



CT-222

New York State Department of Taxation and Finance

Underpayment of Estimated Tax by a Corporation

Tax Law — Articles 9, 9-A, 32, and 33

2000 calendar-yr. filers, check box

Other filers enter tax period:

beginning	
ending	

Name	Employer identification number	File number
------	--------------------------------	-------------

Computation of underpayment

1	2000 corporation franchise tax or MTA surcharge (see instructions on back)	1	
2	Multiply line 1 by 91% (.91) or 100% (1.00) (see instructions)	2	
3	1999 corporation franchise tax or MTA surcharge (see instructions)	3	
4	Multiply line 3 by 25% (.25)	4	
5	Subtract line 4 from line 2	5	

	A First	B Second	C Third	D Fourth
Enter the due date of each installment				
6 25% (.25) of 1999 tax (from line 4)				
7 Divide line 5 by number of installments (enter in appropriate columns)				
8 Amount paid on time or credited for each period				
9 Overpayment of previous installment				
10 Add lines 8 and 9				
11 Overpayment (In column A, subtract line 6 from line 10.) (In columns B, C, and D, subtract line 7 from line 10.)				
12 Underpayment (In column A, subtract line 10 from line 6.) (In columns B, C, and D, subtract line 10 from line 7.)				

Exceptions to the underpayment penalty

13 Total cumulative amount paid or credited from the beginning of the taxable year through the installment dates that correspond to the 15th day of the 3rd, 6th, 9th, and 12th months				
14 Exception 1 - Prior year's tax (see instructions)				
15 Exception 2 - Tax on prior year's figures using 2000 rates (attach computation - see instructions)				
16 Exception 3 - Tax on annualized 2000 income (attach computation - see instructions)				
17 Exception 4 - Tax on recurring seasonal income (attach computation - see instructions)				

Computation of the underpayment penalty

18 Enter the date of payment or the 15th day of the 3rd month after the end of the tax year, whichever is earlier				
19 Number of days from due date of installment to the date shown on line 18				
20 Number of days on line 19 after 3/15/00 and before 4/1/00				
21 Number of days on line 19 after 3/31/00 and before 7/1/00				
22 Number of days on line 19 after 6/30/00 and before 10/1/00				
23 Number of days on line 19 after 9/30/00 and before 1/1/01				
24 Number of days on line 19 after 12/31/00 and before 4/1/01				
25 Number of days on line 19 after 3/31/01 and before 7/1/01				
26 Number of days on line 19 after 6/30/01 and before 10/1/01				
27 Number of days on line 19 after 9/30/01 and before 1/1/02				
28 Number of days on line 19 after 12/31/01 and before 3/15/02				
29 Number of days on line 20 ÷ 366 × 8% × amount on line 12				
30 Number of days on line 21 ÷ 366 × 9% × amount on line 12				
31 Number of days on line 22 ÷ 366 × 9% × amount on line 12				
32 Number of days on line 23 ÷ 366 × %* × amount on line 12				
33 Number of days on line 24 ÷ 365 × %* × amount on line 12				
34 Number of days on line 25 ÷ 365 × %* × amount on line 12				
35 Number of days on line 26 ÷ 365 × %* × amount on line 12				
36 Number of days on line 27 ÷ 365 × %* × amount on line 12				
37 Number of days on line 28 ÷ 365 × %* × amount on line 12				
38 Add lines 29 through 37				
39 Underpayment penalty (see instructions)				
40 Add lines 39 columns A through D. Enter here and on your franchise tax return or MTA surcharge return				

* For information as to the applicable rate on or after October 1, 2000, for lines 32 through 37, see instructions.

Instructions

Attach this form to either your New York State franchise tax return or MTA surcharge return.

General information

All general business corporations (including S corporations), banking, insurance, utilities (including providers of telecommunication services), and transportation and transmission corporations whose franchise tax for the current tax year can reasonably be expected to be more than \$1,000 after credits, must file a declaration of estimated franchise tax and make quarterly installment payments.

Any corporation doing business in the Metropolitan Commuter Transportation District that is required to make a declaration of estimated franchise tax must also make a declaration of estimated metropolitan transportation business tax surcharge (MTA surcharge) and make quarterly installment payments.

If you do not pay the required amounts on time, you may have to pay an underpayment penalty for the period of underpayment.

Payment of estimated tax

First installment - If the franchise tax on your previous year's return or on your request for extension of time for filing that return is more than \$1,000, you must pay 25% of the tax with the return or extension.

If you are liable for the MTA surcharge, a 25% first installment is required if your franchise tax is more than \$1,000.

The second, third, and fourth installments of estimated franchise tax and MTA surcharge are due on the fifteenth day of the sixth, ninth, and twelfth months of your tax year.

Computation of underpayment

Complete lines 1 through 12 to determine any underpayment of estimated taxes.

Line 1 - To compute an underpayment of tax, enter your 2000 tax. To compute an underpayment of the MTA surcharge, enter your 2000 MTA surcharge.

Line 2 - Large corporations multiply the amount on line 1 by 100%. All others multiply line 1 by 91%. A large corporation is one that had, or whose predecessor had, allocated entire net income of at least \$1 million for any of the three tax years immediately preceding the tax year involved.

Line 3 - To compute an underpayment of tax, enter your 1999 tax. To compute an underpayment of the MTA surcharge, enter your 1999 MTA surcharge.

Line 8 - A payment of estimated tax is applied against underpayments of required installments in the order in which the installments are required to be paid.

Example: Calendar-year taxpayer

	First	Second	Third	Fourth
Due date	3/15	6/15	9/15	12/15
25% of prior year tax or MTA surcharge	1,500	--	--	--
Installment amount due ...	--	1,000	1,000	1,000
Paid on time/credited	1,500	0	500*	1,000**
Underpayment	0	1,000	500	0

Penalty is due on \$1,000 from 6/15 to 9/15.

Penalty is due on \$500 from 9/15 to 12/15.

* Paid \$1,500, \$1,000 applied to 6/15 installment; \$500 applied to 9/15 installment.

** Paid \$1,500, \$500 applied to 9/15 installment; \$1,000 applied to 12/15 installment.

Exceptions to the underpayment penalty

You will not have to pay a penalty if you made all tax payments on time and they equal or exceed the amount that would have been required to be paid by each installment date if the estimated tax were an amount determined under any of the exceptions listed below.

A different exception may be applied to each underpayment. If no exception applies, complete lines 18 through 39 to determine the amount of the penalty.

Exceptions 1 and 2, on lines 14 and 15, **do not** apply to large corporations.

Exception 1, line 14 (not to be used by large corporations): This exception allows you to substitute for the current year's estimated tax the tax reported on your 1999 return. You must have filed a franchise tax return showing a tax liability for the preceding tax year, and that year must have consisted of 12 months.

Exception 2, line 15 (not to be used by large corporations): This exception applies if the amount you paid is equal to or more than the tax computed by using the current year's rate but based on the facts shown on the prior year's return and the law that applies to the prior year.

Exception 3, line 16: This exception applies if the estimated tax you paid was equal to or more than 91% (or 100% for large corporations) of the amount you would owe if your estimated tax were a tax computed on annualized taxable income for the months preceding an installment date.

You may annualize income as follows:

- For the first 3, 4, or 5 months of the taxable year, in the case of the installment required to be paid in the 6th month.
- For the first 6, 7, or 8 months of the taxable year, in the case of the installment required to be paid in the 9th month.
- For the first 9, 10, or 11 months of the taxable year, in the case of the installment required to be paid in the 12th month.

To annualize, multiply taxable income for the period by **12** and divide the result by the number of months in the period (3, 4, 5, 6, 7, 8, 9, 10, or 11, as the case may be).

Exception 4, line 17: This exception applies if you have recurring seasonal income. Under this exception, you may annualize income by assuming that income earned in the current year is earned in the same seasonal pattern as in the three preceding tax years.

To avoid underpayment penalties, you must make up a reduction in estimated taxes resulting from using annualized income or seasonal income by increasing the amount of the next installment determined under any other exception method by the amount of such reduction.

For additional information about computing seasonal income, see Article 27, section 1085(d)(4) of the Tax Law.

Computation of the underpayment penalty

If no exception applies, complete lines 18 through 39 to determine the amount of the penalty. The penalty is computed for the period of underpayment at a rate set by Article 27, section 1096(e)(1) of the Tax Law. Daily compounding of interest **does not** apply.

Line 39 — In each column enter the amount from line 38 or, if the installment payment (line 10) equals 80% or more of line 1 divided by four, multiply the penalty shown in the corresponding column of line 38 by 75% and enter the result.

For rates not shown or for information, call the Business Tax Information Center at 1 800 972-1233. This call is toll free from anywhere in the U.S. and Canada. From areas outside the U.S. and outside Canada, call (518) 485-6800.

Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.