



**CT-222**  
(6/92)

**Underpayment of  
Estimated Tax by Corporations**  
With Tax and Tax Surcharge Exceeding \$1,000  
Tax Law - Articles 9, 9-A, 32 and 33

For calendar year **1991**  
or fiscal year  
ended \_\_\_\_\_, 1992

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

- 1  90% 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**

		1990	1991
2 Check one: <input type="checkbox"/> Franchise tax plus tax surcharge <input type="checkbox"/> MTB tax surcharge	<b>2</b>		
3 Multiply line 2, 1991 column by 90% (.90)	<b>3</b>		
4 Multiply line 2, 1990 column by 25% (.25) - enter result in both columns	<b>4</b>		
5 In 1990 column, subtract line 4 from line 3. In 1991 column, subtract line 4 from line 3	<b>5</b>		

	A First	B Second	C Third	D Fourth
Enter due date of installments				
6 25% of 1990 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 3/15/91 and before 4/1/91				
16 Number of days on line 14 after 3/31/91 and before 10/1/91				
17 Number of days on line 14 after 9/30/91 and before 1/1/92				
18 Number of days on line 14 after 12/31/91 and before 4/1/92				
19 Number of days on line 14 after 3/31/92 and before 7/1/92				
20 Number of days on line 14 after 6/30/92 and before 10/1/92				
21 Number of days on line 14 after 9/30/92 and before 1/1/93				
22 Number of days on line 14 after 12/31/92 and before 3/15/93				
23 <u>Number of days on line 15</u> 365 × 11% × amount on line 12				
24 <u>Number of days on line 16</u> 365 × 10% × amount on line 12				
25 <u>Number of days on line 17</u> 365 × %* × amount on line 12				
26 <u>Number of days on line 18</u> 365 × %* × amount on line 12				
27 <u>Number of days on line 19</u> 365 × %* × amount on line 12				
28 <u>Number of days on line 20</u> 365 × %* × amount on line 12				
29 <u>Number of days on line 21</u> 365 × %* × amount on line 12				
30 <u>Number of days on line 22</u> 365 × %* × amount on line 12				
31 Add lines 23 through 30				
32 Underpayment penalty (see instructions)				
33 Add line 32 columns A through D. Enter here and on your franchise tax return or MTB tax surcharge return				

\*For information as to applicable rate on or after October 1, 1991, see instructions.

# Instructions

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

## General Information

All general business corporations, banking, insurance, utilities, and transportation and transmission corporations whose franchise tax plus 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 tax surcharge and make quarterly installment payments.

Effective for periods beginning in 1991, any corporation doing business in the Metropolitan Commuter Transportation District that is required to make a declaration of estimated franchise tax and tax surcharge must also make a declaration of estimated metropolitan transportation business (MTB) tax 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 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 tax surcharge with the return or extension.

A 25% first installment of the MTB tax surcharge is also required if your franchise tax plus tax surcharge is more than \$1,000.

The second, third and fourth installments of estimated franchise tax plus tax surcharge, and of MTB tax surcharge, are due on the 15th day of the sixth, ninth and twelfth months of the 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 fail to pay all or any part of an installment payment of estimated franchise tax.

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

1. Ninety percent (90%) of the current year's tax and tax surcharge shown on the return.
2. One hundred percent (100%) of the franchise tax and tax surcharge shown on the return for the preceding tax year (if it was for a period of 12 months). \*
3. A franchise tax and tax surcharge computed using current tax rates applied to last year's facts and law. \*
4. Ninety percent (90%) of the franchise tax and tax surcharge for the current year computed on an annualized basis. \*\*
5. Ninety percent (90%) of the franchise tax and 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 MTB tax surcharge and fail to pay all or any part of an installment payment of MTB tax surcharge.

## Computation of Underpayment

File separate forms to compute underpayment of: (1) tax plus tax surcharge; and (2) MTB tax surcharge.

\* Exceptions 2 and 3 do not apply to a large corporation, a corporation that had (or whose predecessor had) allocated entire net income of at least one million dollars for any of the three tax years immediately preceding the tax year involved.

\*\* To avoid underpayment penalties, you must make up a reduction in an estimated franchise tax and 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.

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 franchise tax surcharge or your MTB tax surcharge. Enter your 1990 franchise tax plus franchise tax surcharge or MTB tax surcharge in the 1990 column. Enter your 1991 franchise tax plus franchise tax surcharge or your MTB tax surcharge in the 1991 column. These figures should be entered as shown on your return.

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

Box (1) — 90% of the current year - Divide the amount from line 5, 1991 column, by three, and enter in columns B, C and D.

Box (2) or (3) — 100% of prior year - Divide the amount from line 5, 1990 column, by three, and enter in columns B, C and D.

Box (4) or (5) — 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*

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 31 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.

**July 31, 1992, through November 31, 1992, Fiscal Filers** — If you have underpaid any estimated tax installment only because you used the tax surcharge rate of 10% instead of 15% or failed to estimate the MTB tax surcharge, no penalty will be imposed if the installments which were due before June 15, 1992, were paid by that date.

**For periods beginning on or after January 1, 1991** — If you failed to file a declaration of estimated MTB tax surcharge and failed to make any required payment of MTB tax surcharge due prior to September 15, 1991, a penalty will not be imposed if you filed a declaration and made all required payments by September 15, 1991.

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 or assistance, you may 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.

**Line 32.** In each column enter either the amount from line 31 or, if the installment payment (line 10) equals 80% or more of line 2, 1991 column, divided by four, the amount in the corresponding column of line 31 multiplied by 75%.