



# 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

1995 calendar yr. filers, check box   
Other filers enter tax period:

beginning

ending

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 100% 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

	1994	1995		
2 Check one: <input type="checkbox"/> Franchise tax plus state tax surcharge <input type="checkbox"/> MTA surcharge	2			
3 Multiply line 2, 1995 column by 91% (.91) or 100% (1.00)	3			
4 Multiply line 2, 1994 column by 25% (.25) - enter result in both columns	4			
5 In 1994 column, subtract line 4 from line 2. In 1995 column, subtract line 4 from line 3	5			
	A First	B Second	C Third	D Fourth
6 25% of 1994 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

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 3/15/95 and before 4/1/95				
16 Number of days on line 14 after 3/31/95 and before 7/1/95				
17 Number of days on line 14 after 6/30/95 and before 10/1/95				
18 Number of days on line 14 after 9/30/95 and before 1/1/96				
19 Number of days on line 14 after 12/31/95 and before 4/1/96				
20 Number of days on line 14 after 3/31/96 and before 7/1/96				
21 Number of days on line 14 after 6/30/96 and before 10/1/96				
22 Number of days on line 14 after 9/30/96 and before 1/1/97				
23 Number of days on line 14 after 12/31/96 and before 3/15/97				
24 $\frac{\text{Number of days on line 15}}{365} \times 9\% \times \text{amount on line 12}$				
25 $\frac{\text{Number of days on line 16}}{365} \times 10\% \times \text{amount on line 12}$				
26 $\frac{\text{Number of days on line 17}}{365} \times 9\% \times \text{amount on line 12}$				
27 $\frac{\text{Number of days on line 18}}{365} \times \% * \times \text{amount on line 12}$				
28 $\frac{\text{Number of days on line 19}}{365} \times \% * \times \text{amount on line 12}$				
29 $\frac{\text{Number of days on line 20}}{365} \times \% * \times \text{amount on line 12}$				
30 $\frac{\text{Number of days on line 21}}{365} \times \% * \times \text{amount on line 12}$				
31 $\frac{\text{Number of days on line 22}}{365} \times \% * \times \text{amount on line 12}$				
32 $\frac{\text{Number of days on line 23}}{365} \times \% * \times \text{amount on line 12}$				
33 Add lines 24 through 32				
34 Underpayment penalty (see instructions on back)				
35 Add line 34 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, 1995, 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 (including providers of telecommunication services), 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 request 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.

If you are liable for the MTA surcharge, a 25% first installment is 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 or Surcharges

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...

1. One-hundred percent (100%) of the current year's franchise tax and state tax surcharge shown on the return; or
2. One-hundred percent (100%) of the franchise tax and state tax surcharge for the current year computed on an annualized basis; or
3. One-hundred percent (100%) of the franchise tax and state tax surcharge for the current year computed on a recurring seasonal income basis.

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

1. Ninety-one percent (91%) of the current year's tax and state tax surcharge shown on the return; or
2. 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
3. A franchise tax and state tax surcharge computed using current tax rates applied to last year's facts and law; or
4. Ninety-one percent (91%) of the franchise tax and state tax surcharge for the current year computed on an annualized basis; \* or
5. 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 or surcharges.

**Line 1.** Check the appropriate box to indicate which exception you are using to compute the penalty for underpayment of estimated tax or surcharge. 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 on your MTA surcharge. Enter your 1994 franchise tax plus state tax surcharge or your MTA surcharge in the 1994 column. Enter your 1995 franchise tax plus state tax surcharge or your MTA surcharge in the 1995 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 100%. All others multiply line 2 by 91%.

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

- Box (1) — 91% or 100% of the current year - Divide the amount from line 5, 1995 column, by three, and enter in columns B, C and D.
- Box (2) — 100% of prior year - Divide the amount from line 5, 1994 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 33 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 at 1 800 972-1233. This call is toll free from anywhere in the U.S. (including Alaska and Hawaii) and Canada. 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 34.** In each column enter either the amount from line 33 or (if the installment payment, line 10, equals 80% or more of line 2, 1995 column, divided by four) the amount in the corresponding column of line 33 multiplied by 75%.