


ATTACH TO YOUR TAX RETURN

For CALENDAR YEAR 2025 or FISCAL YEAR beginning _____, 2025 and ending _____

Print or Type ▾

Name	SOCIAL SECURITY NUMBER			OR	PARTNERSHIPS, ESTATES AND TRUSTS ONLY ENTER EMPLOYER IDENTIFICATION NUMBER Please enter entire 9-digit EIN	

Computation of Underpayment

1. 2025 tax (from NYC-202 or NYC-202EIN, Schedule A, line 19; NYC-204, Schedule A, line 21; or NYC-202S, Schedule A, line 8)	1.
2. Credits (from NYC-202 or NYC-202EIN, Schedule A, lines 20a through 20g or NYC-204, Schedule A, lines 22a through 22g)	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

5. Divide amount of line 4 by the number of installments required for the year. Enter the result in the appropriate columns.....	5.
6. Amount paid or credited for each period	6.
7. Overpayment of previous installment (see instructions).....	7.
8. Total of lines 6 and 7	8.
9. Overpayment (line 8 less line 5).....	9.
10. Underpayment (line 5 less line 8)	10.

→ 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 4th, 6th and 9th months of the taxable year and the 15th day of the first month of the succeeding taxable year.....

- ▲ EXCEPTION 1 - Prior year's tax (2024) \$ (see instructions)
- ▲ EXCEPTION 2 - Tax on prior year's facts and law using 2025 rates (attach computation) (see instructions).....
- ▲ EXCEPTION 3 - Tax on annualized 2025 income (attach computation) (see instructions).....
- ▲ EXCEPTION 4 - Tax on 2025 income over short periods (attach computation) (see instructions).....
- ▲ EXCEPTION 5 - Tax on recurring seasonal 2025 income (attach computation) (see instructions).....

1 - FIRST QUARTER	2 - SECOND QUARTER	3 - THIRD QUARTER	4 - FOURTH QUARTER
25% of 2024 tax	50% of 2024 tax	75% of 2024 tax	100% of 2024 tax
Enter 25% of tax	Enter 50% of tax	Enter 75% of tax	Enter 100% of tax
Enter 22.50% of tax	Enter 45% of tax	Enter 67.50% of tax	
Enter 90% of tax	Enter 90% of tax	Enter 90% of tax	

Computation of Penalty

	1 - FIRST	2 - SECOND	3 - THIRD	4 - FOURTH
11. Enter the date of payment or the 15th day of the 4th month after the close of the taxable year, whichever is earlier	11.			
12. Number of days from due date of installment to the date shown on line 11	12.			
13. Number of days on line 12 <i>after</i> 4/15/2025 and <i>before</i> 7/1/2025 ...	13.			
14. Number of days on line 12 <i>after</i> 6/30/2025 and <i>before</i> 10/1/2025 .	14.			
15. Number of days on line 12 <i>after</i> 9/30/2025 and <i>before</i> 1/1/2026 ...	15.			
16. Number of days on line 12 <i>after</i> 12/31/2025 and <i>before</i> 4/1/2026 .	16.			
17. Number of days on line 12 <i>after</i> 3/31/2026 and <i>before</i> 7/1/2026 ...	17.			
18. Number of days on line 12 <i>after</i> 6/30/2026 and <i>before</i> 10/1/2026 .	18.			
19. Number of days on line 12 <i>after</i> 9/30/2026 and <i>before</i> 1/1/2027 ...	19.			
20. Number of days on line 12 <i>after</i> 12/31/2026 and <i>before</i> 3/15/2027	20.			
21. <u>Number of days on line 13 x 11% x amount on line 10</u> 365	21.			
22. <u>Number of days on line 14 x 11% x amount on line 10</u> 365	22.			
23. <u>Number of days on line 15 x *% x amount on line 10</u> 365	23.			
24. <u>Number of days on line 16 x *% x amount on line 10</u> 365	24.			
25. <u>Number of days on line 17 x *% x amount on line 10</u> 365	25.			
26. <u>Number of days on line 18 x *% x amount on line 10</u> 365	26.			
27. <u>Number of days on line 19 x *% x amount on line 10</u> 365	27.			
28. <u>Number of days on line 20 x *% x amount on line 10</u> 365	28.			
29. Add lines 21 through 28	29.			
30. To complete this line, refer to the instructions for line 30	30.			
31. Add the amounts on line 29 (or line 30, if applicable) for quarters 1 through 4. Enter total and transfer amount to Form NYC-202 or NYC-202EIN, Schedule A, line 25c or Form NYC-204, Schedule A, line 27c (<i>see instructions for line 30</i>)	31.			



60522591

***For information regarding interest rates, call 311.**
**If calling from outside of the five NYC boroughs,
please call 212-NEW-YORK (212-639-9675).**
You may also consult the Department of Finance website at nyc.gov/finance

PURPOSE OF FORM

Form NYC-221 will enable taxpayers subject to the Unincorporated Business Tax 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 taxpayer subject to the Unincorporated Business Tax must file a Declaration of Estimated Tax (Form NYC-5UB for partnerships and Form NYC-5UBTI for all other taxpayers) if its estimated tax can reasonably be expected to exceed \$3,400. 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-5UB or Form NYC-5UBTI for details.*)

NOTE

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

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 the 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 11 through 31 to determine the amount of the penalty.

NOTE

Large unincorporated businesses (those which had unincorporated business taxable income allocated to the City of \$1 million or more in any of the three years immediately preceding the cur-

rent year) may not use exceptions 1 or 2. Such unincorporated businesses may only use exceptions 3, 4 and 5.

Exception 1

Prior Year's Tax

This exception applies if a taxpayer paid estimated taxes equal to the tax reported on its prior year's return. To qualify for this exception, the taxpayer 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 taxpayer paid an amount of estimated tax computed by applying the current year's rates to facts shown on the return for, and under the law applicable to, the prior taxable year.

Exception 3

Tax On Annualized Income

This exception applies if a taxpayer 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 taxpayer may annualize its income:

- a) for the first 3 months if the installment was required to be paid in the 4th month;
- b) for the first 5 months if the installment was required to be paid in the 6th month; and
- c) for the first 8 months if the installment was required to be paid in the 9th 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, or 8, as the case may be). (*Refer to Section 11-525(d)(1)(C).*)

Exception 4**Tax on 2025 Income Over Periods of less than 12 Months**

This exception applies if a taxpayer's estimated tax payments equal or exceed 90% of the tax on its taxable income for the periods starting from the beginning of the taxable year to the end of the month preceding that in which an installment is due. To see if this exception applies, a taxpayer should figure the taxable income from the beginning of the taxable year to the end of the month preceding that in which an installment is due and then compute the tax on that amount as though it represented the taxable income for 2025. (*Refer to Section 11-525(d)(2)*).

Exception 5**Additional Exception For Recurring Seasonal Income**

This exception applies to an unincorporated business 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 11-525(d)(1)(D) of the NYC Administrative Code. Attach your computation to the form.*)

**LINE 7
OVERPAYMENT OF PREVIOUS
INSTALLMENT**

An overpayment on line 9 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 9.

**PAGE 2
COMPUTATION OF PENALTY**

If no exception applies, complete lines 11 through 31 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 12, 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 30**PENALTY FOR UNDERPAYMENT OF
ESTIMATED TAX**

In columns 1 through 4 of line 30, for those installment payments (line 8) that equal 80% or more of line 3 divided by 4, multiply the penalty shown in each applicable column by 75%. Enter this result in the applicable column on line 30. Combine these revised amounts with the remaining amounts on line 29 for any quarter for which no amount appears on line 30 and enter the total on line 31.