

# STATE OF OKLAHOMA ANNUALIZED ESTIMATED TAX WORKSHEET

Revised September 2004

If you do not receive your income evenly throughout the year (for example, your income from a repair shop you operate is much larger in the summer than it is during the rest of the year), your required estimated tax payment for one or more periods may be less than the amount figured using the regular installment method.

To see if you can pay less for any period, complete the Annualized Estimated Tax Worksheet. (Note: You must first complete the regular "Tax Worksheet for Individuals" included on Form OW-8-ES.) This worksheet annualizes your tax at the end of each period based on a reasonable estimate of your income, deductions, and other items relating to events that occurred since the beginning of the tax year through the end of the period. Use the result you figure on line 29d to make your estimated tax payments and complete your payment vouchers.

The annualization method for Oklahoma estimated tax purposes is the same as that prescribed in the Internal Revenue Code. The top of the worksheet shows the dates for each payment period. The periods build; that is, each period includes all previous periods. After the end of each payment period, complete the worksheet column for the period from the beginning of the tax year through the end of that payment period to figure how much estimated tax to pay by the payment due date for that period.

➔ *Complete each column after the end of the period shown.*

	Column A 1/1 - 3/31	Column B 1/1 - 5/31	Column C 1/1 - 8/31	Column D 1/1 - 12/31
1. Enter your Oklahoma adjusted gross income for each period . . . . . 1				
2. Annualization amounts . . . . . 2	4	2.4	1.5	1
3. Annualized Oklahoma adjusted gross income Multiply line 1 by line 2 . . . . . 3				
4. Enter your itemized deductions for the period shown in each column. If you do not itemize, enter "0" and skip to line 7. . . . . 4				
5. Annualization amounts . . . . . 5	4	2.4	1.5	1
6. Multiply line 4 by line 5 . . . . . 6				
7. Enter the full amount of your Oklahoma Standard Deduction . . . . . 7				
8. Enter the larger of line 6 or line 7 (Note: If line 6 is less than the Federal Standard Deduction, see instructions) . . . . 8				
9. Multiply \$1,000 by the total number of expected exemptions . . . . . 9				
10. Add lines 8 and 9. Note: If you have out-of-state income, see instructions. . . . . 10				
11. Adjustments to Oklahoma Adjusted Gross Income .11				
12. Taxable income (Method 1). Subtract line 10 and 11 from line 3 . . . . . 12				
13. Tax from Tax Table 1 . . . . . 13				
14. Enter the Federal income tax deduction for each period . . . . . 14				
15. Taxable income (Method 2). Subtract line 14 from line 12 . . . . . 15				
16. Tax from Tax Table 2 . . . . . 16				
17. Estimated Oklahoma tax. Lesser of lines 13 or 16 . . . 17				
18. Oklahoma credits (refundable and nonrefundable) . . . . 18				
19. Subtract line 18 from line 17. If zero or less, enter "0" 19				
20. Applicable percentage . . . . . 20	17.5%	35%	52.5%	70%
21. Tax after credits: multiply line 19 by line 20 . . . . 21				

*(Enter amount shown on line 21 on line 22 on the back of this form)*

Complete each column after the end of the period shown.

	Column A 1/1 - 3/31	Column B 1/1 - 5/31	Column C 1/1 - 8/31	Column D 1/1 - 12/31
22. Amounts from line 21 . . . . . 22				
23. Add amounts in all previous columns of line 29a. .23				
24. Annualized income installments. Subtract line 23 from line 22. If zero or less, enter "0" . . . . . 24				
25. Enter 1/4 of line 13c from Form OW-8-ES "Estimated Tax Worksheet" in each column . . . . . 25				
26. Enter the amount from line 28 of the previous column . . . . . 26				
27. Add lines 25 and 26 . . . . . 27				
28. Subtract line 24 from line 27. If zero or less, enter "0" . . . . . 28				
29. a Enter the smaller of line 24 or line 27 . . . . . 29a				
b Total required payments for the period. Add line 23 and line 29a . . . . . 29b				
c Estimated tax payments made (line 29d of all previous columns) and tax withholding through the due date for the period . . . . . 29c				
d Estimated tax payment required by the next due date. Subtract line 29c from line 29b and enter the result (but not less than zero) here and on your payment voucher. . . . . 29d				

## Line Instructions

**Line 1** Enter your Oklahoma adjusted gross income for each period. This is your gross income, including your share of partnerships or S-corporation income or loss, for the period, minus your adjustments to income for that period.

**Line 6** Multiply line 4 by line 5 and enter the result on line 6. But if your itemized deductions would have been limited based on your annualized Federal adjusted gross income for the period, enter the reduced amount on line 6. To help you determine the reduced amount, you can use the Federal Publication 505.

**Line 8** Enter the larger of line 6 or line 7; unless, line 6 is less than the Federal standard deduction, then enter line 7. However, you do have the option to elect to itemize in each period. If you choose this option, enter "IE" next to the amount.

**Line 10** Add lines 8 and 9 and enter the result on line 10. But, if you had out-of-state income during the period, you must first prorate your deductions and exemptions before entering the total on line 10. The method of proration will be the same as used on Form 511 and can be found in the instructions of the individual income tax packet for the previous tax year. Enter the prorated amount on line 10.

**Line 11** Enter the full amount of the Adjustment to Oklahoma Adjusted Gross Income to which you would be entitled based on either your annualized income or expenses incurred during the period. These are the deductions and exclusions to which you are entitled to as adjustments from Oklahoma adjusted gross income to arrive at Oklahoma taxable income. These adjustments include, but are not limited to, partial military pay exclusion, qualifying disability deduction, political contribution, interest qualifying for exclusion and qualified adoption expense. For a complete list of these adjustments, see the instructions found in the individual income tax packet for the previous tax year.

**Line 14** Compute what your Federal income tax deduction would be based on your annualized Federal adjusted gross income for each period. If your annualized Oklahoma adjusted gross income is less than your annualized Federal adjusted gross income, you must first prorate your Federal tax deduction before entering the total on line 14. To determine the proration, divide your annualized Oklahoma adjusted gross income by the annualized Federal adjusted gross income for the period. Multiply the resulting percentage by the Federal tax deduction computed for the period. Enter the result on line 14.

**Line 18** Include all the credits (other than withholding credits) you can claim because of events that occurred during that period. Do not annualize any credit. However, when figuring your credits, you must annualize any item of income or deduction used to figure the credit. Also, include any credit(s) you are carrying over from a previous year.

**Line 29a** To avoid interest for underpayment you may want to enter on this line the amount from line 22, if line 25 is smaller than line 22 and your line 23 is based on an estimate of your current year's tax (the amount of which is not certain).

**Line 29c** Include all Oklahoma estimated tax payments actually made and Oklahoma income tax withholding through the payment due date for the period.

Your withholding is considered paid in four equal installments, one on the due date of each payment period.

To figure the amount to include on line 29c for each period, multiply your total expected withholding for the current year by:

- 1) 25% (.25) for the first period,
- 2) 50% (.50) for the second period,
- 3) 75% (.75) for the third period, or
- 4) 100% (1.00) for the fourth period.