Caution:

DRAFT – DO NOT FILE

This is an early release draft of a 2020 Massachusetts tax form or schedule.

Do not file **DRAFT** forms.

DRAFT forms **will not** be processed.

Massachusetts Department of Revenue

Form M-2220

Underpayment of Massachusetts Estimated Tax by Corporations

2020

Enclose this form with your return. Electronic filing requirements may apply (see TIR 16-9). Please print in ink or type.

Name of corporation | Federal Identification number

Figuring your underpayment. See instructions.

1	Enter 2020 tax	1			
2	Enter 90% of line 1	2			
3	Enter 90% of 2020 tax using 2019 income apportionment percentage	3			
4	Enter 2019 tax	4			
5	Enter line 2, 3 or 4, whichever is smallest	5			
6	Enter in col's. a through d (respectively) the installment dates of the 15th day of the 3rd, 6th, 9th and 12th months of your taxable year	6	a.	b.	c.	d.
7	Enter in col. a line 5 × 40% Enter in col. b line 5 × 25% Enter in col. c line 5 × 25% Enter in col. d line 5 × 10% ○ Fill in if you are a new corporation (see instructions).	7				
8	Amount paid or credited for each period	8				
9	Overpayment of previous installment	9				
10	Total. Add lines 8 and 9	10				
11	Overpayment. Subtract line 7 from line 10	11				
12	Underpayment. Subtract line 10 from line 7	12				

Figuring your underpayment penalty.

	Enter same installment dates used in line 6				
13	Amount of underpayment from line 12	13			
14	Enter the date of payment, or the 15th day of the third month after the close of the taxable year, whichever is earlier	14			
15	Number of days from due date of installment to the date shown in line 14	15			
16	Number of days in line 15 after 3/15/20 and before 4/1/20	16			
17	Number of days in line 15 after 3/31/20 and before 7/1/20	17			

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE

Name of corporation | Federal Identification number

Figuring your underpayment penalty. (cont'd.)

	a.	b.	c.	d.
Enter same installment dates used in line 6				
18 Number of days in line 15 after 6/30/20 and before 10/1/20 **18**				
19 Number of days in line 15 after 9/30/20 and before 1/1/21 **19**				
20 Number of days in line 15 after 12/31/20 and before 4/1/21 **20**				
21 Number of days in line 15 after 3/31/21 and before 7/1/21 **21**				
22 Number of days in line 15 after 6/30/21 and before 10/1/21 **22**				
23 Number of days in line 15 after 9/30/21 and before 1/1/22 **23**				
24 Number of days in line 15 after 12/31/21 and before 3/16/22 **24**				
25 Underpayment in line 13 × (number of days in line 16 ÷ 365) × 6% **25**				
26 Underpayment in line 13 × (number of days in line 17 ÷ 365) × 6% **26**				
27 Underpayment in line 13 × (number of days in line 18 ÷ 365) × 4% **27**				
28 Underpayment in line 13 × (number of days in line 19 ÷ 365) × 4% **28**				
29 Underpayment in line 13 × (number of days in line 20 ÷ 365) × *% **29**				
30 Underpayment in line 13 × (number of days in line 21 ÷ 365) × *% **30**				
31 Underpayment in line 13 × (number of days in line 22 ÷ 365) × *% **31**				
32 Underpayment in line 13 × (number of days in line 23 ÷ 365) × *% **32**				
33 Underpayment in line 13 × (number of days in line 24 ÷ 365) × *% **33**				
34 Add lines 25 through 33 **34**				

35 Total of amounts in line 34. Enter the amount on line 35 of the corresponding line of the return **35**

*Rate to be determined.

DRAFT AS OF OCTOBER 23, 2020.
SUBJECT TO CHANGE
DO NOT FILE

Form M-2220 Instructions

General Information

2020 Massachusetts Tax Change

Filler text.

Who should use this form

Corporations taxed under Ch. 63 of the Massachusetts General Laws should use Form M-2220 to determine whether they paid the correct amount of estimated tax by the proper due date. If not, a penalty may be imposed on the underpayment amount.

Short year. Corporations are liable for estimated payments even if there was no return filed for 2019 or if a return filed for 2019 was for less than 12 months. Corporations meeting either of these conditions should enter the smaller of lines 2 or 3 in line 5. See 830 CMR 63B.2.2 for additional information.

Large corporation. Any corporation having $1 million or more of federal taxable income in any of its three preceding taxable years (IRC § 6655(g)) may only use its prior year tax liability to calculate its first quarterly estimated payment. Any reduction in the first installment payment must be added to the second installment payment.

Note: New corporations in their first full taxable year with less than 10 em ployees have lower payment percentages — 30-25-25-20%; 55- 25-20%; and 80-20%. New corporations should check the box in line 7 and use these percentage amounts to complete line 7.

Line Instructions

Line 3. Multiply 2020 income measure of excise and non-income measure of excise (tangible property or taxable net worth) by 2019 apportionment factor. Then multiply the result by 2019 tax rate. Multiply that result by .90 (90%) and enter the result on line 3.

Lines 7 through 12. To determine the underpayment amount, complete lines 7 through 12 for each appropriate column. If line 11 shows an overpayment, that overpayment may first be used as a payment of any existing underpayment amount. Overpayments used as payments of prior underpayment amounts do not decrease the actual underpayment amount but serve to reduce instead the period of underpayment subject to penalty. If there are no existing underpayment amounts, the overpayment is applied as a credit against the next installment. If more than one payment is made for a given installment, attach separate computations for each payment.

Line 35. Enter the line 35 amount on the corresponding line item of the taxpayer's tax return as follows: Form 355, line 25; Form 355U, line 41; Form 355S, line 28; Form 355 SC, line 21a; Form 355SBC, line 14; Form 63 FI, line 25a; Form 63-20P, line 34a; Form 63-23P, line 41a; Form 63-29A, line 39a; or Form M-990T, line 37a.

Note: Payments made with a return, including extension payments, estimated tax payments and withholding, are considered to be paid on the last day prescribed for the filing of the return and/or the payment of the tax, without regard to any extensions. See MGL ch 62C, § 79. Therefore, any overpayment from a prior year return will be considered to be paid as of the prior year return due date. For example, if a calendar year C corporation reported an overpayment on its 2019 corporation excise tax return and elected to apply it as a credit to its 2020 estimated tax, the payment will be credited as of April 15, 2020, which is the 2019 return due date and about one month after the due date of the first estimated tax installment payment for the 2020 tax year.

To avoid underpayment penalties the first estimated tax installment should be paid on or before the first installment due date, not the return due date.

DRAFT AS OF OCTOBER 28, 2020
SUBJECT TO CHANGE
DO NOT FILE