

Computation of Interest Due on Underpayment of Estimated Tax

Enter Income Year Beginning _____, 2014, and Ending _____, _____

Corporation name				Connecticut Tax Registration Number				
Part I – Computation of Required Annual Payment								
1. Tax due from 2014 Form CT-1120 or Form CT-1120U , <i>Schedule C</i> , Line 6, minus <i>Schedule C</i> , Line 1c; Form CT-1120CR , Part IV, Line 13, minus Part IV, Line 4; or Form CT-990T , <i>Computation of Amount Payable</i> , Line 5. See instructions.				1.				
2. Multiply Line 1 by 90% (.90).				2.				
3. Tax from 2013 Form CT-1120 or Form CT-1120U , <i>Schedule C</i> , Line 1, minus <i>Schedule C</i> , Line 1c; or Form CT-1120CR , Part IV, Line 7, minus Part IV, Line 4; or Form CT-990T , <i>Computation of Amount Payable</i> , Line 3. See instructions.				3.				
4. Multiply Line 3 by 100% (1.00).				4.				
5. Required annual payment: Enter the lesser of Line 2 or Line 4.				5.				
Part II – Computation of Required Installments								
6. First required installment: Multiply Line 5 by 30% (.30). Enter here and on Part III, Line 13, Column A, or Part IV, Line 10a.				6.				
7. Second required installment: Multiply Line 5 by 40% (.40). Enter here and on Part III, Line 13, Column B, or Part IV, Line 13c.				7.				
8. Third required installment: Multiply Line 5 by 10% (.10). Enter here and on Part III, Line 13, Column C, or Part IV, Line 16c.				8.				
9. Fourth required installment: Multiply Line 5 by 20% (.20). Enter here and on Part III, Line 13, Column D, or Part IV, Line 19c.				9.				
Part III – Annualized Income Installment Schedule								
Estimated Payment Calculation	A	First 2 Months	B	First 5 Months	C	First 8 Months	D	First 11 Months
1. Enter your Connecticut corporation business income for each period. See instructions.								
2. Annualization factor		6		2.4		1.5		1.09091
3. Annualized Connecticut corporation business income: Multiply Line 1 by Line 2.								
4. Multiply Line 3 by 7.5% (.075).								
5. Enter amounts for surtax and preference tax, if applicable.								
6. Add Line 4 and Line 5.								
7. Corporation business tax credits: See instructions.								
8. Total annualized corporation business tax: Subtract Line 7 from Line 6.								
9. Applicable percentages		.27		.63		.72		.90
10. Multiply Line 8 by Line 9.								
11. Add the amounts in all preceding columns of Line 17. See instructions.								
12. Annualized income installment using net income: Subtract Line 11 from Line 10. If zero or less, enter "0."								
13. Enter your required installment for the period. See instructions.								
14. Enter the amount from Line 16 of the preceding column of this worksheet.								
15. Add Line 13 and Line 14 and enter here.								
16. If Line 15 is more than Line 12, subtract Line 12 from Line 15 (otherwise enter "0").								
17. Enter the lesser of Line 12 or Line 15.								
18. Total required installment for the period: Add Line 11 and Line 17.								
19. Estimated tax payments made through the due date for the period.								
20. Estimated tax payment required by the next due date: Subtract Line 19 from Line 18 and enter the result, but not less than "0."								

Part IV– Computation of Interest		
10a. First installment: Enter the required installment amount due on the fifteenth day of the third month. See instructions.	10a	
10b. Enter payments made or credits received on or before the fifteenth day of the third month.	10b	
10c. First installment underpayment balance: Subtract Line 10b from Line 10a.	10c	
10. Interest due - Sixteenth day of the third month through the fifteenth day of the fourth month. Multiply Line 10c by .01 if greater than zero.	10	
11a. Enter payments made or credits received on or before the fifteenth day of the fourth month.	11a	
11b. First installment underpayment balance: Subtract Line 11a from Line 10c.	11b	
11. Interest due - Sixteenth day of the fourth month through the fifteenth day of the fifth month. Multiply Line 11b by .01 if greater than zero.	11	
12a. Enter payments made or credits received on or before the fifteenth day of the fifth month.	12a	
12b. First installment underpayment balance: Subtract Line 12a from Line 11b.	12b	
12. Interest due - Sixteenth day of the fifth month through the fifteenth day of the sixth month. Multiply Line 12b by .01 if greater than zero.	12	
13a. Second installment: Enter payments made or credits received on or before the fifteenth day of the sixth month.	13a	
13b. First installment underpayment balance: Subtract Line 13a from Line 12b.	13b	
13c. Enter the second required installment amount due on the fifteenth day of the sixth month. See instructions. .	13c	
13d. Second installment underpayment balance: Add Line 13b and Line 13c.	13d	
13. Interest due - Sixteenth day of the sixth month through the fifteenth day of the seventh month. Multiply Line 13d by .01 if greater than zero.	13	
14a. Enter payments made or credits received on or before the fifteenth day of the seventh month.	14a	
14b. Second installment underpayment balance: Subtract Line 14a from Line 13d.	14b	
14. Interest due - Sixteenth day of the seventh month through the fifteenth day of the eighth month. Multiply Line 14b by .01 if greater than zero.	14	
15a. Enter payments made or credits received on or before the fifteenth day of the eighth month.	15a	
15b. Second installment underpayment balance: Subtract Line 15a from Line 14b.	15b	
15. Interest due - Sixteenth day of the eighth month through the fifteenth day of the ninth month. Multiply Line 15b by .01 if greater than zero.	15	
16a. Third installment: Enter payments made or credits received on or before the fifteenth day of the ninth month.	16a	
16b. Second installment underpayment balance: Subtract Line 16a from Line 15b.	16b	
16c. Enter the third required installment amount due on the fifteenth day of the ninth month. See instructions. .	16c	
16d. Third installment underpayment balance: Add Line 16b and Line 16c.	16d	
16. Interest due - Sixteenth day of the ninth month through the fifteenth day of the tenth month. Multiply Line 16d by .01 if greater than zero.	16	
17a. Enter payments made or credits received on or before the fifteenth day of the tenth month.	17a	
17b. Third installment underpayment balance: Subtract Line 17a from Line 16d.	17b	
17. Interest due - Sixteenth day of the tenth month through the fifteenth day of the eleventh month. Multiply Line 17b by .01 if greater than zero.	17	
18a. Enter payments made or credits received on or before the fifteenth day of the eleventh month.	18a	
18b. Third installment underpayment balance: Subtract Line 18a from Line 17b.	18b	
18. Interest due - Sixteenth day of the eleventh month through the fifteenth day of the twelfth month. Multiply Line 18b by .01 if greater than zero.	18	
19a. Fourth installment: Enter payments made or credits received on or before the fifteenth day of the twelfth month.	19a	
19b. Third installment underpayment balance: Subtract Line 19a from Line 18b.	19b	
19c. Enter the fourth required installment amount due on the fifteenth day of the twelfth month. See instructions. ...	19c	
19d. Fourth installment underpayment balance: Add Line 19b and Line 19c.	19d	
19. Interest due - Sixteenth day of the twelfth month through the fifteenth day of the thirteenth month. Multiply Line 19d by .01 if greater than zero.	19	
20a. Enter payments made or credits received on or before the fifteenth day of the thirteenth month.	20a	
20b. Fourth installment underpayment balance: Subtract Line 20a from Line 19d.	20b	
20. Interest due - Sixteenth day of the thirteenth month through the fifteenth day of the fourteenth month. Multiply Line 20b by .01 if greater than zero.	20	
21a. Enter payments made or credits received on or before the fifteenth day of the fourteenth month.	21a	
21b. Fourth installment underpayment balance: Subtract Line 21a from Line 20b.	21b	
21. Interest due - Sixteenth day of the fourteenth month through the fifteenth day of the fifteenth month. Multiply Line 21b by .01 if greater than zero.	21	
22a. Enter payments made or credits received on or before the fifteenth day of the fifteenth month.	22a	
22b. Fourth installment underpayment balance: Subtract Line 22a from Line 21b.	22b	
22. Interest due - Sixteenth day of the fifteenth month to the first day of the sixteenth month Multiply Line 22b by .01 if greater than zero.	22	
23. Total interest due: Add Lines 10 through 22. Enter here and on the appropriate Connecticut tax form.	23	

General Instructions

Complete this form in blue or black ink only. Use **Form CT-1120I** to determine interest due on underpayments of estimated Connecticut corporation business tax or unrelated business income tax for **Form CT-1120**, *Corporation Business Tax Return*; **Form CT-1120U**, *Unitary Corporation Business Tax Return*; **Form CT-1120CR**, *Combined Corporation Business Tax Return*; or **Form CT-990T**, *Connecticut Unrelated Business Income Tax Return*.

Electronic filing and payment requirements

For income years beginning on or after January 1, 2014, all corporations must file and pay their estimated taxes (Forms CT-1120 ESA, ESB, ESC and ESD) and extension requests (Form CT-1120 EXT) electronically.

See **Information Publication 2014(15)**, *Filing and Paying Connecticut Taxes Electronically*.

To request a waiver from the electronic filing requirement visit **www.ct.gov/drs/TSCfiling** and complete **Form DRS-EWVR**, *Electronic Filing and Payment Waiver Request*.

The following penalties will apply if a required electronic funds transfer (EFT) payment is remitted late:

- 2% of the required tax due for EFT payments not more than 5 days late;
- 5% of the required EFT payments more than 5 days late but not more than 15 days late; and
- 10% of the required EFT payments more than 15 days late.

The following graduated penalty amounts will apply if you fail to remit payments electronically:

- First offense – 10% penalty on the amount of the tax payment, but not more than \$2,500;
- Second offense – 10% penalty, but not more than \$10,000; and
- Third and subsequent offenses – 10% penalty.

If the taxpayer made timely installment tax payments (**Forms CT-1120 ESA, ESB, ESC, and ESD** or **Forms CT-990T ESA, ESB, ESC, and ESD**) and paid at least 90% of the current year tax or 100% of the prior year tax before the application of any tax credits at the required installment rate, the taxpayer is not subject to interest on underpaid installments. If the current year tax is \$1,000 or less, it is not necessary to complete this form.

Estimated tax payments may be based on the applicable percentage of the current year tax determined by annualizing net income. See **Informational Publication 2014(14)**, *Q & A on Estimated Corporation Business Tax and Worksheet CT-1120AE*.

Line Instructions

Part I – Computation of Required Annual Payment

Line 1 - Enter the tax liability for the current income year from Form CT-1120 or Form CT-1120U, *Schedule C*, Line 6, minus *Schedule C*, Line 1c; Form CT-1120CR, Part IV, Line 13, minus Part IV, Line 4; or Form CT-990T, *Computation of Amount Payable*, Line 5.

The amount entered on Line 1 should not include any recapture of tax credits.

Line 3 - Enter the total tax from the prior income year before the application of any tax credits. The amount entered on this line should not include any recapture of tax credits. If no return has been filed for the prior income year or a return was filed for less than a twelve-month period, leave Line 3 blank and enter the amount from Line 2 on Line 5.

Part II – Computation of Required Installments

The required installment payments are due on or before the fifteenth day of the third, sixth, ninth, and twelfth months of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the return is considered timely if filed on the next business day.

Lines 6 through 9 - Calculate the required minimum installment payments due. Multiply the required annual payment from Part I, Line 5, by the required installment rate and enter the result on the appropriate line.

Part III – Annualized Income Installment Schedule Complete column A entirely before proceeding to the next column.

Line 1 - Enter the corporation's total net income for the period.

Line 4 - The Connecticut corporation business tax rate is 7.5%. Multiply Line 3 by 7.5% (.075).

Line 5 - If the corporation is subject to the surtax or preference tax, include the amounts on Line 5.

Line 7 - Enter the corporation's estimated allowable Connecticut corporation business tax credits for the year. The amount of tax credits allowable against the corporation business tax shall not exceed 70% of the amount of tax due prior to the application of the tax credits. In addition, no tax credit shall reduce an included corporation's tax calculated under Conn. Gen. Stat. §12-219 to an amount less than \$250.

Line 11 - Do not enter an amount in Column A. Enter in Column B the amount from Line 17, Column A. Enter in Column C the sum of Line 17, Column A, plus Line 17 Column B. Enter in Column D the sum of Line 17, Column A, plus Line 17, Column B, plus Line 17, Column C.

Line 13 - Enter the appropriate amount of your required installment as calculated in Part II, Lines 6 through 9, above.

Line 19 - Enter all estimated tax payments made through the payment due date for the period. Include overpayments of the prior year tax applied to the current year. If the tax return for the prior year was filed on time or within the extension period if a timely request for an extension was filed, the overpayment will be treated as estimated tax paid on the fifteenth day of the third month (March 15 for calendar year filers). Otherwise, the overpayment will be treated as estimated tax paid on the date the prior year tax return was filed.

Part IV – Computation of Interest

Lines 10a, 13c, 16c, and 19c - Enter on the appropriate line the required installment amount due. The required installment amounts are computed as follows:

Regular Filers

Enter the amount from Part II, Lines 6 through 9; or

Annualized Filers

Enter the amount from Part III, Line 17, Column A, on Line 10a.
Enter the amount from Part III, Line 17, Column B, on Line 13c.
Enter the amount from Part III, Line 17, Column C, on Line 16c.
Enter the amount from Part III, Line 17, Column D, on Line 19c.

Lines 10b, 11a, 12a, 13a, 14a, 15a, 16a, 17a, 18a, 19a, 20a, 21a, and 22a - Enter the payment amounts on the appropriate line according to the date of payment. Payments are first applied to any remaining unpaid installment balances that are due, and then are applied to the next required installment due.

Lines 10 through 22 - Interest is calculated monthly on the accumulated unpaid required installment balance due at 1% per month or fraction of a month.

Line 23 - Enter the total interest due on unpaid required installment balances by adding the amounts on Lines 10 through 22. This amount is also entered on the appropriate Connecticut tax form.

Payments if a Waiver From Electronic Filing has been Obtained

If you have been granted a waiver from electronic filing payments accompanying an estimated installment Form CT-1120 ESA, ESB, ESC, and ESD or Form CT-990T ESA, ESB, ESC, and ESD, will be credited as of the U.S. Postal Service cancellation mark on the payment. The payment must be made or credit established on or before the due date of the required installment. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid. The overpayment from the filing of a corporation business tax return is established as of the U.S. Postal Service cancellation mark on the completed return.

Non-electronic payments made without an electronic payment waiver will be subject to penalty.

Taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments, and meet the timely filing/payment rules. The timely filed and timely payment rules will be met if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (PDS) using a designated type of service, is on or before the due date. Not all types of service provided by these designated PDSs qualify.

The following are the designated PDSs and designated types of service at the time of publication:

Federal Express (FedEx) • FedEx Priority Overnight • FedEx Standard Overnight • FedEx 2Day • FedEx International Priority • FedEx International First	United Parcel Service (UPS) • UPS Next Day Air • UPS Next Day Air Saver • UPS 2nd Day Air • UPS 2nd Day Air A.M. • UPS Worldwide Express Plus • UPS Worldwide Express
DHL Express (DHL) • DHL Same Day Service	

This list is subject to change. See **Policy Statement 2012(2), Designated Private Delivery Services, and Designated Types of Service**.

Taxpayer Service Center

The Department of Revenue Services (DRS) **Taxpayer Service Center (TSC)** allows taxpayers to electronically file, pay, and manage state tax responsibilities. To make electronic transactions or administer your tax account online, visit **www.ct.gov/TSC** and select *Business*.

