PART 1 REQUIRED ANNUAL PAYMENT
1. Enter your 2005 RI income tax from RI-1040, line 13 less line 18D or RI-1040NR, line 15 less line 18E.............................................. 1.
2. Enter 80% of the amount shown on line 1............................................................ 2.
3. RI taxes withheld for 2005 from RI-1040, line 18A or RI-1040NR, lines 18A, 18C and 18D.............................................. 3.
4. Subtract line 3 from line 1 - (if the result is $250.00 or less do not complete the rest of this form). 4.
5. Enter your 2004 RI tax from RI-1040, line 13 less line 18D or RI-1040NR, line 15 less line 18E.............................................. 5.
6. Enter the SMALLER of line 2 or line 5............................................................ 6.

PART 2 SHORTCUT METHOD
You can use this method if you meet the following conditions (Otherwise, you must complete parts 3 and 4 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............................................................ 7.
8. Enter the total withholding and estimated tax you paid from RI-1040, lines 18A and 18B or RI-1040NR, lines 18A, 18B, 18C and 18D. 8.
10. Multiply line 9 by 7.9808% (.079808).................................................................................... 10.
11. If the amount on line 9 was paid on or after 4/15/06, then enter $0
If the amount on line 9 was paid before 4/15/06, then make the following calculation:
   The amount on line 9 (times) the number of days paid before 4/15/06 (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.

PART 3 FIGURE YOUR UNDERPAYMENT
13. Divide the amount on line 6 by four (4) and enter the results in each column... 13.
14. Annualized income installments from part 5, line 33 NOTE: Complete lines 15 through 17 in one column before completing the next column... 14.
15. Enter the amount from line 13 or line 14 if applicable........................................ 15.
16. RI tax withheld and estimated tax paid (If line 16 is equal to or more than line 15 for all installment periods, do not complete or file this form unless you report annualized income installments on line 14).................................................... 16.
17. UNDERPAYMENT - Subtract line 16 from line 15 OR, OVERPAYMENT - Subtract line 15 from line 16............................................................ 17.

PART 4 HOW TO FIGURE THE CHARGES
18. Payment date or date listed in instructions for line 18, whichever is earlier...... 18.
19. Number of days from the installment date to date of payment or the due date of the next installment, whichever is earlier.............. 19A. days
B. Number of days on line 19A \[ \frac{365}{X} \times 12\% \times \text{underpayment on line 17} \]
19B. days
20. Number of days from January 1, 2006 to the date of payment or January 15, 2006, whichever is earlier............... 20A. days
B. Number of days on line 20A \[ \frac{365}{X} \times 12\% \times \text{underpayment on line 17} \]
20B. days
21. Number of days from January 15, 2006 to the date of payment or April 15, 2006, whichever is earlier.......................... 21A. days
B. Number of days on line 21A \[ \frac{365}{X} \times 12\% \times \text{underpayment on line 17} \]
21B. days
22. UNDERESTIMATING INTEREST - Total amount from all columns on lines 19B, 20B and 21B
Enter here and in the space provided on RI-1040 or RI-1040NR, line 19............................................................ 22.
PURPOSE OF THIS FORM

Individuals (except qualified farmers and fishermen) should use this form to determine if their income tax was sufficiently prepaid 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.

FARMER AND FISHERMAN

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 two thirds of your annual gross income; and, 2) Filed Form RI-1040 or RI-1040NR and paid the tax due on or before March 1, 2006. If you meet both of these tests, write on line 1 "EXEMPT, FARMER/FISHERMAN" and do not complete the rest of this form. Attach this form to your return or mail to RI Division of Taxation if the return has been previously filed.

PART 1 - REQUIRED ANNUAL PAYMENT

Line 1 - Enter your 2005 RI tax from RI-1040, line 13 less line 18D or RI-1040NR, line 15 less line 18E.

Line 2 - Enter 80% of the amount shown on line 1.

Line 3 - Enter the amount of your RI taxes withheld from RI-1040, line 18A or RI-1040NR, lines 18A, 18B and 18D.

Line 4 - Subtract line 3 from line 1. If the result is $250.00 or less you do not owe any amount and need not complete the rest of this form.

Line 5 - Enter your 2004 RI tax - RI-1040, line 13 less line 18D or RI-1040NR, line 15 less line 18E. If you had no federal tax liability for 2004 and you were a Rhode Island resident during all of 2004, and your 2004 federal tax return was (or would have had been required to file) for a full 12 months, then enter zero (0).

Line 6 - Enter the smaller of line 2 or line 5 (including zero). If line 6 is zero, you do not owe any amount and need not complete the rest of this form. However, you must attach this form to your RI return.

PART 2 - SHORTCUT METHOD

Line 7 - Enter the amount from line 6.

Line 8 - Enter the total amount of estimated tax and withholding tax paid you for 2005 (RI-1040, lines 18A and 18B or RI-1040NR, lines 18A, 18B, 18C and 18D).

Line 9 - Subtract line 8 from line 7.

Line 10 - Multiply line 9 by 0.079808.

Line 11 - If you paid the tax balance after 4/15/06 enter zero (0). If you paid the tax balance due on or before 4/15/06, multiply the number of days paid before 4/15/06 by the amount on line 9 and by .00022 and enter the result on line 11.

Line 12 - Subtract line 11 from line 10 - enter here and in the space provided on RI-1040, lines 18A, 18B or RI-1040NR, line 19.

PART 3 - FIGURE YOUR UNDERPAYMENT

Line 13 - Divide the amount shown on line 6 by four (4) and enter the result in each column.

Line 14 - If your income varies during the year, you may complete the annualized income installment worksheet. However, if you complete and use line 14 for any installment you must complete it and use it for all installments. NOTE: COMPLETE LINES 15-17 FOR ONE COLUMN BEFORE COMPLETING THE NEXT COLUMN.

Line 15 - Enter the amount from line 13 (or from line 14, if line 14 was completed).

Line 16 - You are considered to have paid Rhode Island withholding tax if you paid within all of 2004, and your 2004 federal tax return was (or would have been required to file) for a full 12 months, then enter zero (0).

PART 4 - HOW TO FIGURE THE CHARGE

Line 17 - Subtract line 16 from line 15 for any underpayments. Subtract line 15 from line 16 for any overpayments. Any overpayments on line 17 should be used to increase the amount entered on line 16 for the next installment period. Any underpayment on line 17 should be used to decrease the amount on line 16 for the next installment period. However, if you entered amounts on line 14, annualized income installments, and the amounts on line 17 are zero ($0) or less for all installment periods, then enter zero ($0) on line 22 and file this form with your return.

PART 5 - ANNUALIZED INCOME INSTALLMENT WORKSHEET

IMPORTANT: Complete one column lines 23-33 before completing the next column.

23. Figure your actual taxable income ........................................................................................................

24. Annualization amounts ........................................................................................................................

25. Multiply the amount on line 23 by the indicator on line 24 ................................................................

26. Figure your Rhode Island tax on the amount on line 25 ...................................................................

27. Applicable percentage ........................................................................................................................

28. Multiply the amount on line 26 by the applicable percentages on line 27 .......................................... 

29. Enter the combined amount from line 33 for all preceding periods ...................................................

30. Subtract line 29 from line 28 (not less than zero) ..............................................................................

31. Enter the amount from RI-2210, page 1, line 13 for the period plus the amount from line 32 of this worksheet for the preceding period ..............................................................

32. If line 31 is more than line 30, SUBTRACT line 30 from line 31, OTHERWISE enter zero .................

33. Enter the smaller of line 30 or line 31 here and on page 1, line 14 ....................................................

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20% 40% 60% 80%