

Underpayment of Estimated Tax by Corporations

2013

For the calendar year 2013 or fiscal year beginning MM/DD/2013 and ending MM/DD/20YY.

Attach to the corporation's return.

Name as shown on Form 99T, 120, 120A, 120S

Employer identification number (EIN)

In most cases, the taxpayer DOES NOT HAVE TO FILE Form 220. (See Part A below for exceptions.) The department will compute any penalty due and bill the taxpayer. (If the taxpayer does not have to file Form 220, the form may still be used to compute the penalty. Enter the amount of the penalty on the estimated tax underpayment penalty line of the taxpayer's return. Do not check the box on that line of the return or attach Form 220.)

Part A: Reasons for Filing Form 220

Check the boxes below that apply to the taxpayer. If any box is checked, the taxpayer must file Form 220 with the taxpayer's tax return, even though no penalty is due. See page 2 of the instructions.

- 1 ☐ The taxpayer is using the annualized income installment method.
- 2 ☐ The taxpayer is using the adjusted seasonal installment method.
- 3 ☐ **Forms 120 and 120A only.** The taxpayer is a "large corporation" computing its first required installment based on the prior taxable year's tax liability.
- 4 ☐ **Form 120S only.** The taxpayer is computing its required annual payment based on an amount equal to the **sum** of:
- (a) ninety percent of the portion of the current taxable year's liability attributable to built-in gains income or certain capital gains income; **plus**
- (b) one hundred percent of the portion of the prior taxable year's tax liability attributable to excess net passive income.

Part B: Calculation of Underpayment

5 2013 Arizona tax liability - from Form 99T, line 11 less line 12; or Form 120, line 21 less line 22; or Form 120A, line 13 less line 14; or Form 120S, line 17 less line 18. Taxpayers with a claim of right tax calculation - see instructions. 5 00

6 REQUIRED ANNUAL PAYMENT.

- a Enter 90 percent of line 5..... 6a 00
- b Forms 99T, 120, and 120A - enter the tax as shown on the 2012 return. See instructions.. 6b 00
- c Form 120S - see instructions..... 6c 00
- d Forms 99T, 120, and 120A - enter the smaller of line 6a or line 6b.
- Form 120S - enter the smaller of line 6a or line 6c..... 6d 00

7 **Installment due dates.** In columns (a) through (d), enter the 15th day of the 4th, 6th, 9th, and 12th months of the taxable year

8 **Required installments.** If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, Part III, line 48. If the box on line 3 above is checked (but not the box on line 1 or line 2), see instructions, page 3, for the amounts to enter. If the box on line 4 above is checked, or if none of these boxes are checked, enter 25 percent of line 6d in each column

9 Estimated tax paid or credited for each period (see instructions pages 3 and 4). **For column (a) only** skip lines 10 through 12. Enter the amount from line 9 on line 13

Complete lines 10 through 16 of one column before completing the next column.

- 10 **For columns (b) through (d) only** - enter the amount, if any, from line 16 of the preceding column..... 10
- 11 **For columns (b) through (d) only** - add lines 9 and 10. Enter the total..... 11
- 12 **For columns (b) through (d) only** - add the amounts on lines 14 and 15 of the preceding column
- 13 **For columns (b) through (d) only** - subtract line 12 from line 11. If zero or less, enter zero..... 13
- 14 **For columns (b) and (c) only** - if the amount on line 13 is zero, subtract line 11 from line 12. Otherwise, enter zero
- 15 **Underpayment.** If line 13 is less than or equal to line 8, subtract line 13 from line 8. Then, go to line 10 of the next column (see instructions page 4). Otherwise, go to line 16
- 16 **Overpayment.** If line 8 is less than line 13, subtract line 8 from line 13. Then, go to line 10 of the next column

| | (a) | (b) | (c) | (d) |
|----|----------|----------|----------|----------|
| 7 | MM/DD/YY | MM/DD/YY | MM/DD/YY | MM/DD/YY |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |

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| Name (as shown on page 1) | EIN |
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Part C: Penalty Calculation

| | | (a) | (b) | (c) | (d) |
|---|-----------|-------------|-------------|-------------|-------------|
| 17 Forms 120 and 120A: Enter the date of payment or the 15th day of the 4th month after the close of the taxable year, whichever is earlier. Form 120S: Use 3rd month instead of 4th month. Form 99T: Use 5th month instead of 4th month | 17 | M M D D Y Y | M M D D Y Y | M M D D Y Y | M M D D Y Y |
| 18 Number of days from due date of installment on line 7 to the date shown on line 17 | 18 | Days: | Days: | Days: | Days: |
| 19 Number of days on line 18 after 4/15/2013 and before 7/1/2013 | 19 | Days: | Days: | Days: | Days: |
| 20 Underpayment on line 15 $\times \frac{\text{Number of days on line 19}}{365} \times 3\%$ | 20 | | | | |
| 21 Number of days on line 18 after 6/30/2013 and before 10/1/2013 | 21 | Days: | Days: | Days: | Days: |
| 22 Underpayment on line 15 $\times \frac{\text{Number of days on line 21}}{365} \times 3\%$ | 22 | | | | |
| 23 Number of days on line 18 after 9/30/2013 and before 1/1/2014 | 23 | Days: | Days: | Days: | Days: |
| 24 Underpayment on line 15 $\times \frac{\text{Number of days on line 23}}{365} \times 3\%$ | 24 | | | | |
| 25 Number of days on line 18 after 12/31/2013 and before 4/1/2014 | 25 | Days: | Days: | Days: | Days: |
| 26 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Underpayment on line 15 + compounding, if applicable</div> $\times \frac{\text{Number of days on line 25}}{365} \times 3\%$ | 26 | | | | |
| 27 Number of days on line 18 after 3/31/2014 and before 7/1/2014 | 27 | Days: | Days: | Days: | Days: |
| 28 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Underpayment on line 15 + compounding, if applicable</div> $\times \frac{\text{Number of days on line 27}}{365} \times _ \%$ | 28 | | | | |
| 29 Number of days on line 18 after 6/30/2014 and before 10/1/2014 | 29 | Days: | Days: | Days: | Days: |
| 30 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Underpayment on line 15 + compounding, if applicable</div> $\times \frac{\text{Number of days on line 29}}{365} \times _ \%$ | 30 | | | | |
| 31 Number of days on line 18 after 9/30/2014 and before 1/1/2015 | 31 | Days: | Days: | Days: | Days: |
| 32 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Underpayment on line 15 + compounding, if applicable</div> $\times \frac{\text{Number of days on line 31}}{365} \times _ \%$ | 32 | | | | |
| 33 Number of days on line 18 after 12/31/2014 and before 3/15/2015 | 33 | Days: | Days: | Days: | Days: |
| 34 <div style="border: 1px solid black; padding: 2px; display: inline-block;">Underpayment on line 15 + compounding, if applicable</div> $\times \frac{\text{Number of days on line 33}}{365} \times _ \%$ | 34 | | | | |
| 35 Add lines 20, 22, 24, 26, 28, 30, 32, and 34 | 35 | | | | |
| 36 Penalty Limitation. In columns (a) through (d), list the smaller of Part B, line 15 \times 10% OR the amount from Part C, line 35 | 36 | | | | |
| 37 Penalty. Add columns (a) through (d) of line 36. Enter the total here and on Form 99T, line 22; or Form 120, line 29; or Form 120A, line 21; or Form 120S, line 25 | 37 | | | | 00 |

* Percentage rate to be announced

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| Name (as shown on page 1) | EIN |
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Schedule A: Annualized Income Installment Method and/or Adjusted Seasonal Installment Method Under IRC § 6655(e)

Part I: Annualized Income Installment Method

| | | (a) | (b) | (c) | (d) |
|---|-----------|---------------------|---------------------|---------------------|---------------------|
| 1 Annualization periods. See instructions | 1 | First _____, Months | First _____, Months | First _____, Months | First _____, Months |
| 2 Enter taxable income for each annualization period | 2 | | | | |
| 3 Annualization amounts. See instructions | 3 | | | | |
| 4 Annualized taxable income. Multiply line 2 by line 3 | 4 | | | | |
| 5 Calculate the tax on the amount in each column on line 4. See instructions | 5 | | | | |
| 6 Enter tax from recapture of tax credits for each payment period. See instructions | 6 | | | | |
| 7 Subtotal tax: Add lines 5 and 6 | 7 | | | | |
| 8 For each period, enter the amount of nonrefundable tax credits. See instructions | 8 | | | | |
| 9 Arizona tax liability: Subtract line 8 from line 7. If zero or less, enter zero | 9 | | | | |
| 10 Refundable tax credits. See instructions | 10 | | | | |
| 11 Claim of right adjustment. See instructions | 11 | | | | |
| 12 Net liability: Subtract the sum of line 10 and line 11 from line 9. If zero or less, enter zero | 12 | | | | |
| 13 Applicable percentage | 13 | 22.5% | 45% | 67.5% | 90% |
| 14 Multiply line 12 by line 13 | 14 | | | | |
| 15 Add the amounts in all preceding columns from page 4, Part III, line 48. See instructions | 15 | | | | |
| 16 Annualized income installments: Subtract line 15 from line 14. If zero or less, enter zero | 16 | | | | |

Part II: Adjusted Seasonal Installment Method

CAUTION: Use this method only if the base period percentage of any 6 consecutive months is at least 70%. See the instructions for more information.

| | | (a) | (b) | (c) | (d) |
|---|------------|----------------|----------------|----------------|-----------------|
| 17 Enter taxable income for the following periods: | | First 3 Months | First 5 Months | First 8 Months | First 11 Months |
| a Taxable year beginning in 2010 | 17a | | | | |
| b Taxable year beginning in 2011 | 17b | | | | |
| c Taxable year beginning in 2012 | 17c | | | | |
| 18 Enter taxable income for each period for taxable year beginning in 2013 | 18 | | | | |

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| Name (as shown on page 1) | EIN |
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Part II: Adjusted Seasonal Installment Method (continued)

| | (a) | (b) | (c) | (d) |
|--|----------------|----------------|----------------|-------------|
| | First 4 Months | First 6 Months | First 9 Months | Entire Year |
| 19 Enter taxable income for the following periods: | | | | |
| a Taxable year beginning in 2010 | | | | |
| b Taxable year beginning in 2011 | | | | |
| c Taxable year beginning in 2012 | | | | |
| 20 Divide the amount in each column on line 17a by the amount in column (d) on line 17a..... | | | | |
| 21 Divide the amount in each column on line 17b by the amount in column (d) on line 17b..... | | | | |
| 22 Divide the amount in each column on line 17c by the amount in column (d) on line 17c..... | | | | |
| 23 Add lines 20 through 22 | | | | |
| 24 Divide line 23 by three (3) | | | | |
| 25 Divide line 18 by line 24 | | | | |
| 26 Calculate the tax on the amount in each column on line 25. See instructions..... | | | | |
| 27 Divide the amount in columns (a) through (c) on line 19a by the amount in column (d) on line 19a | | | | |
| 28 Divide the amount in columns (a) through (c) on line 19b by the amount in column (d) on line 19b | | | | |
| 29 Divide the amount in columns (a) through (c) on line 19c by the amount in column (d) on line 19c..... | | | | |
| 30 Add lines 27 through 29 | | | | |
| 31 Divide line 30 by three (3) | | | | |
| 32 Multiply the amount in columns (a) through (c) of line 26 by the amount in the corresponding column of line 31. In column (d), enter the amount from line 26, column (d) | | | | |
| 33 Enter tax from recapture of tax credits for each payment period. See instructions..... | | | | |
| 34 Subtotal tax: add line 32 and line 33..... | | | | |
| 35 For each period, enter the amount of nonrefundable tax credits. See instructions | | | | |
| 36 Arizona tax liability: Subtract line 35 from line 34. If zero or less, enter zero | | | | |
| 37 Refundable tax credits: see instructions | | | | |
| 38 Claim of right adjustment: see instructions | | | | |
| 39 Net liability: subtract the sum of line 37 and line 38 from line 36. If zero or less, enter zero | | | | |
| 40 Multiply line 39 by 90% | | | | |
| 41 Add the amounts in all preceding columns from Part III, line 48. See instructions | | | | |
| 42 Adjusted seasonal installments: Subtract line 41 from line 40. If zero or less, enter zero | | | | |

Part III: Required Installments

| | (a) | (b) | (c) | (d) |
|--|-------------------|--------------------|-------------------|--------------------|
| | First Installment | Second Installment | Third Installment | Fourth Installment |
| 43 If only one of the above parts is completed, enter the amount in each column from line 16 or line 42. (If both parts are completed, enter the smaller of the amounts in each column from line 16 or line 42.) | | | | |
| 44 Enter 25% of line 6d on Form 220 in each column. NOTE: "Large corporations", see line 8 instructions on page 3 for the amount to enter..... | | | | |
| 45 Enter the amount from line 47 of this schedule for the preceding column..... | | | | |
| 46 Add line 44 and line 45. Enter the total | | | | |
| 47 If line 46 is more than line 43, subtract line 43 from line 46. Otherwise, enter zero | | | | |
| 48 Required Installments: Enter the smaller of line 43 or line 46 here and on Form 220, page 1, line 8..... | | | | |