

2220-K



2012

41A720-S6 (10-12)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

➤ See instructions.

➤ Attach to Form 720, 720S, 725 or 765.

UNDERPAYMENT AND LATE PAYMENT
OF ESTIMATED INCOME TAX AND LLET

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
_____	_____	_____

PART I—EXCEPTION

The exception shall apply if the entity's prior year income tax liability was equal to or less than \$25,000 and estimated tax payments equal or exceed the prior year income tax liability as provided by KRS 141.990. **If the exception does not apply, go to Part II.**

The estimated tax payments equal or exceed the prior year income tax liability and the prior year income tax liability was equal to or less than \$25,000. Check this box and complete lines 1 and 2 of this part.

1. Enter the income tax liability from the 2011 return, Form 720, Part II, line 8; or Form 720S, Part III, line 4.....	1	
2. Enter the total tax payments from the 2012 return: Form 720, the total of Part I, lines 7, 8, 9, 10 and 12 and Part II, lines 9 and 11; or Form 720S, the total of Part II, lines 7, 8, 9 and 11 and Part III, lines 5 and 7.....	2	

PART II—FIGURING THE UNDERPAYMENT AND PENALTY

1. Enter the income tax liability from the 2012 return, Form 720, Part II, line 8; or Form 720S, Part III, line 4.....	1	
2. Enter 70% (0.70) of line 1.....	2	
3. Statutory exemption.....	3	\$5,000
4. Enter the total tax payments from the 2012 return: Form 720, the total of Part I, lines 7, 8, 9, 10 and 12 and Part II, lines 9 and 11; or Form 720S, the total of Part II, lines 7, 8, 9 and 11 and Part III, lines 5 and 7.....	4	
5. Line 2 less lines 3 and 4.....	5	
6. Penalty percentage is 10%.....	6	x .1
7. Multiply line 5 by line 6. This is the amount of the penalty for underpayment of estimated income tax (minimum penalty \$25). Enter on this line and on the Tax Payment Summary of the applicable form.....	7	



41A720-S6 (10-12)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

► See instructions.

PART III—LATE PAYMENT INTEREST

	(a)		(b)		(c)	
1. Enter the LLET liability in column (a), income tax liability in column (b) and total liability in column (c)	1	00	00	00	00	00
2. Enter statutory exemption	2	00	00	00	\$5,000	00
3. Line 1 less line 2	3	00	00	00		00
4. Divide line 3, column (a) and column (b) by line 3, column (c) and enter the respective percentages (rounded to the nearest whole percent) on line 4, columns (a) and (b).....	4	%	%	%	100	%
5. Installment due dates	5					
6. Required estimated tax installments due.....	6	00	00	00		00
7. Estimated tax paid for each period. For column (a) only, enter the amount on line 7 and line 11	7	00	00	00		00
8. Enter amount, if any, from line 14 of preceding column	8			00		00
9. Add lines 7 and 8.....	9			00		00
10. Add amounts, if any, from lines 12 and 13 of preceding column	10			00		00
11. Subtract line 10 from line 9. If zero or less, enter -0-.....	11	00	00	00		00
12. If amount on line 11 is zero, subtract line 9 from line 10. Otherwise, enter -0-	12			00		00
13. Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6.....	13	00	00	00		00
14. Overpayment. If line 6 is less than line 11, subtract line 6 from line 11.....	14	00	00	00		00
15. The date the underpayment on line 13 was paid or the 15th day of the 4th month after the close of the tax year, whichever is earlier	15					
16. Interest on the tax underpayment on line 13..	16	00	00	00		00

PART IV—TOTAL INTEREST

1. Add the amounts in Part III, line 16 (all columns) and multiply this amount by the percentages in each column of Part III, line 4 and enter the amounts on Part IV, line 1, columns (a), (b) and (c), respectively ...	1	00	00	00		00
---	---	----	----	----	--	----

41A720-S6 (10-12)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

INSTRUCTIONS FOR FORM 2220-K

Purpose of Form—This form is used by a corporation or limited liability pass-through entity required by KRS 141.042 and KRS 141.044 to file a declaration of estimated tax to: (i) compute the underpayment penalty as provided by KRS 131.180(3) and KRS 141.990; and (ii) compute the interest on any late payment or underpayment of an estimated tax installment as provided by KRS 141.985.

PART I—EXCEPTION

KRS 141.990(3) provides that a penalty shall not apply if the estimated tax payments made by a corporation or limited liability pass-through entity are equal to the income tax due under KRS 141.040 for the previous taxable year, and the income tax due under KRS 141.040 for the previous year was equal to or less than \$25,000. If the corporation or limited liability pass-through entity meets this exception, check the box and complete Lines 1 and 2 showing the prior year income tax liability and the current year estimated tax payments.

PART II—FIGURING THE UNDERPAYMENT AND PENALTY

KRS 141.990(3) provides that unless a corporation or limited liability pass-through entity meets the exception in Part I of this form, a corporation's or limited liability pass-through entity's declaration underpayment is determined by subtracting \$5,000 and the estimated tax payments actually made from 70% of the income tax liability due under KRS 141.040 as computed on the tax return filed for the tax year. If the corporation or limited liability pass-through entity has a declaration underpayment, complete Lines 1 through 7 to compute the underpayment penalty as provided by KRS 131.180(3).

PART III—LATE PAYMENT INTEREST

KRS 141.042(1) provides that every corporation and limited liability pass-through entity shall make a declaration of estimated tax if the tax imposed by KRS 141.040 (corporation income tax) and KRS 141.0401 (limited liability entity tax) can reasonably be expected to exceed \$5,000. KRS 141.042(3)(b) provides that the estimated tax in excess of \$5,000 shall be the estimated tax due for purposes of KRS 141.042 and 141.044.

KRS 141.042(4) provides the due date of each estimated tax payment, and KRS 141.044(1) provides the amount of each estimated tax payment. KRS 141.985 provides that interest shall accrue at the tax interest rate as provided by KRS 131.010(6) if a corporation or limited liability pass-through entity fails to pay the tax due on or before the due date prescribed. If the corporation or limited liability pass-through entity underpaid an estimated tax payment or paid an estimated tax payment late, complete lines 1 through 16 to determine the interest due.

Line 1—Enter the LLET liability in Column (a), income tax liability in Column (b) and the combined tax liability in Column (c) as follows:

Enter on Line 1, Column (a) the 2012 LLET liability from Form 720, Part I, Line 6 or from Form 720S, 725 or 765, Part II, Line 6; and enter on Line 1, Column (b) the 2012 income tax liability from Form 720, Part II, Line 8 or from Form 720S, Part III, Line 4. Also enter the total of Line 1, Columns (a) and (b) on Line 1, Column (c).

If the combined tax liability imposed by KRS 141.040 and 141.0401 for the prior tax year was equal to or less than \$25,000 and the prior year's combined tax liability is less than the current year's combined tax liability, enter on Line 1, Column (a) the 2011 LLET liability from Form 720, Part I, Line 6 or from Form 720S, 725 or 765, Part II, Line 6; and enter on Line 1, Column (b) the 2011 income tax liability from Form 720, Part II, Line 8 or from Form 720S, Part III, Line 4. Also enter the total of Line 1, Columns (a) and (b) on Line 1, Column (c).

Line 2—Enter the \$5,000 statutory exemption as follows: (i) If the LLET tax on Line 1, Column (a) is zero, enter \$5,000 on Line 2, Column (b); (ii) If Line 1, Column (a) is \$5,000 or greater, enter \$5,000 on Line 2, Column (a); or (iii) If the LLET on Line 1 Column (a) is greater than zero but less than \$5,000, enter the amount from Line 1, Column (a) on Line 2, Column (a) and the balance of the \$5,000 on Line 2, Column (b).

Line 3—Enter the amount on Line 1 less the amount on Line 2 for each column.

Line 4—Divide Line 3, Columns (a) and (b) by the amount on Line 3, Column (c) and enter these percentages (rounded to nearest whole percent) in the respective columns.

Line 5—Enter the installment due dates from left to right in each column as follows: (i) if the tax imposed by KRS 141.040 and 141.0401 for the taxable year was reasonably expected to exceed \$5,000 before June 2 of the taxable calendar year, enter June 15, September 15 and December 15 in Columns (a), (b) and (c); (ii) if the tax for the taxable year was reasonably expected to exceed \$5,000 after June 1 and before September 2 of the taxable calendar year, enter September 15 and December 15 in Columns (a) and (b); and (iii) if the tax for the taxable year was reasonably expected to exceed \$5,000 after September 1 of the taxable calendar year, enter December 15 in Column (a). If the tax return is for a fiscal year, enter the 15th day of the sixth month, 15th day of the ninth month and 15th day of the 12th month. **Note:** *If a payment date falls on a holiday or weekend, the applicable payment date is the next working day.*

41A720-S6 (10-12)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE**INSTRUCTIONS FOR FORM 2220-K, continued**

Line 6—Enter the amount of the estimated tax due as follows: (i) if you entered three installment dates on Line 5, enter 50% of the estimated tax due for the taxable year (**estimated tax due equals Line 3, Column (c)**) under Column (a), 25% under Column (b), and 25% under Column (c); (ii) if you entered two installment dates on Line 5, enter 75 % of the estimated tax due under Column (a) and 25% under Column (b); or (iii) if you entered one installment date on Line 5, enter 100% of the estimated tax due under Column (a).

Line 7—Enter the estimated tax paid for each installment period. Also, for the first installment, enter this amount on Line 11. *Estimated tax includes the credit from the prior year, withholding tax, certified rehabilitation tax credit and film industry tax credit. The withholding tax, certified rehabilitation tax credit and film industry tax credit are considered to have been paid based on the percentages due on the estimated tax due dates as provided by the instructions on Line 6, unless you can show otherwise.*

If you are required to make three installments—Enter estimated tax payments as follows: (i) if the payment was made on or before June 15, enter the payment on Line 7, Column (a); (ii) if the payment was made after June 15 but by September 15, enter the payment on Line 7, Column (b); (iii) if the payment was made after September 15 but by December 15, enter the payment on Line 7, Column (c); or (iv) if the payment was made after December 15, do not enter the payment on Line 7.

If you are required to make two installments—Enter estimated tax payments as follows: (i) if the payment was made on or before September 15, enter the payment on Line 7, Column (a); (ii) if the payment was made after September 15 but by December 15, enter the payment on Line 7, Column (b); or (iii) if the payment was made after December 15, do not enter the payment on Line 7.

If you are required to make one installment—Enter estimated tax payments as follows: (i) if the payment was made on or before December 15, enter the payment on Line 7, Column (a); or (ii) if the payment was made after December 15, do not enter the payment on Line 7.

Line 8—Enter the amount from Line 14 of the preceding column. This line does not apply to the first installment.

Line 9—Enter the total of Lines 7 and 8. This line does not apply to the first installment.

Line 10—Enter the total of Lines 12 and 13 of the preceding column. This line does not apply to the first installment.

Line 11—Enter the amount of Line 9 less Line 10. If zero or less, enter zero (-0-). For the first installment, enter the amount from Line 7.

Line 12—If the amount on Line 11 is zero, enter the amount of Line 10 less Line 9; otherwise, enter zero (-0-). This line does not apply to the first installment.

Line 13—If Line 11 is less than or equal to Line 6, enter the amount of Line 6 less Line 11.

Line 14—If Line 6 is less than Line 11, enter the amount of Line 11 less Line 6.

Line 15—Enter the date the underpayment on Line 13 was paid or the 15th day of the fourth month after the close of the tax year, whichever is earlier. A payment of estimated tax is applied against unpaid required installments in the order in which the installments are required to be paid, regardless of the installment to which the payment pertains.

Line 16—Enter the interest due on the tax underpayment on Line 13. If the corporation or limited liability pass-through entity has more than one payment for the underpayment, attach a separate computation for each payment. The interest rate is 6 percent for calendar year 2012. The tax interest rate for 2013 is available online at www.revenue.ky.gov, or you may contact the Department of Revenue at (502) 564-8139.

PART IV—TOTAL INTEREST

Line 1—Add the amounts in Part III, Line 16 (all columns) and multiply the total by the percentages on Part III, Line 4, and enter the respective amounts on Line 1, Columns (a), (b) and (c). Also, enter the interest amounts in Columns (a) and (b) on the Tax Payment Summary under the LLET summary and Income summary, respectively.