

**Underpayment of Estimated Tax by
Fiscal Year Corporations With Tax Years
Ending on September 30, 2003**

2002

Department of the Treasury
Internal Revenue Service

▶ See instructions on page 2.
▶ Attach to the corporation's 2002 Form 2220.

Name

Employer identification number

Part I Figuring the Underpayment

Note: Complete lines 1 through 8 of Form 2220 before starting this schedule.

	(a)	(b)	(c)	(d)	(e)
1 Installment due dates	1/15/2003	3/15/2003	6/15/2003	9/15/2003	10/1/2003
2 Required installments. See instructions for amounts to enter					
3 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 3 on line 7					
<i>Complete lines 4 through 10 of one column before going to the next column.</i>					
4 Enter amount, if any, from line 10 of the preceding column					
5 Add lines 3 and 4					
6 Add amounts on lines 8 and 9 of the preceding column					
7 Subtract line 6 from line 5. If zero or less, enter -0-					
8 If the amount on line 7 is zero, subtract line 5 from line 6. Otherwise, enter -0-					
9 Underpayment. If line 7 is less than or equal to line 2, subtract line 7 from line 2. Then go to line 4 of the next column. Otherwise, go to line 10.					
10 Overpayment. If line 2 is less than line 7, subtract line 2 from line 7. Then go to line 4 of the next column					

Complete Part II to figure the penalty. If there are no entries on line 9, no penalty is owed.

Part II Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
11 Enter the date of payment or "12/15/2003," whichever is earlier (see instructions)					
12 Number of days from due date of installment on line 1 to the date shown on line 11					
13 Number of days on line 12 after 1/15/2003 and before 10/1/2003					
14 Underpayment on line 9 × $\frac{\text{Number of days on line 13}}{365} \times 5\%$	\$	\$	\$	\$	
15 Number of days on line 12 after 9/30/2003 and before 12/16/2003					
16 Underpayment on line 9 × $\frac{\text{Number of days on line 15}}{365} \times 4\%$	\$	\$	\$	\$	\$
17 Add lines 14 and 16	\$	\$	\$	\$	\$
18 Penalty. Add columns (a) through (e) of line 17. Enter the total here and on line 34 of the 2002 Form 2220.					\$

For Paperwork Reduction Act Notice, see the instructions.

General Instructions

Purpose of Schedule

Fiscal year corporations filing Form 2220 for their tax years ending September 30, 2003, must use Schedule W (Form 2220) in lieu of completing lines 9 through 33 of Form 2220. Schedule W implements section 501 of the Jobs and Growth Tax Relief Reconciliation Act of 2003, which became law after the 2002 Form 2220 was issued. Section 501 provides that 25% of any required installment of corporate estimated tax otherwise due in September 2003 is not due until October 1, 2003.

Specific Instructions

Note: Complete lines 1 through 8 of Form 2220 before starting Schedule W.

Line 2

If the box on line 1 or line 2 of Form 2220 is checked, enter the amounts from Schedule A (Form 2220), line 40. In doing so, enter 75% of the amount from Schedule A, line 40, column (d), in column (d) of line 2, Schedule W, and enter 25% of the amount from Schedule A, line 40, column (d), in column (e) of line 2, Schedule W.

Large corporations should do the following:

1. If the box on line 3 (but not line 1 nor line 2) of Form 2220 is checked and line 6 of Form 2220 is smaller than line 7 of Form 2220:

- Enter 25% of line 6, Form 2220, in each of columns (a) through (c) of line 2, Schedule W.
- Enter 18.75% of line 6, Form 2220, in column (d) of line 2, Schedule W.
- Enter 6.25% of line 6, Form 2220, in column (e) of line 2, Schedule W.

2. If the box on line 3 (but not line 1 nor line 2) of Form 2220 is checked **and** line 7 of Form 2220 is smaller than line 6 of Form 2220, enter 25% of Form 2220, line 7, in column (a) of line 2, Schedule W. For column (b), figure the amount to enter as follows:

- Subtract line 7 of Form 2220 from line 6 of Form 2220,
- Add the result to the amount on line 6 of Form 2220, and
- Multiply the total by 25%, and enter the result in column (b).

In column (c), enter 25% of line 6, Form 2220. In column (d), enter 18.75% of line 6, Form 2220. In column (e), enter 6.25% of line 6, Form 2220.

3. If the box on line 3 of Form 2220 **and** the box on line 1 or line 2 of Form 2220 is checked, follow the instructions in items 1 and 2 above by substituting line 37 of Schedule A for line 2 of Schedule W. However, for the 4th installment on line 37 of Schedule A, enter 25% of line 6 of Form 2220 instead of the amount specified in items 1 and 2 above. Then, complete the rest of Part III of Schedule A. Enter the amounts from Schedule A, line 40, on line 2 of Schedule W. In doing so, enter 75% of Schedule A, line 40, column (d), on Schedule W, line 2, column (d). Enter 25% of Schedule A, line 40, column (d), on Schedule W, line 2, column (e).

If none of the boxes on lines 1 through 3 of Form 2220 is checked:

- Enter 25% of line 8, Form 2220, in each of columns (a) through (c) of line 2, Schedule W.

- Enter 18.75% of line 8, Form 2220, in column (d), line 2, Schedule W.
- Enter 6.25% of line 8, Form 2220, in column (e), line 2, Schedule W.

Line 3

Enter the estimated tax payments made by the corporation for its tax year as indicated below. Include any overpayment from the corporation's 2001 tax return that was credited to the corporation's 2002 estimated tax. If an installment is due on a Saturday, Sunday, or legal holiday, payments made on the next day that is not a Saturday, Sunday, or legal holiday are considered made on the due date to the extent the payment is applied against that required installment.

Column (a). Enter payments made by January 15, 2003.

Column (b), (c), (d), and (e). Enter payments made by the date on line 1 for that column and after the date on line 1 of the preceding column.

Line 11

A payment of estimated tax is applied against underpayments of required installments in the order that installments are required to be paid, regardless of the installment to which the payment pertains.

Example. A corporation underpaid the January 15 installment by \$1,000. The March 15 installment requires a payment of \$2,500. On Monday, March 17, the corporation deposits \$2,500 to cover the March 15 installment. However, \$1,000 of this payment is applied against the January 15 installment. The penalty for the January 15 installment is figured to March 17 (61 days). The remaining \$1,500 is applied to the March 15 installment as if it were made on March 15.

If the corporation has made **more than one payment for a required installment**, attach a separate computation for each payment.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	17 hr., 56 min.
Learning about the law or the form.	6 min.
Preparing, copying, assembling, and sending the form to the IRS	24 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this schedule is filed.

