

ALABAMA DEPARTMENT OF REVENUE
INDIVIDUAL & CORPORATE TAX DIVISION
Estimated Tax

(WORKSHEET – KEEP FOR YOUR RECORDS – DO NOT FILE)

Name	Social Security Number																
1 Enter amount of adjusted gross income expected in taxable year	1																
2 If deductions are itemized, enter total of such deductions expected. If deductions will not be itemized, enter the amount from the standard deduction table	2																
3 Enter amount of federal income tax liability for taxable year	3																
4 Total of lines 2 and 3	4																
5 Subtract line 4 from line 1. Enter balance here	5																
6 Personal exemption and dependent exemption(s) (see instructions for Forms 40 and 40NR for amounts)	6																
7 Subtract line 6 from line 5. This is your estimated taxable income	7																
8 Compute tax on amount on line 7 at the following rates:																	
<table border="0" style="width:100%;"> <tr> <td style="text-align: center;">Single or Married & Filing Separately</td> <td style="text-align: center;">Married & Filing Jointly</td> <td></td> <td></td> </tr> <tr> <td>a 1st \$500 2%</td> <td>1st \$1000 2%</td> <td>8a</td> <td></td> </tr> <tr> <td>b Next \$2500 4%</td> <td>Next \$5000 4%</td> <td>8b</td> <td></td> </tr> <tr> <td>c Over \$3000 5%</td> <td>Over \$6000 5%</td> <td>8c</td> <td></td> </tr> </table>	Single or Married & Filing Separately	Married & Filing Jointly			a 1st \$500 2%	1st \$1000 2%	8a		b Next \$2500 4%	Next \$5000 4%	8b		c Over \$3000 5%	Over \$6000 5%	8c		
Single or Married & Filing Separately	Married & Filing Jointly																
a 1st \$500 2%	1st \$1000 2%	8a															
b Next \$2500 4%	Next \$5000 4%	8b															
c Over \$3000 5%	Over \$6000 5%	8c															
9 Add lines 8a, 8b, 8c. Enter total here	9																
10 Amount of Alabama income tax you estimate will be withheld from your wages in taxable year. Enter balance here	10																
11 Subtract line 10 from line 9. Enter balance here. This is your estimated tax. If less than one hundred dollars (\$100), no estimated tax is required to be filed (see instructions)	11																

RECORD OF STATE OF ALABAMA ESTIMATED TAX PAYMENTS AND CREDIT

	Amount	Date Paid	Check Number, etc.
1 Overpayment credit from last year credited to estimated tax for this year. (Make sure this credit is shown in the proper space on your Alabama income tax return for last year.)	1		
2 First payment	2		
3 Second payment	3		
4 Third payment	4		
5 Fourth payment	5		
6 Total	6	ENTER THIS AMOUNT ON THE PROPER LINE OF YOUR 2010 ALABAMA INDIVIDUAL INCOME TAX RETURN, FORM 40 OR FORM 40NR.	

NOTE: The Alabama Department of Revenue does not send notices of amounts paid on estimated tax. Therefore, it is important that you maintain this record.

Form 40ES Instructions

Purpose of Estimated Tax

The purpose of estimated tax is to provide a means for paying Alabama income taxes due on income other than salaries or wages. Estimated tax is only required from individuals whose income other than wages exceeds the amounts specified under "Who Must Pay Estimated Tax."

Every taxpayer must file an annual income tax return at the close of the taxable year. If the return indicates a balance due (tax owed exceeds tax paid through estimated and withholding tax), this balance must be remitted with the tax return. If tax paid exceeds tax due, the taxpayer will be entitled to a refund.

Who Must Pay Estimated Tax

A payment of estimated tax shall be made by every individual subject to Alabama income tax if such individual can reasonably be expected, during the taxable year, to have income from sources other than wages of \$3,500.00 or more. If the amount of estimated tax due on line 11 of worksheet is less than one hundred dollars (\$100), no estimated tax is required to be filed.

When and Where to File Estimated Tax

Your estimated tax must be filed on or before April 15, 2010, or on such later dates as specified under "Farmers." It should be mailed to the Alabama Department of Revenue, Individual Estimates, P.O. Box 327485, Montgomery, AL 36132-7485.

Payment of Estimated Tax

Your estimated tax may be paid in full or in equal installments on or before April 15, 2010, June 15, 2010, September 15, 2010 and January 15, 2011. If the 15th falls on a Saturday, Sunday, or State holiday, the due date will then be considered the following business day. Checks or money orders should be made payable to the Alabama Department of Revenue.

Changes In Income

Even though your situation on April 15 is such that you are not required to file estimated tax at that time, your expected income or tax credits may change so that you will be required to file estimated tax later. In such case, the time for filing is as follows: June 15, if the change occurs after April 1 and before June 2; September 15, if the change occurs after June 1 and before September 2; January 15, if the change occurs after September 1. If, after you have filed a voucher, you find that your estimated tax is substantially increased or decreased as the result of a change in your income or tax credits, you should file an amended voucher on or before the next filing date – June 15, 2010, September 15, 2010, January 15, 2011.

Farmers

If at least 2/3 of your estimated gross income for the taxable year is derived from farming, you may pay estimated tax at any time on or before February 15, 2011 instead of April 15, 2010. If you wait until February 15, 2011, you must pay the entire balance of the estimated tax. However, if farmers file their final tax return on or before February 28, 2010, and pay the total tax at that time, they need not file estimated tax.

Fiscal Year

If you file your income tax return on a fiscal year basis, you will substitute for the dates specified in the above instructions the months corresponding thereto.

Penalties for Underestimation

Penalties are provided for underestimating the Alabama income tax by more than 10% (33-1/3% for farmers).