

2020 Form EST, Additional Charge for Underpayment of Estimated Tax

For Trusts (Form M2), Partnerships (Form M3) and S Corporations (Form M8)

Name of Trust, Partnership or S corporation	FEIN	Minnesota Tax ID Number
---	------	-------------------------

Required Annual Payment

- 1 Minnesota tax for **2020** (from line 20 of Form M2; line 8 of Form M3; or line 9 of Form M8) **1** _____
- 2 Minnesota withholding and credits for **2020** (see instructions) **2** _____
- 3 Subtract line 2 from line 1 (if result is less than \$500, stop here; you do not owe an additional charge) **3** _____
- 4 Multiply line 1 by 90% (0.90) **4** _____
- 5 Required payments based on 2018 or 2019 tax amounts (see instructions). **5** _____
- 6 Required annual payment. Enter amount from line 4 or line 5, whichever is less **6** _____
 - If line 6 is less than or equal to line 2, stop here; you do not owe an additional charge.
 - If line 6 is more than line 2, continue with line 7 or line 13, depending on which method you use.

Optional Short Method (see instructions to determine which method to use)

- 7 Estimated tax payments you made for 2020 **7** _____
- 8 Add line 2 and line 7 **8** _____
- 9 Total underpayment for the year. Subtract line 8 from line 6
(if result is zero or less, stop here; you do not owe an additional charge) **9** _____
- 10 Multiply line 9 by 2% (0.02) **10** _____
- 11 • If the amount on line 9 will be paid on or after the regular due date for filing your return, enter 0.
• If the amount was paid before the regular due date, use the following computation and
enter the result on line 11: amount on line 9 X number of days paid before the regular due date X .00008 **11** _____
- 12 **Additional Charge.** Subtract line 11 from line 10.
Enter result here and on line 29 of Form M2, line 15 of Form M3 or line 18 of Form M8 **12** _____

Regular Method

- | | A | B | C | D |
|---|----------------|---------------|----------------|---------------|
| | April 15, 2020 | June 15, 2020 | Sept. 15, 2020 | Jan. 15, 2021 |
| 13 Enter 25% (0.25) of line 6 in each column 13 | _____ | _____ | _____ | _____ |
| 14 Credits. See instructions 14 | _____ | _____ | _____ | _____ |
| 15 Overpayment. If line 14 is more than line 13, subtract line 13
from line 14. Enter the result here and add it
to line 14 in the next column 15 | _____ | _____ | _____ | _____ |
| 16 Underpayment. If line 14 is less than line 13,
subtract line 14 from line 13. 16 | _____ | _____ | _____ | _____ |
| 17 Enter the date of payment or the regular due date for
filing your return, whichever is earlier (see instructions) 17 | _____ | _____ | _____ | _____ |
| 18 Number of days between the payment due date
and the date on line 17 18 | _____ | _____ | _____ | _____ |
| 19 Divide line 18 by 365. The result is a decimal 19 | _____ | _____ | _____ | _____ |
| 20 Multiply line 19 by 3% (0.03). Enter as a decimal 20 | _____ | _____ | _____ | _____ |
| 21 Multiply line 20 by line 16 21 | _____ | _____ | _____ | _____ |
| 22 Additional Charge. Add line 21, columns A-D.
Enter result here and on line 29 of Form M2, line 15 of Form M3 or line 18 of Form M8 22 | _____ | _____ | _____ | _____ |

You must include this schedule with your Form M2, M3 or M8.

2020 Worksheet ESTa, Annualized Income Installment

For Trusts (Form M2), Partnerships (Form M3) and S Corporations (Form M8)

Name of Trust, Partnership or S corporation		FEIN		Minnesota Tax ID Number	
		A 1/1/2020 – 3/31/2020	B 1/1/2020 – 5/31/2020	C 1/1/2020 – 8/31/2020	D 1/1/2020 – 12/31/2020
Step 1	Enter your adjusted gross income for each period. (see instructions) (Trust, enter your taxable income without your exemption for each period.)	1			
Step 2	Annualization Amounts (Trusts, see instructions)	2	4	2.4	1.5
Step 3	Multiply step 1 by step 2	3			
Step 4	Minnesota Additions	4			
Step 5	Add step 4 and step 3	5			
Step 6	Minnesota Subtractions	6			
Step 7	Subtract step 6 from step 5	7			
Step 8	Figure tax for amount shown in step 7. Deduct appropriate nonrefundable credits.	8			
Step 9	Percentage for each period.	9	22.50%	45%	67.50%
Step 10	Multiply step 8 by step 9	10			
Complete steps 11-17, one column at time before moving to next column.					
Step 11	Add the amounts from step 17 from all preceding payment periods	11			
Step 12	Subtract step 11 from step 10 (if result is zero or less, enter 0)	12			
Step 13	Enter 25% (0.25) of line 6 of Schedule EST in each column	13			
Step 14	Enter step 16 of the preceding column	14			
Step 15	Add step 13 and step 14	15			
Step 16	Subtract step 12 from step 15 (if result is zero or less, enter 0)	16			
Step 17	Amount from step 12 or step 15, whichever is less. Also enter this amount on line 13 of Schedule EST	17			

Worksheet Instructions

Step 1

Calculate your total income for each period (column). Calculate your total income minus your adjustments to income.

Step 2

Trusts do not use the amounts shown in columns (a) – (d). Use the following amounts instead: 6, 3, 1.71429, and 1.09091, respectively as the annualization amounts.

Step 4

Determine your Minnesota Additions for each quarter. Enter the amounts in step 4.

Step 6

Determine your Minnesota Subtractions for each quarter. Enter the amounts in step 6.

Step 8

Minnesota tax rate for composite tax and nonresident withholding tax is 9.85%. Take the amount from step 7 and multiply it by 9.85%. Add any minimum fee amount and/or any other S corporation taxes and enter the result in the line for step 8.

2020 Schedule EST Instructions

Additional Charge for Underpayment of Estimated Tax for Trusts (Form M2), Partnerships (Form M3) and S Corporations (Form M8)

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

Who Must File

If you are a trust, partnership or S corporation, use this schedule to determine if you owe an additional charge for underpaying estimated tax. (Decedent estates are not subject to the additional charge.)

You may owe an additional charge if one of the following is true:

- you did not pay the correct amount of estimated tax by the due dates, even if you expect to receive a refund
- your Minnesota tax liability for the current year, less any credits, is \$500 or more

Exception. You are not subject to an additional charge for underpayment of estimated tax if this is the first year you are filing a Minnesota tax return.

Avoiding the Additional Charge

To avoid an additional charge for underpayment of estimated tax, you must make the required estimated tax payments on time and pay the lesser of:

- 90% of your current year's original tax liability, less any credits
- 100% of your prior year's total tax liability, less any credit. However, if your Minnesota assignable gross income on your 2019 Form M2 is more than \$150,000, you must use 110% of your previous year's tax liability instead of 100%
- 75% of your actual liability for tax year 2018 (This option applies for tax year 2020 only.)

Fiscal Year Taxpayers

If you file your Minnesota return on a fiscal year basis, change the payment due dates to the 15th day of the fourth, sixth and ninth months of your fiscal year, and the first month of your next fiscal year.

Short 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 Instructions

These instructions refer to your original return. However, an amended return is considered the original return if it is filed by the regular due date of the original return.

Line 2 — 2020 Withholding and Credits

Trusts: Add lines 21, 23, and 24 of your 2020 Form M2.

Partnerships: Add lines 5, 6, and 9 of your 2020 Form M3.

S corporations: Add lines 6, 7, and 12 of your 2020 Form M8.

Line 5 - Required Payment Based on 2018 or 2019 Tax Amounts

Your required payment based on 2018 or 2019 tax amounts is the lesser of your income tax amount for tax year 2019 or 75% of your income tax amount for tax year 2018. The 75% option applies to tax year 2020 only. Use the steps below to determine the amount to enter on line 5.

If you did not file a return for the tax year identified in the steps below, or that year was less than a full 12-month period, skip that step.

1. From your 2019 return, enter the amount from line 14 of Form M2, line 4 of Form M3, or line 5 of Form M8. _____
2. From your 2018 return, enter the amount from line 14 of Form M2, line 4 of Form M3, or line 5 of Form M8. _____
3. Multiply step 2 by 75% (.75). _____
4. Enter the smaller of step 1 or step 3 here and on line 5. _____

Optional Short Method or Regular Method

You may use the optional short method **only** if one of the following is true:

- you did not make any estimated tax payments
- you paid your 2020 estimated tax in four equal amounts on or before the due date of each installment

Note: If any payment was made *before* the installment due date, it is best to use the regular method. Using the short method will cause you to pay a larger additional charge than the regular method. If the payment was only a few days early, the difference is likely to be small.

Continue with line 7 to use the optional short method, and skip lines 13-22.

If you are not eligible or you choose not to use the optional short method, use the regular method to determine your additional charge. Skip lines 7-12 and continue with line 13.