

**INSTRUCTIONS FOR COMPLETING THE VOUCHER (FORM IT-140ES)**

To allow the State Tax Department to efficiently process your tax payments, be sure your social security number, name and address are correctly printed on the voucher. If you need additional vouchers to make future payments for this tax year, check the box in the upper right corner.

When completing the voucher, enter one character per box and write legibly. Enter the portion of your estimated tax due (line 11 of the worksheet) which you are paying with this voucher. YOU MAY PAY THE TAX BALANCE REMAINING FROM LINE 11 OF THE WORKSHEET WITH ANY VOUCHER. If you do pay the entire balance early, you do not need to file the remaining vouchers for 2005 unless you amend the amount of estimated tax you need to pay.

**2005 WEST VIRGINIA TAX SCHEDULES**

**TAX RATE SCHEDULE I-Taxpayers whose filing status is married filing jointly, single, head of household, or widow(er) with dependent child**

If the taxable income (line 5 of worksheet) is-	The tax is-
Less than \$10,000 .....	3% of the taxable income
At least \$10,000 but less than \$25,000 .....	\$300.00 plus 4% of the income greater than \$10,000
At least \$25,000 but less than \$40,000 .....	\$900.00 plus 4.5% of the income greater than \$25,000
At least \$40,000 but less than \$60,000 .....	\$1,575.00 plus 6% of the income greater than \$40,000
At least \$60,000 .....	\$2,775.00 plus 6.5% of the income greater than \$60,000

**TAX RATE SCHEDULE II-Taxpayers whose filing status is married filing separately**

If the taxable income (line 5 of worksheet) is-	The tax is-
Less than \$5,000 .....	3% of the taxable income
At least \$5,000 but less than \$12,500 .....	\$150.00 plus 4% of the income greater than \$5,000
At least \$12,500 but less than \$20,000 .....	\$450.00 plus 4.5% of the income greater than \$12,500
At least \$20,000 but less than \$30,000 .....	\$787.50 plus 6% of the income greater than \$20,000
At least \$30,000 .....	\$1,387.50 plus 6.5% of the income greater than \$30,000

**RECORD OF ESTIMATED TAX PAYMENTS**

1. Due Date of Payment	Date of Payment	Check or Money Order Number	Amount of Payment
a. April 15, 2005			
b. June 15, 2005			
c. September 15, 2005			
d. January 17, 2006			
2. Total estimated payments (sum of above payments) .....			
3. Amount credited to estimated tax from your 2004 return (if any) .....			
4. Amount paid with extension of time application (if any) .....			
5. Total estimated payments and credits to be claimed on your 2005 return (sum of lines 2, 3 and 4 above) .....			

**INSTRUCTIONS FOR ESTIMATED TAXPAYERS**

**What is estimated tax?** *Estimated tax* is the income tax you expect to owe, less the amount of any income tax credits you expect to receive. Income tax withheld from any of your income is treated as an estimated tax payment for the purpose of determining your estimated tax. Therefore, your estimated tax is your expected income tax for the year less the sum of the following credits which you expect to have, such as: Credit for Income Tax Paid to Another State or Senior Citizens Credit for Property Taxes Paid. Refer to Publication TSD-110 for additional tax credits. This Publication is available on our web site <http://www.state.wv.us/taxdiv> or by calling our Taxpayer Services Division at (304) 558-3333 or 1-800-982-8297 on normal business days between 8:30 a.m. and 5:00 p.m.

**Who must make estimated tax payments?** You must make quarterly estimated tax payments if your estimated tax liability (your estimated tax reduced by any state tax withheld from your income) is at least \$600, unless that liability is less than ten percent of your estimated tax. *Taxpayers who are required to make estimated tax payments but wait until late in the tax year to make a lump sum payment will be penalized for not making the earlier required payments.*

**NOTE:** If your estimated tax liability is more than \$600 and your primary income source is wage and salary income, you may want to adjust your withholding. File a new Form WV/IT-104 (Employee Withholding Exemption Certificate) with your employer to adjust the state tax withheld from your income.

**How much estimated tax must I pay?** Use the *Estimated Tax Worksheet* on page 3 to calculate your estimated tax liability. The amount shown on line 11 is the minimum amount required to be paid as estimated tax payments throughout the year.

**What if I don't pay enough estimated tax?** If you have not prepaid at least ninety percent (90%) of your estimated tax by the appropriate due dates, an addition to tax (penalty) will be added to your tax liability unless you qualify for one of the exceptions.

The penalty is calculated using Form IT-210 (Underpayment of Estimated Tax by Individuals) and is equal to the amount determined by applying the current interest rate for tax underpayments to the underpayment for the period of time the underpayment exists. The annual interest rate for tax underpayments is determined by the State Tax

Commissioner at six month intervals, but cannot be less than eight percent (8%).

**What are the exceptions to the penalty?** Under certain criteria, you may not be subject to the penalty for underpayment of estimated tax. The exceptions are:

- (1) If your estimated tax liability is less than \$600; in otherwords, if your estimated tax reduced by your tax withheld is less than \$600, no penalty will be imposed.
- (2) If you prepay, through tax withholding and estimated tax payments, one hundred percent of the tax shown on your return for the preceding year. This exception is determined on an installment by installment basis. For example, a taxpayer must prepay twenty-five percent (100% times one-fourth) of the prior year tax by the first quarterly installment due date to meet the exception for that quarter; making a lump sum payment later in the year will not eliminate the penalty due for that quarter.
- (3) If you prepay, through tax withholding and estimated tax payments, the portion of the tax which would be due if you annualized the income earned so far this year. This exception is also determined on an installment by installment basis. Many taxpayers who have varying levels of income throughout the year will qualify for this exception for some quarters in which their income is low.
- (4) If you had no West Virginia tax liability for the preceding year, no penalty will be imposed if; (a) the preceding tax year was a 12-month period; (b) you were a citizen or resident of the United States throughout the preceding tax year; and (c) your current year liability is less than \$5,000.

**To Pay by Credit Card**



Call 1-800-272-9829  
or visit [www.officialpayments.com](http://www.officialpayments.com)

(Use Jurisdiction Code 5700)

There will be a nominal fee charged for this service.

**ESTIMATED TAX WORKSHEET**

**When are my estimated payments due?** Estimated tax payments are due fifteen days following the end of the third, fifth, eighth and twelfth months of the taxable year. If the due date falls on Saturday, Sunday or a legal holiday, the payment is due the next business day. A payment placed in the mail, postage prepaid, on or before the due date, is considered timely paid. For calendar year 2005 taxpayers, payments are due April 15, June 15, September 15, 2005, and January 17, 2006.

**What is the minimum amount required to be paid with each voucher?** The minimum payment required with each voucher is determined by dividing the amount remaining to be paid by the number of payments yet to be made. You are permitted to prepay the remaining balance at any time.

**How do I receive credit for my estimated payments?** Show the total of any estimated payments (including any portion of your 2004 tax overpayment which you credited to your 2005 estimated taxes) on the estimated payments line of your 2005 return to receive full credit. **Be sure your correct social security number is shown on each payment voucher to ensure proper processing of your payment.**

**What if my income changes during the year?** If your income changes, you should recompute your estimated tax liability and adjust your payments when the next payment is due. Even if you had not been required to make previous payments, a dramatic rise in income may require you to make future payments.

1. Income you expect to report on your 2005 federal return .....	1	
2. Modifications to income .....	2	
3. Income subject to West Virginia tax (line 1 plus or minus line 2) .....	3	
4. Exemption allowance .....	4	
5. Taxable income (line 3 less line 4) .....	5	
6. Tax (apply rate schedule to amount shown on line 5) .....	6	

**See the instructions if you were a nonresident for any part of the year or you had any income subject to Federal Alternative Minimum Tax.**

7. Tax credits (do not include tax withheld) .....	7	
8. Estimated tax (line 6 less line 7) .....	8	
9. Required tax payments (line 8 X 90%) .....	9	
10. Tax expected to be withheld from your income .....	10	
11. Estimated tax due (line 9 less line 10) .....	11	

**INSTRUCTIONS FOR COMPLETING THE ESTIMATED TAX WORKSHEET**

To determine your estimated tax, complete the worksheet on page 3 using these instructions.

**Line 1.** You must include on line 1 any income you expect to report on your 2005 federal return.

**Line 2.** Any income which is exempt from West Virginia income tax is subtracted on line 2; on the other hand, if you have income which is not reported on your federal return, but is subject to West Virginia tax, it should be added on line 2. See the FOR YOUR INFORMATION section on page 3 for examples of line 2 modifications.

**Line 3.** Combine line 1 and line 2. Line 3 is your income subject to West Virginia tax.

**Line 4.** Multiply the number of exemptions you will be allowed on your 2005 return by \$2,000 and enter the result on line 4. If you must claim zero exemptions for 2005 enter \$500 as your personal exemption allowance on line 4.

**Line 5.** Subtract line 4 from line 3. Line 5 is your West Virginia taxable income.

**Line 6.** Use the rate schedules on page 4 to calculate your tax based on the taxable income on line 5.

**If you had tax preference income subject to Federal Alternative Tax,** you are subject to West Virginia minimum tax. Multiply your Federal Minimum Tax by 0.25 (25%) and compare this amount to the tax calculated from the rate schedules. Enter the larger of the two amounts on line 6 as your West Virginia tax.

**If you were a nonresident for any part of the taxable year,** you must multiply the tax calculated using the rate schedules by a fraction, the numerator of which is your West Virginia source income and the denominator of which is the total income to be reported on your federal return. West Virginia source income includes all income received while a West Virginia resident and any income from West Virginia sources while a nonresident.

**Line 7.** Enter the sum of your tax credits expected for 2005 from the following sources: any business investment credits which may be used to offset your personal income tax; and any credit you will be allowed for income tax paid to another state which also taxed all or part of your West Virginia income.

**Line 8.** Subtract line 7 from line 6. Line 8 is your West Virginia estimated tax.

**Line 9.** Multiply line 8 X 0.90 (90%). Line 9 is the portion of your estimated tax required to be prepaid through withholding and estimated tax installments.

**Line 10.** Enter the amount of West Virginia income tax you expect to have withheld from your wages, pensions, or other income.

**Line 11.** Subtract line 10 from line 9. Line 11 is the West Virginia estimated tax you need to pay. See the instructions on page 1 and 2 to determine the amount you need to pay on each installment due date.

**FOR YOUR INFORMATION**

**If you file your tax return and pay the balance of tax due by January 31 of the following year, you are not required to make the 4th quarter estimated tax installment. Also, if your calculations show an overpayment of tax due prior to making your 4th quarter estimated tax installment and you expect to receive a refund on your annual return, you are not required to make additional estimated tax payments.**

For West Virginia resident taxpayers, winnings from PowerBall and/or the West Virginia Lottery MUST be included in West Virginia taxable income, and may NOT be deducted on Schedule M.

If you receive lump sum distributions and elect 5 or 10 year averaging (Federal Form 4972), you are required to report the total distribution of income to West Virginia in the year it was actually received.

If you move out of West Virginia, you must report any income accrued prior to your change of residence. This may include income not reported on your federal return because of your election to report it on an installment basis.

Nonresident taxpayers who receive distributions from S-corporations, partnerships, or trusts may need to make estimated tax payments even if West Virginia tax is withheld from their distribution. Since only four percent of your distribution is withheld, you may need to pay estimated tax if your total income exceeds \$25,000 (\$12,500 if you are married filing a separate return).

Taxpayers who receive benefits from military retirement, West Virginia Public Employees Retirement, West Virginia Teachers Retirement, or from any qualifying federal retirement system (under Title 4 USC § 111) are allowed to deduct up to \$2,000 of these benefits from their federal adjusted gross income.

Beginning with taxable year 2003, taxpayers who receive benefits from military retirement may be entitled to an additional \$20,000 modification. This includes any survivorship annuities, to the extent included in gross income for federal income tax purposes.

Taxpayers who are age 65 (or older) or who are certified as permanently and totally disabled are allowed to deduct up to \$8,000 from their adjusted gross income. See the instructions for Schedule M to see how to receive this modification.

The West Virginia personal exemption allowance is \$2,000 per exemption. If you must claim zero exemptions on your federal return, you are allowed a special \$500 personal exemption allowance.

**Estimated tax payments should be mailed by the due date to:**

State Tax Department  
Internal Auditing Division - EST  
PO Box 342  
Charleston, West Virginia 25322-0342

**For additional information, call Taxpayer Services at 1-800-982-8297 (toll-free within West Virginia) or 304-558-3333**