



Form 355-ES

Instructions for Corporation Estimated Excise Payment Worksheet

Massachusetts
Department of
Revenue

General Information

What is the purpose of the estimated excise payment worksheet?

The estimated excise payment worksheet provides a means to calculate any current excise due under MGL ch 63.

Who must make estimated payments?

All business corporations that reasonably estimate their corporation excise to be in excess of \$1,000 for the taxable year are required to make estimated payments.

Expansion of Mandatory Electronic Filing for Corporate Excise Returns.

Effective for tax periods ending on or after December 31, 2021, electronic filing and payment of tax will be required of all business corporations and financial institutions subject to tax under MGL ch 63, with no income threshold. See TIR 21-9: Expansion of Certain Electronic Filing and Payment Requirements. Go to MassTaxConnect at mass.gov/masstaxconnect for more information.

Note: All estimated excise payments made by a combined filing group should be reported under the principal reporting entity's tax account.

Are there penalties for failing to pay estimated taxes?

Yes. An additional charge is imposed on the underpayment of any corporate estimated tax for the period of that underpayment. Use Form M-2220 when filing your annual return to determine any penalty due.

When and where are estimated excise payments made?

Estimated excise payments may be paid in full on or before the 15th day of the third month of the corporation's taxable year or according to the following installment amount schedule: on or before the 15th day of the third, sixth, ninth and twelfth months of the taxable year.

Percent of estimated excise due

First full taxable year of a corporation with less than 10 employees	All others
30%	40%
25%	25%
25%	25%
20%	10%

Estimated excise payments must be made electronically. See TIR 21-9: Expansion of Certain Electronic Filing and Payment Requirements and MassTaxConnect at mass.gov/masstaxconnect for more information.

What if the corporation's estimated excise liability changes during the year?

Even though you may not be required to make estimated excise payments at the beginning of the taxable year, your expected income, assets and credits may change such that you will be required to make excise payments later.

Corporations that first meet the requirement for paying estimated excise sometime after the first quarterly period should make estimated payments as shown on the enclosed chart.

What if the corporation credited its prior tax year overpayment to its current tax year excise?

C corporations are required to file their excise returns on or before the 15th day of the fourth month following the close of each taxable year. The filing due date for S corporation excise returns is the 15th day of the third month following the close of each taxable year. For further details and for special rules relating to combined groups see TIR 17-5.

Payments made with a return, including extension payments, estimated excise 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 prior tax year corporation excise return and elected to apply it as a credit to its current tax year estimated excise, the payment will be credited as of April 15 of the current tax year, which is the prior tax year return due date and about one month after the due date of the first estimated excise installment payment for the current tax year. To avoid the imposition of underpayment penalties the first estimated excise installment should be paid on or before the first installment due date, not the return due date. No credit may be applied to any estimated excise other than current tax year.

Specific Instructions

Complete the enclosed Corporation Estimated Excise Worksheet. Once you have used the worksheet to determine your estimated excise due, you may pay the full amount of each installment electronically on MassTaxConnect at mass.gov/masstaxconnect or by using third-party vendor software.

Use the Amended Estimated Excise Payment Schedule if you must amend your estimated excise or if you first meet the requirements to pay estimated excise in the 2nd, 3rd or 4th quarter of the taxable year.

Corporation Estimated Excise Worksheet

a Total excise for prior year	a	<input type="text"/>
b Overpayment from prior year to be credited to estimated excise for current year	b	<input type="text"/>
c Estimated excise for current year	c	<input type="text"/>

If you first meet the requirements for making estimated payments in the taxable year, use the Amended Estimated Excise Payment Schedule below.	1st installment	2nd installment	3rd installment	4th installment
1 Amount of each installment. Enter 40% of item c for installment 1. For second, third and fourth installments use 25%, 25% and 10% of item c respectively. Note: Taxpayers in their first full taxable year with less than 10 employees should use 30%, 25%, 25% and 20% respectively.				
2 Enter amount of overpayment from prior year applied to an installment, if any.				
3 Amount of this excise expected to be withheld during current tax year.				
4 Amount due. Subtract the total of lines 2 and 3 from line 1.				

Amended Estimated Excise Payment Schedule

1 Enter total excise for prior year, if any	1	<input type="text"/>
2 Enter overpayment from prior year, if any, to be credited to estimated excise for current year.	2	<input type="text"/>
3 Enter recomputed estimated excise for current tax year, if amending. (Enter estimated excise for prior tax year, if first meeting the requirement for making estimated payments in the second, third or fourth quarter.)	3	<input type="text"/>
a If amending your estimated excise in the second, third or fourth quarter, multiply line 3 by the appropriate installment percentage amount, then subtract previous amounts paid and overpayments applied to date, if any	a	<input type="text"/>

Enter the item a amount in the proper column of line 1 in the Estimated Excise Worksheet (above) and adjust or complete the remaining applicable items.

Current Tax Year Record of Estimated Excise Payments

Estimated excise payment installment number	a. Date	b. Amount paid	c. Prior tax year overpayment credit applied to installment	Total amount paid and credited from Jan. 1 through the installment date shown (col. b + col. c)
1				
2				
3				
4				
Total				

If the corporation first meets the requirement to make estimated payments	Number of installments required	The corporation* should pay the following percentage by the 15th day of the:			
		3rd month	6th month	9th month	12th month
By the last day of the 2nd month	4	40%	25%	25%	10%
After the last day of the 2nd month and before the first day of the 6th month	3		65%	25%	10%
After the last day of the 5th month and before the first day of the 9th month	2			90%	10%
After the last day of the 8th month and before the first day of the 12th month	1				100%

*New taxpayers in their first full taxable year with fewer than 10 employees have lower percentages: 30–25–25–20%; 55–25–20% and 80–20%.

Payments must be made electronically on MassTaxConnect at mass.gov/masstaxconnect or by using third-party vendor software.