

State of Arkansas
Annualized Penalty for Underpayment of
Estimated Income by Individuals

| PLEASE COMPLETE LINES 1 THROUGH 28 OF ONE COLUMN | | Jan. 1, 2005 to March 30, 2005 | Jan. 1, 2005 to May 31, 2005 | Jan. 1, 2005 to Aug. 31, 2005 | Jan. 1, 2005 to Dec. 31, 2005 |
|--|----|--------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| NOTE: BEFORE COMPLETING THE NEXT COLUMN. | | | | | |
| 1. Enter your adjusted gross income for each period. | 1 | | | | |
| 2. Enter spouse's income. (Filing Status 4 only) | 2 | | | | |
| 3. Annualization amounts. | 3 | 4 | 2.4 | 1.5 | 1 |
| 4. Annualized income. (Multiply line 1 by line 3) | 4 | | | | |
| 5. Annualized income, spouse's. (Multiply line 2 by line 3) | 5 | | | | |
| 6. Enter your standard deduction or itemized deductions (prorated amount if filing status 4) for the period shown in each column. | 6 | | | | |
| 7. Enter your spouse's standard deduction or itemized deductions (prorated amount if filing status 4) for the period shown in each column. | 7 | | | | |
| 8. Annualization amounts | 8 | 4 | 2.4 | 1.5 | 1 |
| 9. Annualized deductions (Multiply line 6 by line 8.) | 9 | | | | |
| 10. Annualized deductions, spouse (Multiply line 7 by line 8.) | 10 | | | | |
| 11. Subtract line 9 from line 4. | 11 | | | | |
| 12. Subtract line 10 from line 5. | 12 | | | | |
| 13. Figure the tax on the amount on line 11 (Use Tax Table 2.) | 13 | | | | |
| 14. Figure the tax on the amount on line 12 (Use Tax Table 2.) | 14 | | | | |
| 15. Add lines 13 and 14. | 15 | | | | |
| 16. Enter other amounts due for each payment period as shown on Form AR1000, lines 33 and 34. | 16 | | | | |
| 17. Total tax (Add lines 15 and 16.) | 17 | | | | |
| 18. For each period enter the credit(s) as allowed on Form AR1000, lines 36 through 42. | 18 | | | | |
| 19. Subtract line 18 from line 17. (If zero or less, enter zero.) | 19 | | | | |
| 20. Applicable percentage | 20 | 22.5% | 45% | 67.5% | 90% |
| 21. Multiply line 19 by line 20. | 21 | | | | |
| 22. Enter the combined amounts of line 28 from all preceding columns. | 22 | | | | |
| 23. Subtract line 22 from line 21. (If less than zero, enter zero.) | 23 | | | | |
| 24. Divide line 2, Form AR2210, by four and enter the result in each column. | 24 | | | | |
| 25. Enter amount from line 27 of the preceding column of this worksheet. | 25 | | | | |
| 26. Add lines 24 and 25 and enter here. | 26 | | | | |
| 27. If line 26 is more than line 23, subtract line 23 from line 26; otherwise enter zero. | 27 | | | | |
| 28. Enter the smaller of line 23 or line 26 here. | 28 | | | | |

LINES 1 THROUGH 28 FOR ALL PERIODS MUST BE COMPLETED BEFORE CONTINUING TO LINE 29

PLEASE COMPLETE LINES 1 THROUGH 28 OF ONE COLUMN
NOTE: BEFORE COMPLETING THE NEXT COLUMN.

| | | (A) April 15, 2005 | (B) June 15, 2005 | (C) Sept. 15, 2005 | (D) Jan. 15, 2006 |
|--|----|-----------------------|----------------------|-----------------------|----------------------|
| 29. Enter amount from line 28 for each period. | 29 | | | | |
| 30. Estimated tax paid and tax withheld. For column (A) only, also enter the amount from line 30 on line 34. | 30 | | | | |
| 31. Enter amount, if any, from line 37 of the previous column. | 31 | | | | |
| 32. Add lines 30 and 31 and enter total. | 32 | | | | |
| 33. Add amounts on lines 35 and 36 of the previous column and enter total. | 33 | | | | |
| 34. Subtract line 33 from line 32. (If zero or less, enter zero.) For column (A) only, enter the amount from line 30. | 34 | | | | |
| 35. Determine remaining underpayment from previous period. If amount on line 34 is zero, subtract line 32 from line 33 and enter the result; otherwise enter zero. | 35 | | | | |
| 36. UNDERPAYMENT: If line 29 is more than or equal to line 34, subtract line 34 from line 29, then go to line 30 of the next column; otherwise go to line 37. | 36 | | | | |
| 37. OVERPAYMENT: If line 34 is more than line 29, subtract line 29 from line 34, then go to line 30 of the next column. | 37 | | | | |
| 38. PENALTY COMPUTATION: (Caution - ALL penalty computations start from the due date of the estimated tax payments.) | 38 | (A) April 15, 2005 | (B) June 15, 2005 | (C) Sept. 15, 2005 | (D) Jan. 15, 2006 |
| 39. Enter the date the payment was made or 4-15-06, whichever is earlier | 39 | | | | |
| 40. Count the number of days between the dates on lines 38 and 39 and enter here. | 40 | | | | |
| 41. Multiply the number of days by .00027397 for the penalty percentage. | 41 | | | | |
| 42. Enter the amount from line 36 for each period. | 42 | | | | |
| 43. Multiply the amount on line 42 by the percentage on line 41. | 43 | | | | |
| 44. Total the amounts for each period on line 43. Enter the amounts here and on Form AR1000/AR1000NR, line 55B. | 44 | | | | |