New York State Department of Taxation and Finance

1990

CT-222 Underpayment of Estimated Tax by Corporations

With Tax and Tax Surcharge Exceeding $1,000

Tax Law - Articles 9, 9-A, 13-A, 32 and 33

For calendar year 1990 or fiscal year ended _____, 1991

Name	Employer identification number	File number
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Selection of exception — check one (*see* Exceptions *in instructions on back page*)

1 ☐ Current tax rates applied to last year's facts and law (2) ☐ annualized (3) ☐ seasonal (4)

Computation of Underpayment		1989	1990
2 Corporation franchise tax and tax surcharge *(see instructions)*	2		
3 Multiply line 2, 1990 column by 90% (.90)	3		
4 Multiply line 2, 1989 column by 25% (.25) - enter result in both columns	4		
5 In 1989 column, subtract line 4 from line 2. In 1990 column, subtract line 4 from line 3	5		

	A First	B Second	C Third	D Fourth
Enter due date of installments				
6 25% of 1989 tax *(from line 4)*				
7 Enter amount of the installments due in columns B, C and D *(see instructions)*				
8 Amount paid 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)				
Computation of Underpayment Penalty				
13 Enter the date of payment or the 15th day of the 3rd month after the end of the tax year, whichever is earlier				
14 Number of days from due date of installment to the date shown on line 13				
15 Number of days on line 14 after 3/15/90 and before 10/1/90				
16 Number of days on line 14 after 9/30/90 and before 1/1/91				
17 Number of days on line 14 after 12/31/90 and before 4/1/91				
18 Number of days on line 14 after 3/31/91 and before 7/1/91				
19 Number of days on line 14 after 6/30/91 and before 10/1/91				
20 Number of days on line 14 after 9/30/91 and before 1/1/92				
21 Number of days on line 14 after 12/31/91 and before 3/15/92				
22 Number of days on line 15 / Number of days in the tax year × 11% × amount on line 12				
23 Number of days on line 16 / Number of days in the tax year × 11% × amount on line 12				
24 Number of days on line 17 / Number of days in the tax year × %* × amount on line 12				
25 Number of days on line 18 / Number of days in the tax year × %* × amount on line 12				
26 Number of days on line 19 / Number of days in the tax year × %* × amount on line 12				
27 Number of days on line 20 / Number of days in the tax year × %* × amount on line 12				
28 Number of days on line 21 / Number of days in the tax year × %* × amount on line 12				
29 Add lines 22 through 28				
30 Underpayment penalty *(see instructions)*				
31 Add line 30 columns A through D. Enter here and on your franchise tax return				

*For information as to applicable rate on or after December 31, 1990, see instructions.

Instructions

Attach this form to your New York State franchise tax return.

General Information

A corporation whose New York State franchise tax liability can reasonably be expected to exceed $1,000 must make estimated tax payments during the year. Estimated franchise taxes are usually paid in four installments. The first installment is made with the prior year's tax return, if the tax and tax surcharge together exceed $1,000, and are equal to 25% of the prior year's franchise tax and tax surcharge. The remaining three installments of estimated tax are due in the 6th, 9th and 12th month of the tax year. If the minimum amounts are not paid on time, an underpayment penalty may be imposed for the period of underpayment. Total estimated tax payments must equal 90% of the current year's tax.

Exceptions

No penalty is due on an installment if the total estimated tax payments made on or before an installment due date equals or exceeds the amount which would have been required to be paid on or before that date if the estimated tax were the smallest of:

(1) Tax shown on return for preceding tax year (if it was a period of 12 months). This exception cannot be used for calendar year 1990 or fiscal years ending in 1991.

(2) Tax equal to current tax rates applied to last year's facts and law.

(3) 90% of the tax for the current year computed on an annualized basis.

(4) 90% of the tax for the current year computed on a recurring seasonal income basis.

(5) For tax periods beginning on or after January 1, 1990, a reduction in an estimated tax payment resulting from using annualized income or seasonal income exceptions (exceptions 3 and 4) must be made up in the next payment.

Exceptions 1 and 2 do not apply to *large* corporations. A large corporation is one that had (or its predecessor had) allocated taxable income of at least one million dollars for any of the three tax years immediately preceding the tax year involved.

Exception 3 applies if the estimated tax you paid was at least 90% of the amount you would owe if your estimated tax was computed on annualized taxable income for the months preceding an installment date.

You may annualize income as follows:

a. based on the first 3 months or the first 5 months of the tax year, for the installment required to be paid in the 6th month

b. based on the first 6 months or the first 8 months of the tax year, for the installment required to be paid in the 9th month

c. based on the first 9 months or the first 11 months of the tax year, for 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, 5, 6, 8, 9 or 11).

Exception 4 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. For information about computing seasonal income, see Article 27, section 1085(d)(4).

Computation of Underpayments

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

Line 1 - Check the appropriate **box** to indicate which exception you are using to compute the penalty for underpayment of estimated tax. If you have elected to compute the penalty using exception 2, complete lines 2 through 5. If you have elected exception 3, 4 or 5, attach a schedule showing the computation of the installments.

Line 2 - Enter in the 1989 column an amount equal to your 1989 franchise tax increased by the 1990 tax surcharge rate of 15%. See item (2) under *Exceptions*. No penalty will be imposed for underestimating an installment because of the tax surcharge for any payment due prior to September 15, 1990.

Line 7 - If you have elected (on line 1):

Exception (2) - Divide the amount from line 5, 1990 column, by three and enter in columns B, C and D.

Exception (3) (4), or (5) - Enter appropriate installments in columns B, C and D. Attach statement of computation.

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

Example: Calendar-year taxpayer

Mandatory first installment due on 3/15	$1,500
Second installment due on 6/15	$1,000
Payment made on 6/15	$2,000
Payment made on 9/15	$1,500

Penalty is due on $1,500 from March 15 to June 15.
Penalty is due on $500 from June 15 to September 15.

Computation of Underpayment Penalty

Complete lines 13 through 29 to determine the amount of penalty.

C Corporations
Penalty will not be imposed on the tax surcharge portion of any estimated tax payment due prior to September 15, 1990.

S Corporations
Penalty will not be imposed on any part of an estimated tax payment due prior to September 22, 1990.

A penalty is due on each underpayment from the due date of the installment to the date it is paid or to the due date of the franchise tax return.

The penalty is computed for the period of underpayment at a rate set by Article 27, section 1096(e)(3). Daily compounding of interest does not apply.

For rates not printed, or for information or assistance, you may call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829); from outside New York State, call (518) 438-8581.

Line 30 - In each column enter either the amount from line 29 or, if the installment payment (line 10) equals 80% or more of line 2, 1990 column, divided by four, the amount in the corresponding column of line 29 multiplied by 75%.