



# CT-222 Underpayment of Estimated Tax by a Corporation

Tax Law — Articles 9, 9-A, 32 and 33

For calendar year **1993**  
or fiscal year  
ended \_\_\_\_\_, 1994

Name	Employer identification number	File number
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**Selection of exception** — check one (see instructions for line 1 on back page).

- 91% or 97% of tax shown on the return for current year (1)     
  100% of tax shown on the return for prior year (2)  
 Current tax rates applied to last year's facts and law (3)     
  Annualized or Seasonal (4 or 5)   
  Other (6)

Computation of Underpayment	1992	1993
2 Check one: <input type="checkbox"/> Franchise tax plus state tax surcharge <input type="checkbox"/> MTA surcharge . . . . .	<b>2</b>	
3 Multiply line 2, 1993 column by 91% (.91) or 97% (.97) . . . . .	<b>3</b>	
4 Multiply line 2, 1992 column by 25% (.25) - enter result in both columns . . . . .	<b>4</b>	
5 In 1992 column, subtract line 4 from line 2. In 1993 column, subtract line 4 from line 3	<b>5</b>	
	<b>A</b> First	<b>B</b> Second
	<b>C</b> Third	<b>D</b> Fourth
Enter due date of installments . . . . .		
6 25% of 1992 tax (from line 4) . . . . .		
7 Enter amount of the installments due in columns B, C and D (see instr.) . . . . .		
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) . . . . .		

Computation of Underpayment Penalty	A	B	C	D
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 3/15/93 and before 1/1/94 . . . . .				
16 Number of days on line 14 after 12/31/93 and before 4/1/94 . . . . .				
17 Number of days on line 14 after 3/31/94 and before 7/1/94 . . . . .				
18 Number of days on line 14 after 6/30/94 and before 10/1/94 . . . . .				
19 Number of days on line 14 after 9/30/94 and before 1/1/95 . . . . .				
20 Number of days on line 14 after 12/31/94 and before 3/15/95 . . . . .				
21 $\frac{\text{Number of days on line 15}}{365} \times 7\% \times \text{amount on line 12}$ . . . . .				
22 $\frac{\text{Number of days on line 16}}{365} \times \% * \times \text{amount on line 12}$ . . . . .				
23 $\frac{\text{Number of days on line 17}}{365} \times \% * \times \text{amount on line 12}$ . . . . .				
24 $\frac{\text{Number of days on line 18}}{365} \times \% * \times \text{amount on line 12}$ . . . . .				
25 $\frac{\text{Number of days on line 19}}{365} \times \% * \times \text{amount on line 12}$ . . . . .				
26 $\frac{\text{Number of days on line 20}}{365} \times \% * \times \text{amount on line 12}$ . . . . .				
27 Add lines 21 through 26 . . . . .				
28 Underpayment penalty (see instructions on back) . . . . .				
29 Add line 28 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, 1993, see instructions.

## Instructions

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

### General Information

All general business corporations (including S corporations), banking, insurance, utilities, and transportation and transmission corporations whose franchise tax plus state tax surcharge, (see Tax Law sections 188, 209-A, 1455-A and 1520) 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 state tax surcharge 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 and state tax surcharge must also make a declaration of estimated metropolitan transportation business tax (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 plus state tax surcharge on your previous year's return or on your application for extension of time for filing that return is more than \$1,000, you must pay 25% of the tax and state tax surcharge with the return or extension.

A 25% first installment of the MTA surcharge is also required if your franchise tax plus state tax surcharge is more than \$1,000. The second, third and fourth installments of estimated franchise tax plus state tax surcharge, and of MTA surcharge, are due on the 15th day of the sixth, ninth and twelfth months of your tax year.

### Penalties for Underpayment of Estimated Tax

A penalty will be imposed if you fail to file a declaration of estimated franchise tax and state tax surcharge or MTA surcharge, or fail to pay all or any part of an installment payment of the above estimates.

Penalty will not be due on an installment if the total estimated franchise tax and state tax surcharge 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 amount of the estimated tax and state tax surcharge were the smallest of:

...**For large corporations** - a corporation that had (or whose predecessor had) allocated entire net income of at least one million dollars (\$1,000,000) for any of the three tax years immediately preceding the tax year involved...

- Ninety-seven percent (97%) of the current year's franchise tax and state tax surcharge shown on the return; or
- Ninety-seven percent (97%) of the franchise tax and state tax surcharge for the current year computed on an annualized basis; or
- Ninety-seven percent (97%) of the franchise tax and state tax surcharge for the current year computed on a recurring seasonal income basis.

...**For all other corporations...**

- Ninety-one percent (91%) of the current year's tax and state tax surcharge shown on the return; or
- One-hundred percent (100%) of the franchise tax and state tax surcharge shown on the return for the preceding tax year (if it was for a period of 12 months); or
- A franchise tax and state tax surcharge computed using current tax rates applied to last year's facts and law; or
- Ninety-one percent (91%) of the franchise tax and state tax surcharge for the current year computed on an annualized basis; \* or
- Ninety-one percent (91%) of the franchise tax and state tax surcharge for the current year computed on a recurring seasonal income basis. \*

The above penalty provisions are also applicable if you fail to file a declaration of estimated MTA surcharge or fail to pay all or any part of an installment payment of MTA surcharge.

\* To avoid underpayment penalties, you must make up a reduction in an estimated franchise tax and state tax surcharge payment resulting from using annualized income or seasonal income (exception 4 or 5) by increasing the amount of the next installment determined under exception 1, 2 or 3 by the amount of such reduction.

### Computation of Underpayment

File separate forms to compute underpayment of: (1) tax plus state tax surcharge; and (2) MTA surcharge, if applicable. 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 1, 2 or 3, complete lines 2 through 5. If you have elected exception 4 or 5, attach a schedule showing the computation of the installments. Check *Other* if you have elected to use more than one exception. Attach a schedule showing the computation of each installment and indicate which exception is being used.

**Line 2.** Check the appropriate box to indicate whether the underpayment penalty is based on franchise tax plus state tax surcharge or your MTA surcharge. Enter your 1992 franchise tax plus state tax surcharge or MTA surcharge in the 1992 column. Enter your 1993 franchise tax plus state tax surcharge or your MTA surcharge in the 1993 column. These figures should be entered as shown on your return.

**Line 3.** Large corporations that had (or whose predecessor had) allocated entire net income of at least one million dollars (\$1,000,000) for any of the three tax years immediately preceding this tax year must multiply line 2 by 97%. All others multiply line 2 by 91%.

**Line 7.** If you selected on line 1:

Box (1) — 91% or 97% of the current year - Divide the amount from line 5, 1993 column, by three, and enter in columns B, C and D.

Box (2) — 100% of prior year - Divide the amount from line 5, 1992 column, by three, and enter in columns B, C and D.

Box (4) — Enter the 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 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% prior year tax and surcharge .....	1,500	—	—	—
Installment amount due ..	—	1,000	1,000	1,000
Paid on time/credited ..	1,500	0	1,500	1,500
Underpayment .....	0	1,000	500	0

Penalty is due on \$1000 from 6/15 to 9/15.

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

### Computation of Underpayment Penalty

Complete lines 13 through 27 to determine the amount of penalty.

A penalty is due on each underpayment from the date due to the date 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 shown or for information,** call the Business Tax Information Center toll free (from the continental U.S. only) 1 800 972-1233. You can also call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

**Telephone assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday.**

**Line 28.** In each column enter either the amount from line 27 or, if the installment payment (line 10) equals 80% or more of line 2, 1993 column, divided by four, the amount in the corresponding column of line 27 multiplied by 75%.