NYC-222

Department of Finance

UNDERPAYMENT OF ESTIMATED TAX BY BUSINESS AND GENERAL CORPORATIONS

2019

ATTACH TO FORM NYC-2, NYC-2A, NYC-2S, NYC-3L, NYC-3A, NYC-4S OR NYC-4SEZ

Print or Type ▼

For CALENDAR YEAR 2019 or FISCAL YEAR beginning _____ , 2019 and ending _____

Name:

EMPLOYER IDENTIFICATION NUMBER

Computation of Underpayment

1. 2019 tax (from NYC-2, Sch. A, line 4; NYC-2A, Sch. A, line 6; NYC-2S, Sch. A, line 4; NYC-3L, Sch. A, line 6; NYC-4S, Sch. A, line 5; NYC-4S-EZ, Sch. A, line 3; or NYC-3A, Sch. A, line 8) .... **1.**

2. Credits (from NYC-2, Schedule A, lines 5, 7, 8, 9 and 11; NYC-2A, Schedule A, lines 7, 9, 10, 11 and 13; NYC-3L, Schedule A, lines 7, 9a, 9b, 10a and 10c or NYC-3A, Schedule A, lines 9, 11a, 11b, 12a and 12c) .... **2.**

3. Line 1 less line 2 .... **3.**

4. 90% of line 3 .... **4.**

Enter quarterly due dates of installments:

	1 - FIRST	2 - SECOND	3 - THIRD	4 - FOURTH
5a. 2017 Business Corporation Tax ....**5a.**				
5b. 2018 General Corporation Tax..........................**5b.**				
6a. C Corps: If line 5a is over $1,000, enter 25% of line 5a or amount from Form NYC-300, line 2 , if filed for 2019. ....**6a.**				
6b. S Corps: If line 5b is over $1,000, enter 25% of line 5b or amount from NYC-EXT, line 2, if filed for 2018. ....**6b.**				
7. Line 4 less line 6a or 6b ....**7.**				
8. Enter amount of the installments due in Quarters 2, 3 and 4 *(see inst.)* ....**8.**				
9. Amount paid or credited for each period ....**9.**				
10. Overpayment of previous installment *(see instructions)* ....**10.**				
11. Total of lines 9 and 10 ....**11.**				
12. **OVERPAYMENT:** Quarter 1 .... line 11 less line 6a or 6b Quarters 2, 3 and 4 ..... line 11 less line 8 **12.**				
13. **UNDERPAYMENT:** Quarter 1 .... line 6a or 6b less line 11 Quarters 2, 3 and 4 ..... line 8 less line 11 **13.**				

COMPUTATION CONTINUES ON PAGE 2

Exceptions that Avoid the Underpayment Penalty

Total cumulative amount paid or credited from the beginning of the taxable year through the installment dates that correspond to the 15th day of the 3rd, 6th, 9th and 12th months of the taxable year	1 -FIRST QUARTER	2 -SECOND QUARTER	3 -THIRD QUARTER	4 -FOURTH QUARTER
▲ EXCEPTION 1- Prior year's tax (2018) $ _____ *(see instructions)*..		50% of 2018 tax	75% of 2018 tax	100% of 2018 tax
▲ EXCEPTION 2- Tax on prior year's facts and law using 2019 rates *(attach computation) (see instructions)*..		Enter 50% of tax	Enter 75% of tax	Enter 100% of tax
▲ EXCEPTION 3- Tax on annualized 2019 income *(attach computation) (see instructions)*..		Enter 45% of tax	Enter 67.50% of tax	Enter 90% of tax
▲ EXCEPTION 4- Tax on recurring seasonal 2019 income *(attach computation) (see instructions)*..				

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COMPUTATION OF PENALTY

	1 - FIRST	2 - SECOND	3 - THIRD	4 - FOURTH
14. Enter the date of payment or the 15th day of the 3rd month after the close of the taxable year, whichever is earlier ...**14.**				
15. Number of days from due date of installment to the date shown on line 14 ...**15.**				
16. Number of days on line 15 *after* 3/15/2019 and *before* 4/1/2019 ...**16.**				
17. Number of days on line 15 *after* 3/31/2019 and *before* 7/1/2019 ...**17.**				
18. Number of days on line 15 *after* 6/30/2019 and *before* 10/1/2019 .**18.**				
19. Number of days on line 15 *after* 9/30/2019 and *before* 1/1/2020 ...**19.**				
20. Number of days on line 15 *after* 12/31/2019 and *before* 4/1/2020 .**20.**				
21. Number of days on line 15 *after* 3/31/2020 and *before* 7/1/2020 ...**21.**				
22. Number of days on line 15 *after* 6/30/2020 and *before* 10/1/2020 .**22.**				
23. Number of days on line 15 *after* 9/30/2020 and *before* 1/1/2021 ...**23.**				
24. Number of days on line 15 *after* 12/31/2020 and *before* 3/15/2021 ....**24.**				
25. $\frac{\text{Number of days on line 16 x 10\% x amount on line 13}}{365}$ ...**25.**				
26. $\frac{\text{Number of days on line 17 x 10\% x amount on line 13}}{365}$ ...**26.**				
27. $\frac{\text{Number of days on line 18 x 9\% x amount on line 13}}{365}$ ...**27.**				
28. $\frac{\text{Number of days on line 19 x *\% x amount on line 13}}{365}$ ...**28.**				
29. $\frac{\text{Number of days on line 20 x * \% x amount on line 13}}{366}$ ...**29.**				
30. $\frac{\text{Number of days on line 21 x * \% x amount on line 13}}{366}$ ...**30.**				
31. $\frac{\text{Number of days on line 22 x * \% x amount on line 13}}{366}$ ...**31.**				
32. $\frac{\text{Number of days on line 23 x * \% x amount on line 13}}{366}$ ...**32.**				
33. $\frac{\text{Number of days on line 24 x * \% x amount on line 13}}{365}$ ...**33.**				
34. Add lines 25 through 33 ...**34.**				
35. To complete this line, refer to the instructions for line 35 ...**35.**				

36. Add the amounts on line 34 (or line 35, if applicable) for quarters 1 through 4. Enter total and transfer amount to Form NYC-4SEZ, line 9c, Form NYC-4S, Schedule A, line 11c, Form NYC-3L, Schedule A, line 17c, Form NYC-3A, Sch. A, line 19c, Form NYC-2, Schedule A, line 16c, Form NYC-2A, Schedule A, line 18c or Form NYC-2S, Sch. A, line 8c. *(see instructions for line 35)* ...**36.**

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PURPOSE OF FORM

Form NYC-222 will enable corporations to determine if they paid the correct amount of estimated tax by the proper due date. If the minimum amount was not paid timely, an underpayment penalty may be imposed for the period underpaid. This form helps you to determine whether or not you are subject to this penalty.

ESTIMATED TAX

Every S corporation subject to the New York City General Corporation Tax must pay with its return (Form NYC-3L, NYC-3A, Form NYC-4S or NYC-4S-EZ), or with its Application for Automatic Extension (Form NYC-EXT), an amount equal to 25% of its preceding year's tax if the preceding year's tax computed after all allowable credits is more than $1,000.

Every C corporation subject to the Business Corporation Tax must file Form NYC-300 and pay the Mandatory First Installment ("MFI") if its tax for the second preceding year computed after all allowable credits is more than $1,000. The MFI is equal to 25 percent of the tax for the second preceding tax year.

In addition, both S and C corporations must file a Declaration of Estimated Tax (Form NYC-400) if the estimated tax for the current taxable year after all allowable credits can reasonably be expected to exceed $1,000. The due date for the declaration and the dates for paying the installments of estimated tax depend upon when the requirements for making a declaration are first met. *(Refer to Form NYC-400 for details.)*

NOTE

If any date falls on a Saturday, Sunday or legal holiday, substitute the next regular workday.

NOTE

An S corporation is not excused from filing a declaration and paying estimated taxes for the current year merely because its tax liability for the preceding year was $1,000 or less or it did not file a return for the preceding year. However, if the preceding year's tax was less than $1,000, the taxpayer was not required to make the 25% prepayment based on the preceding year's tax at the time it filed its return (or its application for extension of time for the filing of the return) for that year.

Similarly, a C corporation must file a Declaration of Estimated Tax (Form NYC-400) if the estimated tax for the current taxable year exceeds $1,000 even if the second preceding year's tax is $1,000 of less.

EXCEPTIONS THAT AVOID THE UNDERPAYMENT PENALTY

You will not have to pay a penalty if you made all tax payments on time and they equal or exceed the amount that would have been required to be paid by each installment date if estimated tax were an amount determined under any of the exceptions listed below.

A different exception may be applied to each underpayment. If no exception applies, complete lines 14 through 36 to determine the amount of the penalty.

NOTE

Large corporations (corporations that had allocated taxable income or entire net income of $1 million or more in any of the three years preceding the current year) may not use exceptions 1 or 2. Such corporations may only use the exception for annualized income, or the exception for recurring seasonal income (exceptions 3 or 4, respectively).

Exception 1

Prior Year's Tax

This exception applies if a corporation paid estimated taxes equal to the tax reported on its prior year's return. To qualify for this exception, the corporation must have filed an income tax return showing a tax liability for the prior taxable year, and that taxable year consisted of 12 months.

Exception 2

Tax Based On Prior Year's Facts and Law Using Current Year's Rates

This exception applies if a corporation paid an amount of estimated tax equal to a tax computed by applying the current year's rates to the facts shown on the return for, and under the law applicable to, the prior taxable year. **The term "current year's rate" is any of the four methods of calculating the General Corporation Tax, including the minimum tax or any method of calculating the Business Corporation Tax.**

Exception 3

Tax On Annualized Income

This exception applies if a corpora-

tion made an estimated tax payment of at least 90% of the amount it would owe if its estimated tax were a tax computed on annualized taxable income for the months preceding an installment date.

A corporation may annualize its income:

a) for the first 3 months, or for the first 5 months if the installment was required to be paid in the 6th month;

b) for the first 6 months, or for the first 8 months if the installment was required to be paid in the 9th month; and

c) 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 taxable income for the period by 12 and divide the resulting amount by the number of months in the period (3, 5, 6, 8, 9 or 11 as the case may be). *(Refer to Section 11-676.4(c).*

Exception 4

Additional Exception for Recurring Seasonal Income

This exception applies to a corporation with recurring seasonal income. Under this exception, income may be annualized by assuming that income earned in the current year is earned in the same seasonal pattern as in the 3 preceding tax years. *(For information about computing this exception, refer to Section 11-676.4(d) of the NYC Administrative Code. Attach your computation to this form.)*

AUTOMATIC EXTENSION FILERS

Corporations who filed an Application for Automatic Extension (Form NYC-EXT) for the previous year or who were required to make less than four payments on account of estimated tax for the current year may find that the stated percentages on the Exception Worksheet on page 1 do not accurately reflect the computation of the exceptions. Such taxpayers should compute these exceptions on a separate rider and attach it to this form.

LINE 8
AMOUNT OF INSTALLMENTS DUE

Divide the amount on line 7 by the number of remaining installments required for the year. Enter the result in the appropriate columns, 2 through 4.

LINE 9

C corporations should enter any amounts paid with Form NYC-300 (Mandatory First Installment by Business C Corporations). S corporations enter any amount paid with Forms NYC-3L, NYC-3A or NYC-EXT.

LINE 10
OVERPAYMENT OF PREVIOUS INSTALLMENT

An overpayment on line 12 in excess of prior underpayments is to be applied as a credit against the next installment. A payment of estimated tax on any installment date is considered a payment of any previous underpayment only to the extent of the excess of the payment over the amount of the installment as computed on line 12.

PAGE 2
COMPUTATION OF PENALTY

If no exception applies, complete lines 14 through 36 to determine the amount of the penalty for each installment. If you made more than one payment for a given installment, attach a separate computation for each payment. The penalty is computed for the period of underpayment, line 15, at a rate set periodically by the New York City Department of Finance.

For information regarding interest rates, call 311. If calling from outside of the five NYC boroughs, please call 212-NEW-YORK (212-639-9675), or consult the Finance website at:

nyc.gov/finance

LINE 35
PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX

In columns 1 through 4 of line 35, for those installment payments (line 11) that equal 80% or more of line 3 divided by 4, multiply the penalty shown on line 34 in each applicable column by 75%. Enter this result in the applicable column on line 35. Combine these revised amounts with the remaining amounts on line 34 for any quarter for which no amount appears on line 35 and enter the total on line 36.