Returns

If you intend to file your 2010 Ohio income tax return on a joint basis, then you should file a joint estimate. If you intend to file your 2010 Ohio income tax return on a married separate or single basis, or if you are unsure, then you should file separate estimated vouchers for yourself and for your spouse. Making joint estimated tax payments

or separate estimated tax payments will not affect your choice of filing a joint tax return or separate returns for 2010.

7. Interest Penalty

If you fail to pay or if you underpay your estimated tax, you must add an interest penalty to your taxes. See Ohio form IT/SD 2210 to see if you owe an interest penalty on your underpayment. The interest rate for calendar year 2010 is 4%.

8. Avoiding the Underpayment of Estimated Income Tax Interest Penalty

You may avoid the underpayment of estimated income tax interest penalty if you meet **any** of the following conditions:

- The sum of your 2010 Ohio tax withheld, your 2010 refundable credits, your timely made estimated payments and your 2009 overpayment applied to 2010 will equal or exceed 100% of your 2009 Ohio income tax after reduction for your 2009 nonrefundable credits; OR
- The sum of your 2010 Ohio tax withheld, your 2010 refundable credits, your timely made estimated payments and your 2009 overpayment applied to 2010 will equal or exceed 90% of your 2010 Ohio income tax after reduction for 90% of your 2010 nonrefundable credits; OR
- The sum of your 2010 Ohio tax withheld, your 2010 refundable credits, your timely made estimated payments and your 2009 overpayment applied to 2010 will equal or exceed 100% of your 2010 Ohio income tax less the sum of (i) \$500 and (ii) 100% of your 2010 nonrefundable credits.

Note: For purposes of the above, (i) exclude from your year 2009 overpayment any year 2009 tax you paid after April 15, 2009 and (ii) exclude from "credits" Ohio tax withheld, estimated tax payments or 2009 overpayments credited to 2010.

9. Annualized Income Installment Method

If your income varies throughout the year, you may be able to reduce or eliminate the amount of your estimated tax payment for one or more quarters by using the annualized income installment method. See Ohio form IT/SD 2210 for additional instructions for annualization of income.

10. How to Complete the Declaration Voucher(s)

- Complete the worksheet on the next page;
- Enter and/or verify your Social Security number(s) on the voucher. If you are using a preprinted voucher and the Social Security number is incorrect, then you must correct the Social Security number(s) at the top of the voucher **and cross out the scan line** at the bottom of each voucher;
- Enter the amount of payment in the space provided on each voucher;
- Attach a check or money order made payable to Ohio Treasurer of State for the amount of each payment. See item #4 on this page for other payment options;
- Place on the check or money order your Social Security number;
- If the amount of your estimated taxes changes, your next voucher should reflect the new amount; AND
- For each subsequent quarterly payment, repeat steps B through F, above.

11. Adjustments to Income

See the Schedule A explanation in the 2009 Ohio form IT 1040 individual income tax booklet for the adjustments on line 2 of the worksheet.

2010 Ohio Estimated Income Tax Payment Worksheet (DO NOT FILE)

If you will be making estimates based on the "last year's tax" method, skip lines 1 through 12 and enter on line 13 below **100%** of the tax shown on line 16 of your 2009 Ohio form IT 1040.

1. 2010 federal adjusted gross income..... 1. _____
2. Adjustments to income (see item #11 on the previous page)..... 2. _____
3. Ohio adjusted gross income (line 2 subtracted from or added to line 1) 3. _____
4. Personal exemptions and dependent exemptions _____ X \$1,550 (enter result on line 4) 4. _____
5. Ohio taxable income (subtract line 4 from line 3) 5. _____
6. Tax on Ohio taxable income (see tax table below) 6. _____
7. Exemption credit (number of personal and dependent exemptions times \$20) 7. _____
8. Ohio tax after exemption credit (line 6 minus line 7) 8. _____
9. Joint filing credit..... 9. _____
10. Ohio income tax after exemption credit and joint filing credit (line 8 minus line 9) 10. _____
11. Ohio form IT 1040 Schedule B, C, D and E credits and Ohio Revised Code section 122.172 grant 11. _____
12. Ohio income tax after your exemption credit, joint filing credit, all nonrefundable credits and grant (line 10 minus line 11) 12. _____
13. 90% of line 12 or **100%** of the tax shown on line 16 of your 2009 Ohio form IT 1040..... 13. _____
14. 2010 Ohio income tax to be withheld from your wages, refundable business credits and any 2009 overpayment credited toward your 2010 Ohio income tax (see note under item #8 on previous page and treat such payment as an estimated payment)..... 14. _____
15. Ohio estimated income tax due (line 13 minus line 14, but not less than -0-). Go to line 16 15. _____
16. Multiply the amount on line 15 by .25 and enter here. This is the amount of each quarterly estimated payment (make your check or money order payable to Ohio Treasurer of State, or pay either by credit card or by electronic check)..... 16. _____

Ohio Tax Table for Use With the 2010 Ohio Estimated Income Tax Payment Worksheet

Ohio Taxable Income (from line 5, above)				2010 Income Tax (for line 6, above)			
	\$ 5,000	or less				0.618%	of Ohio taxable income
More than	\$ 5,000	but not more than	\$ 10,000	\$ 30.90	plus	1.236%	of the amount in excess of \$ 5,000
More than	\$ 10,000	but not more than	\$ 15,000	\$ 92.70	plus	2.473%	of the amount in excess of \$ 10,000
More than	\$ 15,000	but not more than	\$ 20,000	\$ 216.35	plus	3.091%	of the amount in excess of \$ 15,000
More than	\$ 20,000	but not more than	\$ 40,000	\$ 370.90	plus	3.708%	of the amount in excess of \$ 20,000
More than	\$ 40,000	but not more than	\$ 80,000	\$1,112.50	plus	4.327%	of the amount in excess of \$ 40,000
More than	\$ 80,000	but not more than	\$100,000	\$2,843.30	plus	4.945%	of the amount in excess of \$ 80,000
More than	\$100,000	but not more than	\$200,000	\$3,832.30	plus	5.741%	of the amount in excess of \$100,000
More than	\$200,000			\$9,573.30	plus	6.240%	of the amount in excess of \$200,000

Federal Privacy Act Notice

Because we require you to provide us with a Social Security number, the *Federal Privacy Act of 1974* requires us to inform you that providing us with your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax.