

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

2001

▶ Attach to the corporation's tax return.

| | |
|------|--------------------------------|
| Name | Employer identification number |
|------|--------------------------------|

Note: In most cases, the corporation **does not** need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Reasons for Filing—Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the annualized income installment method.
- 2 The corporation is using the adjusted seasonal installment method.
- 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Note: The corporation also must file Form 2220 if it has a suspended research credit allowed for the current year (see the instructions for line 4) or it is an indirectly affected taxpayer (see instructions).

Part II Figuring the Underpayment

| | | | | |
|---|----|--|--|-----------|
| 4 Total tax (see instructions) | | | | 4 |
| 5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4. | 5a | | | |
| b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method | 5b | | | |
| c Credit for Federal tax paid on fuels (see instructions) | 5c | | | |
| d Total. Add lines 5a through 5c | | | | 5d |
| 6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty | | | | 6 |
| 7 Enter the tax shown on the corporation's 2000 income tax return. Caution: See instructions before completing this line | | | | 7 |
| 8 Enter the smaller of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6 | | | | 8 |

| | (a) | (b) | (c) | (d) |
|---|-----------|-----|-----|-----|
| 9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. Exception: Enter October 1, 2001, instead of September 15, 2001 . ▶ | 9 | | | |
| 10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column | 10 | | | |
| 11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15 | 11 | | | |
| Complete lines 12 through 18 of one column before going to the next column. | | | | |
| 12 Enter amount, if any, from line 18 of the preceding column | 12 | | | |
| 13 Add lines 11 and 12 | 13 | | | |
| 14 Add amounts on lines 16 and 17 of the preceding column. | 14 | | | |
| 15 Subtract line 14 from line 13. If zero or less, enter -0- | 15 | | | |
| 16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- | 16 | | | |
| 17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 | 17 | | | |
| 18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column. | 18 | | | |

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

| | (a) | (b) | (c) | (d) |
|---|-----------|-----|-----|-----|
| 19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (<i>Form 990-PF and Form 990-T filers:</i> Use 5th month instead of 3rd month.) | 19 | | | |
| 20 Number of days from due date of installment on line 9 to the date shown on line 19 | 20 | | | |
| 21 Number of days on line 20 after 4/15/2001 and before 7/1/2001 | 21 | | | |
| 22 Underpayment on line 17 × $\frac{\text{Number of days on line 21}}{365} \times 8\%$ | 22 | \$ | \$ | \$ |
| 23 Number of days on line 20 after 6/30/2001 and before 1/1/2002 | 23 | | | |
| 24 Underpayment on line 17 × $\frac{\text{Number of days on line 23}}{365} \times 7\%$ | 24 | \$ | \$ | \$ |
| 25 Number of days on line 20 after 12/31/2001 and before 4/1/2002 | 25 | | | |
| 26 Underpayment on line 17 × $\frac{\text{Number of days on line 25}}{365} \times 6\%$ | 26 | \$ | \$ | \$ |
| 27 Number of days on line 20 after 3/31/2002 and before 7/1/2002 | 27 | | | |
| 28 Underpayment on line 17 × $\frac{\text{Number of days on line 27}}{365} \times *%$ | 28 | \$ | \$ | \$ |
| 29 Number of days on line 20 after 6/30/2002 and before 10/1/2002 | 29 | | | |
| 30 Underpayment on line 17 × $\frac{\text{Number of days on line 29}}{365} \times *%$ | 30 | \$ | \$ | \$ |
| 31 Number of days on line 20 after 9/30/2002 and before 1/1/2003 | 31 | | | |
| 32 Underpayment on line 17 × $\frac{\text{Number of days on line 31}}{365} \times *%$ | 32 | \$ | \$ | \$ |
| 33 Number of days on line 20 after 12/31/2002 and before 2/16/2003 | 33 | | | |
| 34 Underpayment on line 17 × $\frac{\text{Number of days on line 33}}{365} \times *%$ | 34 | \$ | \$ | \$ |
| 35 Add lines 22, 24, 26, 28, 30, 32, and 34. | 35 | \$ | \$ | \$ |
| 36 Penalty. Add columns (a) through (d), of line 35. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns | 36 | | | \$ |

***For underpayments paid after March 31, 2002:** For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

Schedule A Annualized Income Installment Method and/or the Adjusted Seasonal Installment Method Under Section 6655(e) (see instructions)

Form 1120S filers: For lines 2, 14, 15, and 16, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a) (or the corresponding provisions of prior law), whichever applies.

| Part I—Annualized Income Installment Method | | (a) | (b) | (c) | (d) |
|--|--|--------------------|--------------------|--------------------|--------------------|
| | | First _____ months | First _____ months | First _____ months | First _____ months |
| 1 | Annualization periods (see instructions). | 1 | | | |
| 2 | Enter taxable income for each annualization period (see instructions). | 2 | | | |
| 3 | Annualization amounts (see instructions). | 3 | | | |
| 4 | Annualized taxable income. Multiply line 2 by line 3. | 4 | | | |
| 5 | Figure the tax on the amount in each column on line 4 using the instructions for Form 1120, Schedule J, line 3 (or the comparable line of the tax return). | 5 | | | |
| 6 | Enter other taxes for each payment period (see instructions). | 6 | | | |
| 7 | Total tax. Add lines 5 and 6. | 7 | | | |
| 8 | For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions). | 8 | | | |
| 9 | Total tax after credits. Subtract line 8 from line 7. If zero or less, enter -0-. | 9 | | | |
| 10 | Applicable percentage. | 10 | 25% | 50% | 75% |
| 11 | Multiply line 9 by line 10. | 11 | | | |
| 12 | Add the amounts in all preceding columns of line 40 (see instructions). | 12 | | | |
| 13 | Annualized income installments. Subtract line 12 from line 11. If zero or less, enter -0-. | 13 | | | |

Part II—Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions for more information.)

| | | (a) | (b) | (c) | (d) |
|-----------|---|----------------|----------------|----------------|-----------------|
| | | First 3 months | First 5 months | First 8 months | First 11 months |
| 14 | Enter taxable income for the following periods: | | | | |
| a | Tax year beginning in 1998 | 14a | | | |
| b | Tax year beginning in 1999 | 14b | | | |
| c | Tax year beginning in 2000 | 14c | | | |
| 15 | Enter taxable income for each period for the tax year beginning in 2001. | 15 | | | |
| 16 | Enter taxable income for the following periods: | First 4 months | First 6 months | First 9 months | Entire year |
| a | Tax year beginning in 1998 | 16a | | | |
| b | Tax year beginning in 1999 | 16b | | | |
| c | Tax year beginning in 2000 | 16c | | | |
| 17 | Divide the amount in each column on line 14a by the amount in column (d) on line 16a. | 17 | | | |
| 18 | Divide the amount in each column on line 14b by the amount in column (d) on line 16b. | 18 | | | |
| 19 | Divide the amount in each column on line 14c by the amount in column (d) on line 16c. | 19 | | | |

| | | (a) | (b) | (c) | (d) |
|----|--|----------------|----------------|----------------|-------------|
| | | First 4 months | First 6 months | First 9 months | Entire year |
| 20 | Add lines 17 through 19. | 20 | | | |
| 21 | Divide line 20 by 3. | 21 | | | |
| 22 | Divide line 15 by line 21. | 22 | | | |
| 23 | Figure the tax on the amount on line 22 using the instructions for Form 1120, Schedule J, line 3 (or the comparable line of the return). | 23 | | | |
| 24 | Divide the amount in columns (a) through (c) on line 16a by the amount in column (d) on line 16a. | 24 | | | |
| 25 | Divide the amount in columns (a) through (c) on line 16b by the amount in column (d) on line 16b. | 25 | | | |
| 26 | Divide the amount in columns (a) through (c) on line 16c by the amount in column (d) on line 16c. | 26 | | | |
| 27 | Add lines 24 through 26. | 27 | | | |
| 28 | Divide line 27 by 3. | 28 | | | |
| 29 | Multiply the amount in columns (a) through (c) of line 23 by columns (a) through (c) of line 28. In column (d), enter the amount from line 23, column (d). | 29 | | | |
| 30 | Enter other taxes for each payment period (see instructions). | 30 | | | |
| 31 | Total tax. Add lines 29 and 30. | 31 | | | |
| 32 | For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions). | 32 | | | |
| 33 | Total tax after credits. Subtract line 32 from line 31. If zero or less, enter -0-. | 33 | | | |
| 34 | Add the amounts in all preceding columns of line 40 (see instructions). | 34 | | | |
| 35 | Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-. | 35 | | | |

Part III—Required Installments

| | | 1st installment | 2nd installment | 3rd installment | 4th installment |
|----|--|-----------------|-----------------|-----------------|-----------------|
| 36 | If only one of the above parts is completed, enter the amount in each column from line 13 or line 35. If both parts are completed, enter the smaller of the amounts in each column from line 13 or line 35. | 36 | | | |
| 37 | Enter 25% of line 8 on page 1 of Form 2220 in each column. (Note: "Large corporations," see the instructions for line 10 for the amounts to enter.) | 37 | | | |
| 38 | Subtract line 40 of the preceding column from line 39 of the preceding column. | 38 | | | |
| 39 | Add lines 37 and 38. | 39 | | | |
| 40 | Required installments. Enter the smaller of line 36 or line 39 here and on page 1 of Form 2220, line 10. | 40 | | | |

