

Form M-2220 Underpayment of Massachusetts Estimated Tax by Corporations

2001

Massachusetts

Department of

Revenue

lame	e of corporation			Federal Identification number					
Chec	k type of return to be filed: 🗌 355 🔲 355C 🔲 355S	Other							
Pai	rt 1. Figuring your underpayment.	See instruction	ns.						
	1. 2001 tax (from line 18, 355 or 355C; line 20, Form 355S; or line 6, Form SBC) Commercial banks, insurance companies, and public service companies enter total excise due from return								
2.	Enter 90% of line 1								
	Enter 90% of 2001 tax using 2000 income apportionment percentage								
5.	Enter line 2, 3 or 4, whichever is smallest								
	Enter in columns 1 through 4 the installment dates that correspond to the the 15th day of the 3rd, 6th, 9th and 12th months of your tax-		Due	dates of installments					
	able year. Note: see TIR 01-16 for exceptions to due dates	(1)	(2)	(3)	(4)				
7.	Enter in column (1) 40% of line 5 Enter in column (2) 25% of line 5 Enter in column (3) 25% of line 5 Enter in column (4) 10% of line 5								
	If you are a new corporation, check this box \square and see the instructions for the amount to enter in each column of line 7.								
8.	Amount paid or credited for each period								
9.	Overpayment of previous installment								
0.	Total. Add line 8 and line 9								
1.	Overpayment. Subtract line 7 from line 10								
2.	Underpayment. Subtract line 10 from line 7								

Complete reverse to calculate underpayment penalty.

General Information

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.

For further information on estimated tax payments refer to the "Should the Corporation Be Making Estimated Tax Payments?" in your corporation excise instructions or in the instructions for Form 355-ES, Corporation Estimated Tax Payments.

Paying estimated taxes. All corporations which reasonably estimate their corporate excise to be in excess of \$1,000 for the taxable year are required to make estimated tax payments to the Commonwealth. Estimated taxes may be paid in full on or before the 15th day of the third month of the corporation's taxable year or in four installment payments according to the schedule. Corporations making estimated payments must use Form 355-ES to make their payments.

Short year. Corporations are liable for estimated payments even if there was no return filed for 2000 or if a return filed for 2000 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 Massachusetts Regulation 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 Sec. 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.

Making estimated tax payments. Estimated taxes are paid in quarterly installments as follows:

Installment no.	Pct. of estimated tax due	Due date from start of taxable year	
1	40%	15th day of 3rd month	
2	25%	15th day of 6th month	
3	25%	15th day of 9th month	
4	10%	15th day of 12th month	

Part 2. Figuring your underpayment penalty. See instructions.

	3. 3,				
	Enter same installment dates used in line 6	(1)	(2)	(3)	(4)
13.	Amount of underpayment from line 12				
14.	Enter the date of payment or the 15th day of the 3rd month after the close of the taxable year, whichever is earlier				
15.	Number of days from due date of installment to the date shown in line 14				
16.	Number of days in line 15 after 3/15/01 and before 4/1/01				
17.	Number of days in line 15 after 3/31/01 and before 7/1/01				
18.	Number of days in line 15 after 6/30/01 and before 1/1/02				
19.	Number of days in line 15 after 12/31/01 and before 4/1/02				
20.	Number of days in line 15 after 3/31/02 and before 7/1/02				
21.	Number of days in line 15 after 6/30/02 and before 10/1/02				
22.	Number of days in line 15 after 9/30/02 and before 1/1/03				
23.	Number of days in line 15 after 12/31/02 and before 2/16/03				
24.	Underpayment in line $13 \times$ (number of days in line $16 \div 365) \times 10\%$				
25.	Underpayment in line $13 \times$ (number of days in line $17 \div 365) \times 9\%$				
26.	Underpayment in line $13 \times$ (number of days in line $18 \div 365) \times 8\%$				
27.	Underpayment in line $13 \times$ (number of days in line $19 \div 365) \times 7\%$				
28.	Underpayment in line $13 \times$ (number of days in line $20 \div 365$) \times *%				
29.	Underpayment in line $13 \times$ (number of days in line $21 \div 365) \times {}^*\%$				
30.	Underpayment in line $13 \times$ (number of days in line $22 \div 365) \times {}^*\%$				
31.	Underpayment in line $13 \times$ (number of days in line $23 \div 365) \times {}^*\%$				
32.	Add lines 24 through 31				
33.	Total of amounts shown in line 32. Enter this amount line 14 of Form SBC	unt in line 28 on page	1 of Form 355 or 355C; lin	ne 30 of Form 355S;	

Note: New corporations in their first full taxable year with less than 10 employees 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.

Commercial Banks, Insurance Companies and Public Service Companies. Enter in line 1 the Total Excise Due amount from the return being filed. Also, if an underpayment penalty is due, show this amount in the bottom margin of page 1 of your respective return as "underpayment penalty" and increase your total payment due or decrease excess payment to be refunded.

Line Instructions

Figuring Your Underpayment and Penalty

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.

^{*}Rate to be determined.