



CT-222 Underpayment of Estimated Tax by Corporations

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

For calendar year **1988**
or fiscal year
ended _____ 1989

Name _____	Employer Identification Number _____
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Computation of Underpayments

1 1988 corporation franchise tax.....	1	
2 Multiply line 1 by 90%.....	2	
3 1987 corporation franchise tax.....	3	
4 Multiply line 3 by 25%.....	4	
5 Subtract line 4 from line 2.....	5	

	A First	B Second	C Third	D Fourth
Enter due date of installments.....				
6 25% of 1987 tax (from line 4).....				
7 Divide line 5 by number of installments (enter in appropriate columns).....				
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).....				

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 (1987) (see instructions)	1987 tax	50% of 1987 tax	75% of 1987 tax	100% of 1987 tax
15 Exception 2—Tax on prior year's figures using 1988 rates (attach computation—see instructions)		50% of tax	75% of tax	100% of tax
16 Exception 3—Tax on annualized 1988 income (attach computation—see instructions)		45% of tax	67.50% of tax	90% of tax
17 Additional exception for recurring seasonal income (attach computation - see instructions)				

Computation of Underpayment Penalty

18 Amount of underpayment from line 12.....				
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier.....				
20 Number of days from due date of installment to the date shown on line 19.....				
21 Number of days on line 20 after 3/15/88, and before 9/1/88.....				
22 Number of days on line 20 after 8/31/88, and before 3/1/89.....				
23 Number of days on line 20 after 2/28/89, and before 9/1/89.....				
24 Number of days on line 20 after 8/31/89, and before 3/16/90.....				
25 $\frac{\text{Number of days on line 21}}{\text{Number of days in the tax year}} \times 8.9\% \times \text{amount on line 18}$				
26 $\frac{\text{Number of days on line 22}}{\text{Number of days in the tax year}} \times 8.9\% \times \text{amount on line 18}$				
27 $\frac{\text{Number of days on line 23}}{\text{Number of days in the tax year}} \times \% \times \text{amount on line 18}$				
28 $\frac{\text{Number of days on line 24}}{\text{Number of days in the tax year}} \times \% \times \text{amount on line 18}$				
29 Add lines 25 through 28.....				
30 Underpayment penalty (see instructions).....				
31 Add line 30 columns A through D. Enter here and on your franchise tax return (line 66, Form CT-3).....				

*For information as to applicable rate on or after March 1, 1989, 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. If the minimum amounts are not paid on time, an underpayment penalty may be imposed for the period of underpayment.

Use Form CT-222 to determine if you paid enough estimated tax by the proper due date, whether you are subject to the penalty for underpayment of estimated tax, and, if so, the amount of penalty.

Computation of Underpayments

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

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 30 to determine the amount of the penalty.

Exceptions 1 and 2, on lines 14 and 15, do not apply to "large" corporations. A "large" corporation is one that had, or its predecessor had, allocated taxable income of at least \$1 million for any of the three taxable years immediately preceding the taxable year involved.

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 1987 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 90% 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 months or the first 5 months of the taxable year, in the case of the installment required to be paid in the 6th month.
- For the first 6 months or the first 8 months of the taxable year, in the case of the installment required to be paid in the 9th month.
- For the first 9 months or the first 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, 5, 6, 8, 9 or 11, as the case may be).

Additional exception, 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 3 preceding tax years.

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

Computation of Underpayment Penalty

If no exception applies, complete lines 18 through 29 to determine the amount of the penalty. The penalty is computed for the period of underpayment at a rate set by Part 603 of the tax regulations. Daily compounding of interest does not apply (section 1096(e) (3)).

For rates not printed on lines 27 and 28, you may call the numbers listed below.

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 1 divided by 4, multiply the penalty shown in the corresponding column of line 29 by 75% and enter this amount.

For information or assistance:

When calling from within New York State, call toll free 1 800 CALL TAX (1 800 225-5829)

When calling from outside New York State, call (518) 438-8581