

2011 Additional Charge for Underpayment of Estimated Tax

Beginning with tax year 2011, C corporations must use Schedule M15C to determine the additional charge for underpayment of estimated tax; the calculation remains the same. S corporations will continue to use Schedule EST.

Name of corporation/designated filer	FEIN	Minnesota tax ID
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You must round amounts to nearest whole dollar.

Required Annual Payment	1 Enter your 2011 tax (see instructions on back) 1 _____
	If \$500 or less, do not complete this form. You owe no additional charge.
	2 Enter your 2010 tax (see instructions on back) 2 _____
3 Required annual payment. Enter the amount from line 1 or line 2, whichever is less 3 _____	
<i>Exceptions: If you did not file a 2010 return or filed a return for less than a full 12-month period in the preceding tax year, or you did not have a 2010 tax liability, you must enter the amount from line 1. Large corporations, read special instructions on back and enter the amount from line 1.</i>	

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
4 Enter the due dates (see instructions) 4	_____	_____	_____	_____
5 Required installments (see instructions) 5	_____	_____	_____	_____
6 Amount paid each period (see instructions) 6	_____	_____	_____	_____
Complete lines 7–13 for one column before completing the next column. For the first column only, enter the amount from line 6 on line 10.				
7 Enter the amount from line 13 of the previous column 7	_____	_____	_____	_____
8 Add lines 6 and 7 8	_____	_____	_____	_____
9 Add lines 11 and 12 of the previous column 9	_____	_____	_____	_____
10 Subtract line 9 from line 8. If less than zero, enter zero 10	_____	_____	_____	_____
11 Remaining underpayment from previous period. If line 10 is zero, subtract line 8 from line 9. Otherwise, enter zero 11	_____	_____	_____	_____
12 UNDERPAYMENT. If line 10 is less than or equal to line 5, subtract line 10 from line 5, enter the result and go to line 6 of the next column. Otherwise, go to line 13 12	_____	_____	_____	_____
13 OVERPAYMENT. If line 5 is less than line 10, subtract line 5 from line 10 and enter the result. Go to line 6 of the next column 13	_____	_____	_____	_____
14 Date underpayment is paid or regular due date of 2011 return, whichever is earlier 14	_____	_____	_____	_____
15 Number of days from the due date on line 4 to the date on line 14 15	_____	_____	_____	_____
16 Additional charge (line 15 ÷ 365 × .03 × line 12) 16	_____	_____	_____	_____
17 TOTAL. Add amounts on line 16. Enter this amount on M4, line 16 17	_____	_____	_____	_____

Attach this schedule to your Form M4.

Schedule M15C Instructions

This schedule is not required if you are filing your first Minnesota tax return.

What's New

The name of the schedule used by C corporations to determine its additional charge for underpayment of estimated tax has changed and is now called Schedule M15C. The calculation remains the same.

Estimated tax for S corporations now uses the same rules that apply to all pass-through entities. As a result, S corporations, partnerships and trusts will use the same schedule — Schedule EST — to determine the additional charge for underpayment of estimated tax. *Effective for tax years beginning after Dec. 31, 2010.*

Figuring the Underpayment

Line 1

Enter your 2011 tax from Form M4, line 1, less any credits reported on Form M4, lines 4 through 8.

Line 2

Enter your 2010 tax from your 2010 Form M4, line 1, less any credits reported on your 2010 Form M4, lines 4 through 8.

Line 4

The due dates of the installments are the 15th day of the third, sixth, ninth and 12th months of the taxable year.

If you have a **short taxable year**, the installments are due on the 15th day of the third, sixth, ninth and final months. No installment is required for a short taxable year of fewer than four months.

Line 5

Each required installment is 25 percent of the amount on line 3 unless you use an alternative method (see "Alternative Methods"). **Large corporations**, read the special instructions under "Alternative Methods."

To determine the amount of each required installment for a **short taxable year**, divide the amount on line 3 by the number of installments due.

Line 6

In the first column, enter payments made by the 15th day of the third month of the tax year. Include any overpayment from your 2010 return that was credited to your 2011 estimated tax account. For each of the other columns, enter payments made after the previous column's due date and by that column's due date shown on line 4.

Computing the Additional Charge

Lines 14 through 17

Payments of estimated tax are applied against any underpayments of required installments in the order that the installments were due.

For example, if your first-quarter installment is underpaid by \$100 and you deposit \$200 for your second-quarter installment, \$100 of your second-quarter payment is applied to the first quarter. The additional charge for the first quarter is computed from the first-quarter due date to the date the second-quarter payment is made.

Also, the second-quarter installment will then be underpaid by \$100 (assuming that the second-quarter required installment is \$200) until sufficient payments are received to eliminate the underpayment.

If more than one payment has been made for a required installment, attach a separate computation for each payment.

If the due date falls on a weekend or legal holiday, payments electronically made or postmarked the next business day are considered timely.

Alternative Methods

If your income varied during the year, there are two alternative methods of determining the required installment:

- Adjusted Seasonal Installment Method, and
- Annualized Income Installment Method.

To use one or both of these methods to figure one or more required installments, complete Schedule A of federal Form 2220 and make the following adjustments for Minnesota tax purposes.

Lines 1a, 1b, 1c and 2. Column (a) of these lines should include income for the first two months of each tax year.

Lines 3a, 3b and 3c. Column (a) of these lines should include income for the first three months of each tax year.

Line 10. Use the tax rate of 9.8 percent.

Line 15. Use the alternative minimum tax rate of 5.8 percent.

Line 20. Enter your Minnesota annualization periods, using the following:

- In Column (a), enter 2.
- In Column (b), enter either 2 or 5.
- In Column (c), enter either 6 or 8.
- In Column (d), enter either 9 or 11.

Line 21. Enter your Minnesota taxable income for the periods entered on line 20.

Line 22: If your annualization period on line 20 is:	your annualization amount for the period is:
2	6
5	2.4
6	2
8	1.5
9	1.33333
11	1.09091

Line 24. Use the tax rate of 9.8 percent.

Line 25. Use the alternative minimum tax rate of 5.8 percent.

Line 35. Enter 25 percent (.25) of line 3 of Schedule M15C in each column. **Large corporations:** To determine the amounts to enter, see the instructions below.

Line 38. Enter the required installments from line 38 on line 5 of this Schedule M15C.

Attach the federal schedule to this schedule if an alternative method is used for any installment.

Large Corporations

A corporation is considered a large corporation if it had Minnesota taxable net income (after apportionment) of \$1 million or more in any of the three tax years immediately preceding the current year.

A unitary group is considered a large corporation if the combined Minnesota taxable net income of its members was \$1 million or more in any of the three tax years immediately preceding the current year.

A large corporation must use 100 percent of its current year's tax liability as its required annual payment unless an alternative method is used for any installment (see previous column). For the first quarter only, the installment may be based on a required annual payment equal to 100 percent of the prior year's tax liability. Any resulting reduction in the installment must be added to the second-quarter installment.

The second, third and fourth installments must be based on a required annual payment equal to 100 percent of the current year's tax liability unless an alternative method is used for any installment (see previous column).