



**2003**  
**UNDERPAYMENT OF ESTIMATED TAX**  
**BY CORPORATIONS**

▶ Attach to your tax return.

**SC2220**

(Rev. 1/22/04)  
3099

Name \_\_\_\_\_

Employer identification number \_\_\_\_\_

**Part I**

**Reasons for Filing** - Check the boxes below that apply. If any box is checked, the corporation must file SC2220 with the corporation's tax return, 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. See instructions.

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

**Part II Figuring Your Underpayment**

1	Total tax (line 11, SC1120; or comparable line for other income tax returns). If the result is less than \$100, do not complete the rest of this form. You do not owe the penalty. . . . .				
2a	Enter the tax shown on the corporation's 2002 income tax return (see instructions) <b>Caution: If the tax is zero or the tax year was for less than 12 months, skip this line</b> . . . . .				
2b	Enter the lesser of line 1 or line 2a. If the corporation is required to skip line 2a, enter the amount from line 1 on line 2b. . . . .				
		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
3	<b>Installment due dates.</b> Enter in columns (a) through (d) the installment due date (the 15th day of the 4th, 6th, 9th, and 12th months of your tax year) . . . . .				
4	<b>Required installments.</b> If the box on line 1 and/or line 2 above is checked, see instructions for the amounts to enter. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amount to enter by a large corporation. If none of these boxes are checked, enter 25% of line 2b above in each column. . . . .				
5	Estimated Tax paid or credited for each period. (For column (a) only, enter the amount from line 5 on line 9.) . . . . . <b>Complete lines 6 through 12 for one column before completing next column.</b>				
6	Enter amount, if any, from line 12 of previous column . . . .				
7	Add lines 5 and 6. . . . .				
8	Add amounts on lines 10 and 11 of the previous column and enter the result. . . . .				
9	Subtract line 8 from line 7. If zero or less, enter zero. (For column (a) only, enter the amount from line 5.) . . . . .				
10	If the amount on line 9 is zero, subtract line 7 from line 8 and enter the result. Otherwise, enter zero. . . . .				
11	<b>Underpayment.</b> If line 9 is less than or equal to line 4, subtract line 9 from line 4 and enter the result. Then go to line 6 of the next column. Otherwise, go to line 12. . . . .				
12	<b>Overpayment.</b> If line 4 is less than line 9, subtract line 4 from line 9 and enter the result. Then go to line 6 of the next column. . . . .				

**Go to Part III on page 2 to figure the penalty. If there are no entries on line 11, no penalty is owed.**

**Part III Figuring the Penalty**

		(a)	(b)	(c)	(d)
13	Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier ( <b>Form 990-T filers:</b> Use 5th month instead of 3rd month.) . . . . .	13			
14	Number of days from due date of installment on line 3 to the date shown on line 13 . . . . .	14			
15	Number of days on line 14 after 4/15/03 and before 10/1/03 . . . . .	15			
16	Underpayment on line 11 x $\frac{\text{Number of days on line 15}}{365}$ x 5%	16	\$	\$	\$
17	Number of days on line 14 after 9/30/03 and before 1/1/04 . . . . .	17			
18	Underpayment on line 11 x $\frac{\text{Number of days on line 17}}{365}$ x 4%	18	\$	\$	\$
19	Number of days on line 14 after 12/31/03 and before 4/1/04 . . . . .	19			
20	Underpayment on line 11 x $\frac{\text{Number of days on line 19}}{366}$ x 4%	20	\$	\$	\$
21	Number of days on line 14 after 3/31/04 and before 7/1/04 . . . . .	21			
22	Underpayment on line 11 x $\frac{\text{Number of days on line 21}}{366}$ x *%	22	\$	\$	\$
23	Number of days on line 14 after 6/30/04 and before 10/1/04 . . . . .	23			
24	Underpayment on line 11 x $\frac{\text{Number of days on line 23}}{366}$ x *%	24	\$	\$	\$
25	Number of days on line 14 after 9/30/04 and before 1/1/05 . . . . .	25			
26	Underpayment on line 11 x $\frac{\text{Number of days on line 25}}{366}$ x *%	26	\$	\$	\$
27	Number of days on line 14 after 12/31/04 and before 2/16/05 . . . . .	27			
28	Underpayment on line 11 x $\frac{\text{Number of days on line 27}}{365}$ x *%	28	\$	\$	\$
29	Add lines 16, 18, 20, 22, 24, 26 and 28 . . . . .	29	\$	\$	\$
30	<b>Penalty.</b> Add columns (a) through (d), of line 29. Enter the total here and on SC1120, line 17; or the comparable line for other income tax returns . . . . .	30			\$

\* **For underpayments paid after March 31, 2004:** For lines 22, 24, 26 and 28, use the penalty interest rate for each calendar quarter that 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's web site at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-1040 to get interest rate information.

## Instructions for SC2220 - 2003

### PURPOSE OF FORM

SC2220 is used by corporations (including S corporations, limited liability companies (L.L.C.) taxed as a corporation, and tax exempt organizations subject to the unrelated business income tax) to determine whether they paid enough estimated tax, whether they are subject to the penalty for underpayment of estimated tax and, if so, the amount of penalty. Estimated tax is a corporation's expected income tax liability minus its credits. A corporation must make estimated tax payments if it can reasonably expect its estimated tax to be \$100 or more.

### HOW TO USE THIS FORM

Complete Part II of SC2220 to find out if you have an underpayment for any of the four installment due dates. If you have an underpayment on line 11 (column a, b, c, or d) go to Part III, How to Figure the Penalty.

#### Part II. Figuring Your Underpayment

Complete lines 1 through 12 in Part II. The instructions for most of these lines are on the form itself. Follow the instructions below for lines 2a, 2b, 4, 5 and 11.

**Lines 2a and 2b** Figure your 2002 tax in the same manner as line 1 of this form was determined, using the tax and credit from your 2002 tax return. If you did not file a return showing at least some amount of tax for the 2002 tax year, or if your 2002 tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 1 on 2b. 'S' corporations refer to federal Form 2220 instructions for amount to enter on line 2b. "Large corporations" refer to line 4 instructions for line 2 amounts.

**Line 4** If the corporation's income varied during the year because, for example, it operated its business on a seasonal basis, it may be able to lower the amount of one or more required installments by using the annualized income installment method or the adjusted seasonal installment method. To use either of these methods to figure your required installments, use the federal forms, worksheets and instructions with the necessary South Carolina adjustments. Write either "adjusted" or "annualized" to the left of line 4 to indicate use of either of these methods. Attach a copy of the worksheet to SC2220. If you are a large corporation, as defined in the Internal Revenue Code Section 6655, refer to federal Form 2220 instructions for line 2 amounts to enter in columns (a) through (d) of line 4.

**Line 5** In column (a), enter the estimated tax payments deposited by the 15th day of the 4th month of your tax year; in column (b), enter payments you made after the 15th day of the 4th month through the 15th day of the 6th month of your tax year; in column (c), enter payments you made after the 15th day of the 6th month through the 15th day of the 9th month of your tax year; and, in column (d), enter payments made after the 15th day of the 9th month through the 15th day of the 12th month of your tax year. Include in your estimated tax payments any overpayment of tax from your 2002 return that you elect to apply to your 2003 estimated tax.

**Line 11** If any of the columns in line 11 shows an underpayment, complete Part III to figure the penalty.

#### Part III. How to Figure the Penalty

Complete lines 13 through 30 to determine the amount of the penalty. The penalty is figured for the period of underpayment determined under Internal Revenue Code Section 6655 at a rate determined under Internal Revenue Code Section 6621.