PART 1 REQUIRED ANNUAL PAYMENT

1. 2005 RI income tax from RI-1040C, line 14................................................................. 1.
2. Enter 80% of the amount shown on line 1........................................................................... 2.
3. RI withholding taxes paid for 2005 from RI-1040C, lines 16 and 17................................. 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. 2004 RI tax from RI-1040C, line 14........................................................................................ 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. the entity made no estimated payments OR all 4 estimated payments were equal and paid by the appropriate due dates;
2. AND the entity did not complete RI-2210C, 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 paid from RI-1040C, lines 15, 16 and 17............. 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 on RI-1040C, line 21................................................................. 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. A. Number of days from the installment date to date of payment or the due date of the next installment, whichever is earlier................................................. 19A.
    B. Number of days on line 19A \[ \frac{366}{12}\] X underpayment on line 17... 19B.
20. A. Number of days from January 1, 2006 to the date of payment or January 15, 2006, whichever is earlier...... 20A.
    B. Number of days on line 20A \[ \frac{366}{12}\] X underpayment on line 17... 20B.
21. A. Number of days from January 15, 2006 to the date of payment or April 15, 2006, whichever is earlier................................................. 21A.
    B. Number of days on line 21A \[ \frac{366}{12}\] X underpayment on line 17... 21B.
22. UNDERESTIMATING INTEREST - Total amount from all columns on lines 19B, 20B and 21B. Enter here and on RI-1040C, line 21................................................................. 22.
PURPOSE OF THIS FORM

Entities should use this form to determine if their income tax was sufficiently prepaid throughout the year by having Rhode Island tax withheld or by paying Rhode Island 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.

PART 1 - REQUIRED ANNUAL PAYMENT

Line 1 - Enter your 2005 Rhode Island tax from RI-1040C, line 14.

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

Line 3 - Enter the amount of Nonresident real estate withholding and Nonresident withholding received from pass-through entities for 2005 from RI-1040C, lines 15 and 16.

PART 2 - SHORTCUT METHOD

Line 4 - Subtract line 3 from line 2. 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 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 Rhode Island return.

PART 3 - FIGURE YOUR UNDERPAYMENT

Line 6 - Enter the amount from line 6.

Line 7 - Enter the amount from line 6.

Line 8 - Enter the amount of Nonresident real estate withholding and Nonresident withholding received from pass-through entities for 2005 from RI-1040C, lines 15 and 16.

Line 9 - Subtract line 8 from line 7.

Line 10 - Multiply line 9 by 0.079808

Line 11 - If you paid the tax balance due 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-1040C, line 21.

PART 5 - ANNUALIZED INCOME INSTALLMENT WORKSHEET

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

<table>
<thead>
<tr>
<th>01/01/05</th>
<th>01/01/05</th>
<th>01/01/05</th>
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<td>08/31/05</td>
<td>12/31/05</td>
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<tr>
<td>4</td>
<td>2.4</td>
<td>1.5</td>
<td>1</td>
</tr>
</tbody>
</table>

20% 40% 60% 80%

23. Figure actual taxable income.


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

26. Figure the 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-2210C, 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.