**PART 1 REQUIRED ANNUAL PAYMENT**

1. Enter your **2003** Rhode Island income tax from RI-1040, line 13 less line 18D or RI-1040NR, line 15 less line 18D.  
2. Enter 80% of the amount shown on line 1.  
3. RI withheld taxes paid for **2003** from RI-1040, line 18A or RI-1040NR, lines 18A and 18C.  
4. Subtract line 3 from line 1 - (if the result is $250.00 or less do not complete the rest of this form).  
5. Enter your **2002** Rhode Island income tax from RI-1040, line 13 or RI-1040NR, line 15.  
6. Enter the **SMALLER** of line 2 or line 5.  

**PART 2 SHORTCUT METHOD**

You can use this method if you meet the following conditions (Otherwise, you must complete RI-2210 to figure your underestimating interest):

1. You made no estimated payments OR all 4 estimated payments were equal and paid by the appropriate due dates;  
2. AND you did not complete RI-2210, part 5 (Annualized Income Installment Worksheet).  
7. Enter the amount from Part 1, line 6 above.  
8. Enter the total withholding and estimated tax paid from RI-1040, lines 18A and 18B or RI-1040NR, lines 18A, 18B and 18C.  
10. Multiply line 9 by 7.9808% (.079808)..................................................................................................................................................10.  
11. If the amount on line 9 was paid on or after 4/15/04, then enter $0  
   If the amount on line 9 was paid before 4/15/04, then make the following calculation:  
   The amount on line 9 (times) the number of days paid before 4/15/04 (times) .00022 and enter the result here..............11.  
12. **UNDERESTIMATING INTEREST** - subtract line 11 from line 10 - enter here and in the space provided on RI-1040 or RI-1040NR, line 19..................................................................................................................................................................................................................12.

**INSTRUCTIONS**

**PURPOSE OF THIS FORM**

Individuals (except qualified farmers and fishermen) should use this form to determine if their income tax was sufficiently prepared throughout the year by having RI tax withheld or by paying RI estimated tax; if not, a charge may be imposed on the underpayment of the taxes. Complete Part 1 of this form to determine if the payment of the charge may be avoided.

**WHO CAN FILE THIS FORM**

You can use this form only if you meet the following conditions ① You made no estimated payments OR all 4 estimated payments were equal and paid by the appropriate due dates ② AND you are not completing the Annualization Income Worksheet on RI-2210. If you do not meet these conditions, you must file RI-2210. RI-2210 is available online www.tax.ri.gov or by calling our forms department at (401) 222-1111.

**FARMERS AND FISHERMEN**

If you meet BOTH of the following tests, you may be exempt from the charge for underpayment of estimated tax: ① Gross income from farming or fishing is at least 2/3 (two thirds) of your annual gross income AND ② you filed form RI-1040 or RI-1040NR and paid the tax due on or before March 1, 2004. If you meet both of these tests, write next to line 1 "EXEMPT, FARMER/FISHERMAN" and do not complete the rest of this form. Attach this form to your return or mail to: The RI Division of Taxation - One Capitol Hill - Providence, RI 02906-5806 if the return has been previously filed.