

Form
504UP

**UNDERPAYMENT OF ESTIMATED
MARYLAND INCOME TAX
BY FIDUCIARIES**

1998

SEE SEPARATE INSTRUCTIONS. ATTACH THIS FORM TO FORM 504.

IMPORTANT: PLEASE REVIEW THE INSTRUCTIONS BEFORE COMPLETING THIS FORM.

IF YOUR INCOME IS TAXABLE BY ANOTHER STATE, SEE INSTRUCTIONS.

Name of estate or trust	Federal employer identification number
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EXCEPTIONS THAT AVOID THE UNDERPAYMENT PENALTY

No interest is due and this form should not be filed if:

- A. The taxable year ends less than 2 years after the decedent's date of death;
- B. The tax liability on gross income after deducting Maryland withholding is \$500 or less; or
- C. Each current year payment, made quarterly as required, is equal to or more than one-fourth of last year's taxes.

REQUIRED ANNUAL PAYMENT

1. Total Maryland income (from line 27 of Form 504)	\$ _____
2. 1998 Maryland and local tax (from line 34 of Form 504)	_____
3. Out of state credit (from line 40 of Form 504)	_____
4. Total <u>tax</u> developed on tax preference items	_____
5. Total (Add lines 3 and 4)	_____
6. Balance (Subtract line 5 from line 2)	_____
7. Multiply line 6 by 90% (.90)	_____
8. 1997 tax (Enter amount from line 62c (reduced by any credit on line 67) of 1997 Form 504)	_____
9. Minimum withholding and/or estimated tax required (Enter the lesser of line 7 or 8)	\$ _____

COMPUTATION OF UNDERPAYMENT

INSTALLMENT PERIODS

- 10. Required payments. Enter amount from line 9 or line 32, whichever is applicable (See instructions)
- 11. Estimated tax paid and tax withheld per period (See instructions)
- 12. Underpayment per period (Subtract line 11 from line 10). If less than zero, enter zero

DUE DATES OF INSTALLMENTS			
April 15, 1998	June 15, 1998	September 15, 1998	January 15, 1999
Jan. 1 to Mar. 31	Jan. 1 to Jun. 30	Jan. 1 to Sep. 30	Jan. 1 to Dec. 31

COMPUTATION OF INTEREST

13. Interest factor (Based on 13% annual rate)	.0217	.0328	.0435	.0321
14. Multiply underpayment on line 12 by the factor on line 13 for each period				
15. Interest (Add amounts on line 14) Place total on line 46 of Form 504 and include amount in your total payment with return				

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CAUTION: COMPLETE LINES 16 - 32 OF ONE COLUMN BEFORE GOING TO THE NEXT COLUMN

ANNUALIZED INCOME INSTALLMENT METHOD

	INCOME PERIODS			
	Jan. 1 to Feb. 28	Jan. 1 to Apr. 30	Jan. 1 to Jul 31	Jan. 1 to Nov. 30
16. Taxable income without exemption for each period				
17. Annualization factor	6	3	1.71429	1.09091
18. Annualized income (Multiply line 16 by line 17)				
19. Exemption (Personal representative enter \$600, all other fiduciaries enter \$200)				
20. Annualized taxable income (Subtract line 19 from line 18)				
21. Compute the tax on the amount from line 20 (See instructions)				
22. Credits and tax developed on tax preference items (See instructions)				
23. Total tax after credits (Subtract line 22 from line 21). If less than zero, enter zero				
24. Applicable percentage	22.5% (.225)	45% (.45)	67.5% (.675)	90% (.9)
25. Annualized tax (year to date amount)(Multiply line 23 by line 24)				
26. Add the amounts from line 32 in all preceding columns				
27. Subtract line 26 from line 25. If less than zero, enter zero				
28. Enter 1/4 of line 9 from page 1 in each column				
29. Enter amount from line 31 of the preceding column				
30. Add line 28 and line 29 and enter total				
31. Subtract line 27 from line 30. If less than zero, enter zero				
32. Enter the smaller of line 27 or line 30 here and the cumulative amounts on line 10 of page 1 (See instructions)				