



MISSOURI DEPARTMENT OF REVENUE
**CORPORATION UNDERPAYMENT
 OF ESTIMATED TAX**

**1995
 FORM
 MO-2220**

DLN

BUSINESS NAME

MTS/MO I.D. NUMBER

FEDERAL I.D. NUMBER

PART 1 - HOW TO FIGURE THE UNDERPAYMENT

1. Amount of 1995 tax (Form MO-1120, Line 15 less APPROVED credits from Line 16)					00
2. Enter 90% of the amount shown on Line 1					00
3. Enter in Columns (a) through (d) the installment due dates (that correspond to the 15th day of the 4th, 6th, 9th and 12th months of the tax year)	DUE DATES OF INSTALLMENT				
	(a)	(b)	(c)	(d)	
4. Enter 25% of Line 2 in Columns (a) through (d)	00	00	00	00	00
5. Amount paid or credited by installment due date	00	00	00	00	00
6. Overpayment of previous installment (see instructions)	00	00	00	00	00
7. Total of Lines 5 and 6	00	00	00	00	00
8. Underpayment (Line 4 less Line 7)	00	00	00	00	00
9. Overpayment (Line 7 less Line 4)	00	00	00	00	00

PART 2 - EXCEPTIONS TO THE ADDITION TO TAX

Read instructions for Lines 10 through 15 before entering an amount. If claiming Exception 2, 3 or 5, provide the Missouri taxable income for the months needed to make the calculations by completing Part 4 of this form.

10. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th, 9th and 12th months of the tax year	00	00	00	00	00
11. Exception 1, prior year's tax (see instructions)	00	00	00	00	00
12. Exception 2, tax on annualized income (see instructions)	00	00	00	00	00
13. Exception 3, tax on income over 3, 5, 8 and 11 month periods (see instructions)	00	00	00	00	00
14. Exception 4, tax on prior year's income using current year's rates (see instructions)	00	00	00	00	00
15. Exception 5, tax on annualized income (see instructions)	00	00	00	00	00

PART 3 - HOW TO FIGURE THE ADDITION TO TAX

16. Enter the same installment dates from Line 3					
17. Amount of underpayment from Line 8	00	00	00	00	00
18. Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier					
19. Number of days from due date of installment to the date shown on Line 18					
20. Number of days on Line 19 after 4/15/95 and before 1/1/96					
21. Number of days on Line 19 after 1/1/96 and before 1/1/97					
22. Number of days on Line 19 after 1/1/97 and before 3/15/97					
23. <u>Number of days on Line 20</u> X 12% X amount on Line 17 365	00	00	00	00	00
24. <u>Number of days on Line 21</u> X 9% X amount on Line 17 366	00	00	00	00	00
25. <u>Number of days on Line 22</u> X *% X amount on Line 17 365	00	00	00	00	00
26. Addition to tax (total of Lines 23 through 25)	00	00	00	00	00
27. Add Columns (a) through (d), Line 26, enter here and on Form MO-1120, Line 28					00

* A CORPORATION WHOSE TAX YEAR ENDS AFTER AUGUST 31, 1996, SEE THE INSTRUCTIONS FOR LINE 25.

PART 4 - MONTHLY MISSOURI TAXABLE INCOME

If claiming Exception 2, 3 or 5 on the Form MO-2220, provide the Missouri taxable income for the appropriate months used to make the calculations.

Month of Taxable Year		Missouri Taxable Income	Month of Taxable Year		Missouri Taxable Income
1	First	00	7	Seventh	00
2	Second	00	8	Eighth	00
3	Third	00	9	Ninth	00
4	Fourth	00	10	Tenth	00
5	Fifth	00	11	Eleventh	00
6	Sixth	00	12	Twelfth	00

INSTRUCTIONS

PURPOSE OF FORM:

Form MO-2220 is used by a corporation to determine whether it is subject to the addition to tax for underpayment of estimated tax, and if so, the amount of addition to tax. Estimated tax is a corporation's expected income tax liability. For further information regarding underpayment of estimated tax, see 12 CSR 10-2.067. Estimated tax payments are required if Missouri estimated tax can reasonably be expected to be \$250 or more (Section 143.521.2, RSMo 1994).

LARGE CORPORATION:

A corporation, or any predecessor corporation, that in any of the three preceding taxable years had a federal taxable income of at least one million dollars and had a Missouri taxable income of at least one hundred thousand dollars is a large corporation. Large corporations use Exception 2, 3 or 5. All other corporations use Exception 1, 2, 3 or 4 (Section 143.761.4 and 6, RSMo 1994).

HOW TO USE THIS FORM:

Complete Part 1 of Form MO-2220 to find out if there is an underpayment for any of the four payment periods. If there is an underpayment on Line 8 (Column a, b, c or d) go to Part 2 - Exceptions to the Addition to Tax. If no exceptions apply for a payment period, go to Part 3 - How to Figure the Addition to Tax. If using Form MO-2220 to show Exception 2, 3 or 5, complete Part 4.

PART 1 - HOW TO FIGURE THE UNDERPAYMENT

Complete Part 1, Lines 1 through 9. The instructions for most of these lines are on the form itself. Follow the instructions below for Lines 1, 5, 6 and 8.

Line 1

Approved credits cannot exceed Form MO-1120, Line 15.

Line 5

A prior year's overpayment will be applied against the earliest installment unless the corporation has requested otherwise.

Line 6

Apply as a credit against the next installment any overpayment shown on Line 9 that is greater than all prior underpayments.

Line 8

If Line 8 shows an underpayment, complete Part 2 to see if any of the exceptions apply.

PART 2 - EXCEPTIONS TO THE ADDITION TO TAX

The corporation will not be liable for an addition to tax if the tax payments (amounts shown on Line 10) equal or exceed any amount determined for the same period under the following exception provisions. However, filing an estimated tax payment, amended estimated tax payment or payment on the last installment date of the taxable year will not relieve the corporation of additions to tax for failure to pay by the designated due dates. A different exception may be applied for each underpayment but a separate computation page must be attached. If none of the exceptions apply, complete Lines 16 through 27.

Line 11

Exception 1, prior year's tax - This exception applies if the current year estimated tax payment(s) equals or exceeds the tax shown on the prior year return. The prior year tax return must cover a period of 12 months and show a tax liability (Section 143.761.4(1), RSMo 1994). If there was no tax liability see Exception 4. Exception 1 does not apply to large corporations.

Line 12

Exception 2, tax on annualized income - This exception applies if the estimated tax payment(s) equals or exceeds 90% of the tax on the annualized Missouri taxable income for periods from the first of the year to the end of the month preceding that in which an installment is due (Section 143.761.4(2), RSMo 1994). A corporation may annualize its income as follows:

- (1) Compute the Missouri taxable income from the first of the tax year up to and including the month prior to that in which an installment is due.
- (2) Multiply the result of step (1) by 12.
- (3) Divide the result of step (2) by the number of months in the computation period. Computations must be attached.

Line 13

Exception 3, tax on income over periods of 3, 5, 8 and 11 months - This exception applies if the estimated tax payment(s) equals or exceeds 90% of the tax computed, at the rate applicable to the current taxable year, on the basis of the actual Missouri taxable income for the calendar months in the taxable year preceding the date prescribed for payment (Section 143.761.4(3), RSMo 1994). Computations must be attached.

Line 14

Exception 4, tax on prior year's income using current year's rates - This exception applies if the estimated tax payment(s) equals or exceeds the tax computed by using the current year's rates but based on the facts shown on the prior year's return and the law that applies to the prior year (Section 143.761.4(4), RSMo 1994). Exception 4 does not apply to large corporations.

Line 15

Exception 5, tax on annualized income - This exception applies if the estimated tax payment(s) equals or exceeds 90% of the amount the corporation would owe if its estimated tax was a tax figured on annualized Missouri taxable income for the months preceding an installment date (Section 143.761.4(5), RSMo 1994). A corporation may annualize its income as follows:

- (1) For the first 3 months if the installment was required to be paid in the 4th month.
- (2) For the first 3 months or the first 5 months if the installment was required to be paid in the 6th month.
- (3) For the first 6 months or for the first 8 months if the installment was required to be paid in the 9th month.
- (4) For the first 9 months or for the first 11 months if the installment was required to be paid in the 12th month.

To annualize, multiply Missouri taxable income for the period by 12 and divide the result by the number of months in the period (3, 5, 6, 8, 9 or 11 as the case may be). Only a large corporation may use this exception. Computations must be attached.

PART 3 - HOW TO FIGURE THE ADDITION TO TAX

If no exception applies, complete Lines 16 through 27 to determine the amount of addition to tax.

Line 25

For underpayments after January 1, 1997, a corporation must use an interest rate that the Department of Revenue will announce by October 22, 1996.