## Form **2220**

#### **Underpayment of Estimated Tax by Corporations**

► See separate instructions.

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2004

**Employer identification number** 

OMB No. 1545-0142

Department of the Treasury Internal Revenue Service

Name

▶ Attach to the corporation's tax return.

Note: In most cases, the corporation is not required to file Form 2220 (see Part I below for exceptions) because the IRS will figure any penalty owed and bill the corporation. Even if Form 2220 is not required, the corporation may still use it to figure the penalty. In such a case, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220. Part I Reasons for Filing—Check the boxes below that apply. If any boxes are checked, and line 6, below, is \$500 or more, the corporation must file Form 2220 even if it does not owe a penalty. 1 The corporation is using the adjusted seasonal installment method. 2 The corporation is using the annualized income installment method. 3 \_ The corporation is a "large corporation" figuring its first required installment based on the prior year's tax. Part II Figuring the Underpayment 4 Total tax (see instructions). 5a 5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4 **b** Look-back interest included on line 4 under section 460(b)(2) for completed long-term 5b contracts or section 167(g) for depreciation under the income forecast method . . . 5c 5d Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation 6 Enter the tax shown on the corporation's 2003 income tax return (see instructions). Caution: If the tax is zero 7 7 or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8 . R Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6 R (d) (a) (e) Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9 9th, and 12th months of the corporation's tax year . . . Exception. If one of your installment due dates is September 15, 2004, see the instructions. Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes 10 are checked, enter 25% of line 8 above in each column Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount 11 from line 11 on line 15 . . . . . . . . . Complete lines 12 through 18 of one column before going to the next column. 12 12 Enter amount, if any, from line 18 of the preceding column . 13 13 Add lines 11 and 12. . . . . . . . . . . . . . . Add amounts on lines 16 and 17 of the preceding column . 14 14 15 Subtract line 14 from line 13. If zero or less, enter -0-. . . 15 If the amount on line 15 is zero, subtract line 13 from line 16 14. Otherwise, enter -0- . . . . . . . . . . . . **Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. 17 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column . . . .

Go to Part III on page 2 to figure the penalty. Do not go to Part III if there are no entries on line 17—no penalty is owed.

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#### Part III Figuring the Penalty

			(a)	(b)	(c)	(d)	(e)
19	Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19					
20	Number of days from due date of installment on line 9 to the date shown on line 19	20					
21	Number of days on line 20 after 4/15/2004 and before 7/1/2004	21					
22	Underpayment on line 17 $\times$ Number of days on line 21 $\times$ 5%	22	\$	\$	\$	\$	\$
23	Number of days on line 20 after 6/30/2004 and before 10/1/2004	23					
24	Underpayment on line 17 $\times$ $\frac{\text{Number of days on line 23}}{366} \times 4\%$ .    .	24	\$	\$	\$	\$	\$
25	Number of days on line 20 after 9/30/2004 and before 1/1/2005	25					
26	Underpayment on line 17 $\times$ $\frac{\text{Number of days on line 25}}{366}$ $\times$ 5%.	26	\$	\$	\$	\$	\$
27	Number of days on line 20 after 12/31/2004 and before 4/1/2005	27					
28	Underpayment on line 17 $\times$ Number of days on line 27 $\times$ 5%	28	\$	\$	\$	\$	\$
29	Number of days on line 20 after 3/31/2005 and before 7/1/2005 $% \left( 1,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0$	29					
30	Underpayment on line 17 $\times$ Number of days on line 29 $\times$ *%	30	\$	\$	\$	\$	\$
31	Number of days on line 20 after 6/30/2005 and before 10/1/2005 $$ .	31					
32	Underpayment on line 17 $\times$ Number of days on line 31 $\times$ *%	32	\$	\$	\$	\$	\$
33	Number of days on line 20 after 9/30/2005 and before 1/1/2006 $% \left( 1\right) =0$ .	33					
34	Underpayment on line 17 $\times$ Number of days on line 33 $\times$ *%	34	\$	\$	\$	\$	\$
35	Number of days on line 20 after 12/31/2005 and before 2/16/2006	35					
36	Underpayment on line 17 $\times$ Number of days on line 35 $\times$ *%	36	\$	\$	\$	\$	\$
37	Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$	\$	\$
38	<b>Penalty.</b> Add columns (a) through (e) of line 37. Enter the total I or the comparable line for other income tax returns	here a	and on Form 1	120, line 33; For	rm 1120-A, lin		\$

\*For underpayments paid after March 31, 2005: For lines 30, 32, 34, and 36, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

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# Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

	any 6 consecutive months is at least 70%. See instruction	ne I	(0)			ercentage
01 6	iny o consecutive months is at least 70%. See instruction	18.)	(a)	(b)	(c)	(d)
1	Enter taxable income for the following periods:		First 3 months	First 5 months	First 8 months	First 11 months
	Tax year beginning in 2001	1a				
<b>h</b>	Tay year hasinning in 2002	41-				
b	Tax year beginning in 2002	1b				
	Tax year beginning in 2003	1c				
2	Enter taxable income for each period for the tax year beginning in 2004.	2				
			First 4 months	First 6 months	First 9 months	Entire year
}	Enter taxable income for the following periods:					
а	Tax year beginning in 2001	3a				
b	Tax year beginning in 2002	3b				
С	Tax year beginning in 2003	3с				
ı	Divide the amount in each column on line 1a by the amount in column (d) on line 3a.	4				
5	Divide the amount in each column on line 1b by the amount in column (d) on line 3b.	5				
5	Divide the amount in each column on line 1c by the amount in column (d) on line 3c.	6				
,	Add lines 4 through 6.	7				
3	Divide line 7 by 3.	8				
)	Divide line 2 by line 8.	9				
0	Figure the tax on the amount on line 9 using the instructions for Form 1120, Schedule J, line 3 (or comparable line of corporation's return).	10				
1a	Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a.	11a				
b	Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b.	11b				
С	Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c.	11c				
2	Add lines 11a through 11c.	12				
3	Divide line 12 by 3.	13				
4	Multiply the amount in columns (a) through (c) of line 10 by columns (a) through (c) of line 13. In column (d), enter the amount from line 10, column (d).	14				
15	Enter any alternative minimum tax for each payment period (see instructions).	15				
6	Enter any other taxes for each payment period (see instructions).	16				
7	Add lines 14 through 16.	17				
8	For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions).	18				
	, , , , , , , , , , , , , , , , , , , ,			1		1

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Part II Annualized Income Installment Method		(a)	(b)	(c)	(d)
20 Annualization periods (see instructions).	20	First months	First months	First months	First months
21 Enter taxable income for each annualization period (see instructions).	21				
22 Annualization amounts (see instructions).	22				
23 Annualized taxable income. Multiply line 21 by line 22.	23				
<b>24</b> Figure the tax on the amount on line 23 using the instructions for Form 1120, Schedule J, line 3 (or comparable line of corporation's return).	24				
<b>25</b> Enter any alternative minimum tax for each payment period (see instructions).	25				
26 Enter any other taxes for each payment period (see instructions).	26				
27 Total tax. Add lines 24 through 26.	27				
<b>28</b> For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions).	28				
<b>29</b> Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0	29				
30 Applicable percentage.	30	25%	50%	75%	100%
31 Multiply line 29 by line 30.	31				

### Part III Required Installments

	Note: Complete lines 32 through 38 of one column before completing the next column.		1st installment	2nd installment	3rd installment	4th installment
32	If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the <b>smaller</b> of the amounts in each column from line 19 or line 31.	32				
33	Add the amounts in all preceding columns of line 38 (see instructions).	33				
34	Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0	34				
35	Enter 25% of line 8 on page 1 of Form 2220 in each column. ( <b>Note:</b> "Large corporations," see the instructions for line 10 for the amounts to enter.)	35				
36	Subtract line 38 of the preceding column from line 37 of the preceding column.	36				
37	Add lines 35 and 36.	37				
38	<b>Required installments.</b> Enter the <b>smaller</b> of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions).	38				