

UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

CORPORATION	FEIN
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**PART 1. DETERMINING TAX AMOUNT REQUIRED TO BE ESTIMATED** (Round all entries to whole dollars)

1. Tax Liability for Year Ending ___/___/___: (Enter amount from appropriate line on Arkansas return, AR1100CT) <i>(If Line 1 is \$1,000 or less, you are not subject to an underestimate penalty)</i>	00
2. (a) 90% of Line 1:.....	00
(b) Prior Year Tax Liability: (Enter amount from appropriate line on prior year Arkansas return).....	00
3. Enter Lesser of 2(a) or 2(b): (Divide entry by 4 for Part 2 Lines 2, 5, 8, and 11).....	00
4. Total Estimated Tax Paid: (Including estimate carryforward from prior year)..... <i>(If Line 4 is equal to or greater than Line 3 you are not subject to an underestimate penalty, provided the correct amount of quarterly estimated tax payments, as entered in Part 2, Lines 2, 5, 8, and 11, were timely filed and paid.)</i>	00

**PART 2. COMPUTATION OF UNDERESTIMATED PENALTY** (Round all entries to whole dollars)

NOTE: Complete Columns A and B first, Column C second, Column D third, and Column E fourth.	A Date	B Amounts Enter pmts. as (-)		C Cumulative Underpay (+) Overpay (-)		D Days Col. C (+) Amts. Only	E Penalty Col. C X Col. D X .00027397
1. Estimated Credit Carryforwards and Payments made on or before the 1 <sup>st</sup> Quarter Due Date:		< >					
2. Required 1 <sup>st</sup> Quarter Estimated Payment:			B1+B2=		A3-A2=		
3. Est. Pmt. Made after Col. A, Ln.2 and on or before Col. A, Ln. 5. If blank, enter Col. A, Ln. 5 date in Col. A:		< >	C2+B3=		A4-A3=		
4. Est. Pmt. Made after Col. A, Ln. 3 and on or before Col. A, Ln. 5. If blank, enter Col. A, Ln. 5 date in Col. A:		< >	C3+B4=		A5-A4=		
5. Required 2 <sup>nd</sup> Quarter Estimated Payment:			C4+B5=		A6-A5=		
6. Est. Pmt. Made after Col. A, Ln. 5 and on or before Col. A, Ln. 8. If blank, enter Col. A, Ln. 8 date in Col. A:		< >	C5+B6=		A7-A6=		
7. Est. Pmt. Made after Col. A, Ln. 6 and on or before Col. A, Ln. 8. If blank, enter Col. A, Ln. 8 date in Col. A:		< >	C6+B7=		A8-A7=		
8. Required 3 <sup>rd</sup> Quarter Estimated Payment:			C7+B8=		A9-A8=		
9. Est. Pmt. made after Col. A, Ln. 8 and on or before Col. A, Ln. 11. If blank, enter Col. A, Ln. 11 date in Col. A:		< >	C8+B9=		A10-A9=		
10. Est. Pmt. made after Col. A, Ln. 9 and on or before Col. A, Ln. 11. If blank, enter Col. A, Ln. 11 date in Col. A:		< >	C9+B10=		A11-A10=		
11. Required 4 <sup>th</sup> Quarter Estimated Payment:			C10+B11=		A12-A11=		
12. Est. Pmt. made after Col. A, Ln. 11 and on or before Col. A, Ln. 14. If blank, enter Col. A, Ln. 14 date in Col. A:		< >	C11+B12=		A13-A12=		
13. Est. Pmt. made after Col. A, Ln. 12 and on or before Col. A, Ln. 14. If blank, enter Col. A, Ln. 14 date in Col. A:		< >	C12+B13=		A14-A13=		
14. Earlier of the Income Tax Return Due Date or the Income Tax Return Filed Date with complete Tax Payment:				Total Penalty (Total Col. E):			

**PART 3. IF YOU ARE CLAIMING ONE OF THE EXCEPTIONS LISTED BELOW, CHECK THE CORRESPONDING NUMBER BOX AND ENTER THAT NUMBER IN THE BOX PROVIDED ON LINE 46 OF FORM AR1100CT.**

Exceptions:

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| <input type="checkbox"/> (1) Taxpayers whose income from farming for the tax year can reasonably be expected to amount to at least two thirds (2/3) of the total gross income from all sources for the tax year, may file such declaration and pay the estimated tax on or before the 15 <sup>th</sup> day of the 2 <sup>nd</sup> month after the close of the tax year, or in lieu of filing any declaration, may file an income tax return and pay the tax on or before the 15 <sup>th</sup> day of the 3 <sup>rd</sup> month after the close of the tax year. | <input type="checkbox"/> (4) No penalty shall be imposed with respect to any underpayment to the extent that the Commissioner of Revenue determines that by reasons of casualty, disaster, or other unusual circumstances the imposition of such penalty would be against equity and good conscience.  |
| <input type="checkbox"/> (2) In lieu of filing the 4 <sup>th</sup> quarter installment the taxpayer may file an income tax return and pay the tax on or before January 31 <sup>st</sup> or on the last day of the first month after the close of the tax year.   | <input type="checkbox"/> (5) No penalty shall be imposed with respect to any underestimate or underpayment if the Commissioner determines that:<br>(1) the taxpayer<br>(i) retired after having attained age 62, or<br>(ii) became disabled, in the tax year for which such estimated payments were required to be made or in the tax year preceding such tax year and,<br>(2) such underpayment was due to reasonable cause and not to willful neglect. |
| <input type="checkbox"/> (3) No penalty shall be imposed for a tax year if:<br>(1) the preceding tax year was a tax year of 12 months, and<br>(2) the taxpayer did not have a tax liability for the preceding tax year, and<br>(3) the taxpayer was a resident of Arkansas throughout the preceding tax year.  | <input type="checkbox"/> (6) Taxpayers with varied income may benefit by computing the ten percent (10%) penalty on an annualized basis. The penalty is computed using Form AR2220A which must be submitted with Form AR1100CT. If penalty is computed using Form 2220A, write 6 in Box on Line 46 on Form AR1100CT.   |

Attach Completed Form AR2220A if Computing Penalty on Annualized Basis

# INSTRUCTIONS FOR FORM AR2220 UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

## PART 1

Line 1: Enter current year tax liability. If this is \$1,000.00 or less, you are not subject to an Underestimate Penalty.

Line 2: (a) Enter 90% of the dollar amount entered on line 1.

(b) Enter amount of prior year tax liability.

Line 3: Enter lesser of 2(a) or 2(b).

Line 4: Enter amount of total estimated tax paid. Include estimated tax carryforward from prior year, but do not include any amount(s) paid with extension (Voucher 5). If Line 4 is equal to or greater than Line 3, you are not subject to an underestimate penalty provided the correct amount of estimates were timely filed and paid.

Estimates are due on the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup> and 12<sup>th</sup> month of the tax year.

## PART 2

COLUMNS A and B (NOTE: Complete Columns A and B first, Column C second, Column D third, and Column E fourth)

Line 1: Enter the dates in Col. A and the total amount in Col. B of Estimated Credit Carryforward from previous tax year or other payments made toward the tax liability that were made on or before the required 1st Quarter Estimated Payment due date.

Line 2: Enter the date in Col. A and the amount in Col. B of the Required 1st Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

Lines 3 and 4: Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 3) of estimated payments (exclude extension payments) made after the Required 1st Quarter Estimated Payment due date and on or before the Required 2nd Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 2nd Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

Line 5: Enter the date in Col. A and the amount in Col. B of the Required 2nd Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

Lines 6 and 7: Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 6) of estimated payments (exclude extension payments) made after the Required 2nd Quarter Estimated Payment due date and on or before the Required 3rd Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 3rd Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

Line 8: Enter the date in Col. A and the amount in Col. B of the Required 3rd Quarter Estimated payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

Lines 9 and 10: Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 9) of estimated payments (exclude extension payments) made after the Required 3rd Quarter Estimated payment due date and on or before the Required 4th Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 4th Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

Line 11: Enter the date in Col. A and the amount in Col. B of the Required 4th Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

Lines 12 and 13: Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 12) of estimated payments (exclude extension payments) made after the Required 4th Quarter Estimated Payment due date and on or before the earlier of the Income Tax Return Due Date or the date the Income Tax Return was Filed and Paid. If one or more lines are left blank, enter the earlier of the Income Tax Return Due Date or the date the Income Tax Return was Filed and Tax Paid in Col. A and zero (0) in Col. B.

The income tax return due date is the 15<sup>th</sup> day of the 3<sup>rd</sup> month after the close of the tax year.

Line 14: Enter the earlier of the Income Tax Return Due Date OR the date the Income Tax Return was filed and the tax Paid in full.

## COLUMN C

Lines 2 through 13: Follow instructions between Columns B and C. Example - Add Col. B Line 1 to Col. B Line 2 and enter the number (as positive or negative) in Col. C Line 2; Add Col. C Line 2 to Col. B Line 3 and enter the number (as positive or negative) in Col. C Line 3; etc.

## COLUMN D

Lines 2 through 13: Follow instructions between Columns C and D for each line in Column C that contains a positive amount. Enter in Column D the differences, in days, between the dates in Column A that are referenced in the instructions. Example - If Col. C Line 2 contained a positive amount, in Col. D Line 2 enter the difference in days between the dates in Col. A Line 3 and Col. A Line 2; if Col. C Line 2 contained a negative amount, leave Col. D Line 2 blank or enter zero (0).

## COLUMN E

Lines 2 through 13: For each line in Column D that contains an entry of days, follow instructions at the top of Column E and enter the amounts as whole dollars. Example - If Col. D Line 2 contained an entry of days, multiply the amount in Col. C Line 2 by the days in Col. D Line 2 (days underpaid) and multiply this product by .00027397; enter this product on Col. E Line 2. If Col. D Line 2 was blank or contained a zero (0), enter a zero (0) on Col. E Line 2.

Line 14: Total all amounts in Col. E on Lines 2 through 13. This is your total Penalty for Underpayment of Estimated Tax to enter on Line 46 of the Arkansas Corporation Income Tax Return, Form AR1100CT.

## PART 3

If one of the exceptions listed in Part 3 of Form AR2220 applies to you, it is not necessary to complete Form AR2220 **provided** the appropriate numeric character identifying your exception is listed in the block on Line 46, Form AR1100CT.