



25504U049

**IMPORTANT: 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

**EXCEPTIONS THAT AVOID THE UNDERPAYMENT PENALTY**

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

- A. The tax 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 110% of last year's taxes.

**REQUIRED ANNUAL PAYMENT**

1.	Total Maryland income (from line 8 of Form 504 or from line 17c of Form 504NR for nonresident fiduciaries re quired to use Part II of Form 504NR) . . . . .	1.	00
2.	2025 Maryland and local tax (from line 22 of Form 504) . . . . .	2.	00
3.	Credits (from lines 15, 16, 20, 32, and 33 of Form 504) . . . . .	3.	00
4.	Total tax developed on tax preference items . . . . .	4.	00
5.	Total (Add lines 3 and 4.) . . . . .	5.	00
6.	Balance (Subtract line 5 from line 2.) . . . . .	6.	00
7.	Multiply line 6 by 90% (.90) . . . . .	7.	00
8a.	2024 tax (Enter amount from line 21 [reduced by any credits on lines 29 through 30] of 2024 Form 504) . . . . .	8a.	00
8b.	Multiply line 8a by 110% (1.10) . . . . .	8b.	00
9.	Minimum withholding and/or estimated tax required (Enter the lesser of line 7 or 8b. If first-time filer, enter amount from line 7.) . . . . .	9.	00

**COMPUTATION OF UNDERPAYMENT**

INSTALLMENT PERIODS	DUE DATES OF INSTALLMENTS			
	April 15, 2025	June 15, 2025	September 15, 2025	January 15, 2026
Jan. 1 to Mar. 31	Jan. 1 to Jun. 30	Jan. 1 to Sept. 30	Jan. 1 to Dec. 31	
10. Required payments. Enter the amount derived 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 . . . . .				

**COMPUTATION OF INTEREST**

13. Interest factor. . . . .	.0192	.0289	.0381	.0266
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 39 of Form 504 and include amount in your total payment with return. . . . .				



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NAME \_\_\_\_\_ FEIN \_\_\_\_\_

**NOTE: COMPLETE LINES 16-32 OF ONE COLUMN BEFORE GOING TO THE NEXT COLUMN.**

	<b>INCOME PERIODS</b>			
	Jan. 1 to Feb. 28	Jan. 1 to Apr. 30	Jan. 1 to July 31	Jan. 1 to Nov. 30
16. Taxable income without exemption for each period. . . . .				
17. Annualization factor. . . . .	<b>6</b>	<b>3</b>	<b>1.71429</b>	<b>1.09091</b>
18. Annualized income (Multiply line 16 by line 17.) . . . . .				
19. Exemption (Personal representatives 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 credit. (Subtract line 22 from line 21.) If less than zero, enter zero. . . . .				
24. Applicable percentage . . . . .	<b>22.5%</b> <b>(.225)</b>	<b>45%</b> <b>(.45)</b>	<b>67.5%</b> <b>(.675)</b>	<b>90%</b> <b>(.9)</b>
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 the 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.).				

# UNDERPAYMENT OF ESTIMATED INCOME TAX BY FIDUCIARIES INSTRUCTIONS

## GENERAL INSTRUCTIONS

Section 10-815 of the Tax-General Article of the Annotated Code of Maryland requires every individual, including a fiduciary, who receives taxable income which is not subject to Maryland withholding or from which not enough Maryland tax is withheld to file a declaration of estimated tax if the income can be expected to develop a tax of more than \$500 in excess of the Maryland withholding. Furthermore, Sections 13-602 and 13-702 stipulate that any individual required to file, who either 1. fails to file on the date or dates prescribed; 2. fails to pay the installment or installments when due; or, 3. estimates a tax less than 90% of the developed tax shown on the return for the current tax year and less than 110% of the tax that was developed for the prior year, shall be subject to interest and penalty.

## WHO MUST FILE

If you believe you are liable for interest for one of the reasons outlined above, please complete and submit this form with your tax return.

If you meet one of the following exceptions, then you are not required to file this form:

1. The tax year ends less than two years after the decedent's date of death;
2. The tax liability on gross income after deducting Maryland withholding is \$500 or less; or
3. Each current year payment, made quarterly as required, is equal to or more than 1/4 of 110% of last year's tax.

If you want us to figure the interest for you, complete your return as usual. Do not file Form 504UP. You will be notified of any interest due.

**IMPORTANT:** If you complete Form 504UP and, because of the distribution of income, have no interest due, attach the form to your fiduciary return and write code number **301** on one of the lines marked Code Number at the bottom of Form 504.

If you use the annualization method to calculate interest for underpayment of estimated tax, attach Form 504UP to your fiduciary return and write code number **301** on one of the lines marked Code Number at the bottom of Form 504. **For the Revenue Administration Division to recognize your use of this calculation method, you must enter the code number and attach the form, even if there is no interest due.**

## SPECIFIC INSTRUCTIONS

**Lines 1 through 9** are used to determine the minimum amount required to be paid by estimated or withholding tax to avoid interest.

### Lines 1 through 3

Enter the amounts specified from your 2025 Form 504.

### Line 4

Multiply the amount from line 5 of Form 502TP by the highest state rate used on your tax return. Add to this result the amount from line 5 of Form 502TP multiplied by your local (or special nonresident) tax rate.

### Line 8a

If your 2024 tax was corrected or amended, be sure to include any additional tax when calculating your total tax for the year.

**Lines 10 through 12** will determine which periods are underpaid and the amount of underpayment.

### Line 10

If you are using the regular method of computing the underpayment of estimated income tax, then enter 1/4 of line 9 in column 1, 1/2 of Line 9 in column 2, 3/4 of line 9 in column 3 and an amount equal to Line 9 in column 4. If you are using the annualized income installment method, enter the amounts from Line 32 in the respective columns.

### Line 11

Enter in each column the sum of any estimated payments you have made and any Maryland tax withheld for the period covered by that column.

**NOTE:** Just as in Line 10, each successive entry will include the amount from the prior columns. For example, if you paid \$500 in estimated payments each quarter, the first column will contain \$500, the second \$1,000, the third \$1,500 and the fourth \$2,000.

**Lines 13 through 15** determine the amount of interest due for each underpaid quarter.

### Line 13

The factors represent the interest rate for the portion of the year between the due date of each quarter and the due date of the next quarter. Interest is computed at a rate of 0.9568% per month for due dates prior

to January 1, 2026. Interest is computed at a rate of 0.9011% per month after December 31, 2025. See [marylandcomptroller.gov](http://marylandcomptroller.gov) for more information.

If your estimated tax payment was not timely, but was paid earlier than the due date of the next quarter, adjust the factor as follows:

**1st Period** - For payments due by April 15, 2025 that were not paid by April 15, 2025 but paid earlier than June 15, 2025, count the number of months from the due date of April 15, 2025 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11.4825% annual rate. Apply this adjusted factor to the underpaid amount on Line 12.

**2nd Period** - For payments due by June 15, 2025 that were not paid by June 15, 2025 but paid earlier than September 15, 2025, count the number of months from the due date of June 15, 2025 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11.4825% annual rate. Apply this adjusted factor to the underpaid amount on Line 12.

**3rd Period** - For payments due by September 15, 2025 that were not paid by September 15, 2025 but paid earlier than December 15, 2025, count the number of months from the due date of September 15, 2025 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11.4825% annual rate. Apply this adjusted factor to the underpaid amount on line 12. For payments made on or later than December 15, 2025, apply the interest factor of .0381 to the underpaid amount on Line 12.

**4th Period** - For payments due by January 15, 2026 that were not paid by January 15, 2026 but paid earlier than April 15, 2026, count the number of months from the due date of January 15, 2026 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 10.8133% annual rate. Apply this adjusted factor to the underpaid amount on Line 12.

### Line 14

Using the factors on Line 13 or the adjusted factor described above, determine the amount of interest due for each quarter and enter the amounts in the appropriate columns.

### Line 15

Add all interest amounts from columns 1 through 4 on Line 14. Enter the total interest on Line 38 of your Form 504. Attach this form to your Form 504.

## ANNUALIZED INCOME INSTALLMENT METHOD

If your income varied during the year, you may be able to lower or eliminate the amount of one or more required installments by using the annualized income installment method. If you use this method for any payment due date, you must use it for all payment due dates. This method automatically selects the smaller of the annualized income installment or the regular installment.

You must complete Lines 16-32 of one column before starting the next column.

### Line 16

Enter in each column the income received for the period of the year covered by the column.

**NOTE:** Each successive column will include the amount from the prior columns. See the example in the instructions for Line 11.

### Line 19

Personal representatives of a decedent's estate should enter \$600, all other fiduciaries enter \$200.

### Line 21

Compute the state and local tax on the amount from Line 20 using the tax rate schedules provided in the instructions for Form 504. Enter the total on Line 21.

### Line 22

Enter in the appropriate column the amount of any credits from Lines 14, 15, 19, 29 and 30 of Form 504 and tax developed on tax preference items. (See instructions for line 4.)

### Line 32

Enter the smaller of Line 27 or Line 30 in each respective column and the cumulative amounts on line 10 of page 1. This is the amount of the required payments for each period.

Follow the instructions for Lines 11 through 15 to compute the amount of interest for the underpayment of estimated taxes, if any.