

*Attach to your return*

NAME (FIRST, MIDDLE INITIAL, LAST). IF JOINT RETURN, ALSO GIVE SPOUSE'S NAME AND INITIAL	SOCIAL SECURITY NUMBER
--	------------------------

**Part A Calculation of Underpayment**

1 I am claiming an exception from the imposition of the estimated payment penalty and interest because I qualified for federal relief under IRC §6654. <i>Check box and see instructions</i> .....	1	<input type="checkbox"/>
2 Amount of tax for 2005 from Form 140, page 1, line 25, or form 140PY, page 1, line 28, or Form 140NR, page 1, line 28.....	2	
3 Tax credits claimed on your 2005 Arizona return.....	3	
4 <i>Subtract line 3 from line 2</i> .....	4	
5 Arizona tax withheld during 2005. Do not include any estimated tax payments or amounts paid with Form 204 on this line .....	5	
6 <i>Subtract line 5 from line 4</i> . If less than \$1,000, stop here. You do not owe the penalty. Do not file Form 221 .....	6	
7 <i>Multiply line 4 by 90% (.90)</i> .....	7	
8 Enter the immediately preceding year's tax liability after tax credits. See instructions.....	8	
9 Required Annual Payment: Enter the lesser of line 7 or line 8 .....	9	

	(a)	(b)	(c)	(d)
10 Payment date.....	Apr-15-2005	Jun-15-2005	Sep-15-2005	Jan-17-2006
11 <i>Divide the amount on line 9 by the number of payments required for the year (usually four). Enter the result in appropriate columns. If you use any other installment method, check this box <input type="checkbox"/>. If you annualize, complete the worksheet on page 2 of this form and enter the amount from line 23 of that worksheet in each column of line 11</i> .....				
12 Estimated tax paid and income tax withheld. See instructions .....				
13 Overpayment: See instructions.....				
14 <i>Add lines 12 and 13</i> .....				
15 Underpayment: <i>Subtract line 14 from line 11; or</i> <i>Overpayment: Subtract line 11 from line 14</i> .....				

**Part B Underpayment of Estimated Tax Penalty**

16 RATE PERIOD ONE: 6% (Apr-15-05 - Jun-30-05) Computation starting date for this period.....	16	Apr-15-05	Jun-15-05		
17 Number of days after the date on line 16 through the date the amount on line 15 was paid or June 30, 2005 whichever is earlier .....	17	Days:	Days:		
18 $\frac{\text{Number of days on line 17} \times 6\% \times \text{underpayment on line 15}}{365}$ .....	18				
19 RATE PERIOD TWO: 6% (Jul-1-05 - Sep-30-05) Computation starting date for this period.....	19	Jun-30-05	Jun-30-05	Sep-15-05	
20 Number of days after the date on line 19 through the date the amount on line 15 was paid or September 30, 2005 whichever is earlier .....	20	Days:	Days:	Days:	
21 $\frac{\text{Number of days on line 20} \times 6\% \times \text{underpayment on line 15}}{365}$ .....	21				
22 RATE PERIOD THREE: 7% (Oct-1-05 - Dec-31-05) Computation starting date for this period.....	22	Sep-30-05	Sep-30-05	Sep-30-05	
23 Number of days after the date on line 22 through the date the amount on line 15 was paid or December 31, 2005 whichever is earlier .....	23	Days:	Days:	Days:	
24 $\frac{\text{Number of days on line 23} \times 7\% \times \text{underpayment on line 15}}{365}$ .....	24				
25 RATE PERIOD FOUR: *% (Jan-1-06 - Apr-17-06) Computation starting date for this period.....	25	Dec-31-05	Dec-31-05	Dec-31-05	Jan-17-06
26 Number of days after the date on line 25 through the date the amount on line 15 was paid or April 17, 2006 whichever is earlier .....	26	Days:	Days:	Days:	Days:
27 $\frac{\text{Number of days on line 26} \times \% \times \text{underpayment on line 15 plus any penalty from Rate Periods One, Two and Three if the underpayment is unpaid as of January 1, 2006}}{365}$ .....	27				
28 <b>Penalty:</b> Column (a) - <i>Add lines 18, 21, 24, 27. Enter the total on line 28 of column a.</i> Column (b) - <i>Add lines 18, 21, 24, 27. Enter the total on line 28 of column b.</i> Column (c) - <i>Add lines 21, 24, 27. Enter the total on line 28 of column c.</i> Column (d) - <i>Enter the amount from column d, line 27.</i>	28				
29 <b>Penalty Limitation:</b> In columns a through d, list the smaller of line 15 x 10% or the amount from line 28 .....	29				
30 <b>TOTAL PENALTY:</b> <i>Add the amounts in columns a, b, c, and d, line 29 (see instructions).</i>	30				

Annualized Income Installment Worksheet

Complete lines 1 through 23 of one column before completing the next column.

- 1 Enter your Arizona adjusted gross income without your dependent, qualifying parent or ancestor, blind, or over 65 exemptions for each period.....
- 2 Annualization amounts.....
- 3 Annualized income: *Multiply line 1 by line 2*.....
- 4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter zero and skip to line 7.....
- 5 Annualized amounts.....
- 6 Annualized itemized deductions: *Multiply line 4 by line 5*.....
- 7 Enter your standard deduction from Arizona Form 140, line 17, Form 140PY, line 20, or Form 140NR, line 20.....
- 8 Enter the amount from line 6 or line 7, whichever is larger.....
- 9 *Subtract line 8 from line 3*.....
- 10 Enter the amount allowed for personal, blind, over 65, dependent, and qualifying parent or ancestor exemptions claimed on your Arizona Form 140, Form 140PY, or Form 140NR.....
- 11 *Subtract line 10 from line 9*.....
- 12 Figure your tax on the amount on line 11 using Tax Rate Table X or Y.....
- 13 For each period, enter the amount of tax credits allowed on your Arizona Form 140, Form 140PY, or Form 140NR.....
- 14 *Subtract line 13 from line 12*. If zero or less, enter "zero".....
- 15 Applicable percentages.....
- 16 *Multiply line 14 by line 15*.....
- 17 Enter the combined amounts of line 23 from all preceding columns.....
- 18 *Subtract line 17 from line 16*. If less than zero, enter "zero".....
- 19 *Divide line 9 from page 1, of this Form 221, by four (4), and enter the result in each column*.....
- 20 Enter the amount from line 22 of the preceding column of this worksheet.....
- 21 *Add lines 19 and 20, and enter the total*.....
- 22 If line 21 is more than line 18, *subtract line 18 from line 21*. Otherwise, enter "zero".....
- 23 Enter the smaller of line 18 or line 21 here and on page 1, line 11.....

	Jan-1-05 to Mar-31-05	Jan-1-05 to May-31-05	Jan-1-05 to Aug-31-05	Jan-1-05 to Dec-31-05
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				