



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

Print or Type For CALENDAR YEAR 2015 or FISCAL YEAR beginning , 2015 and ending

Name: EMPLOYER IDENTIFICATION NUMBER

Computation of Underpayment

Table with 4 rows for tax computation: 1. 2015 tax, 2. Credits, 3. Line 1 less line 2, 4. 90% of line 3.

Enter quarterly due dates of installments: 1 - FIRST, 2 - SECOND, 3 - THIRD, 4 - FOURTH

Main table for underpayment calculation with rows 5-13, including 2014 Tax, overpayment, and underpayment calculations.

COMPUTATION CONTINUES ON PAGE 2

Exceptions that Avoid the Underpayment Penalty

Table with 4 columns for quarters and 4 rows for exceptions: EXCEPTION 1- Prior year's tax, EXCEPTION 2- Tax on prior year's facts, EXCEPTION 3- Tax on annualized 2015 income, EXCEPTION 4- Tax on recurring seasonal 2015 income.

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 3/15/2015 and before 4/1/2015 ...	16.						
17.	Number of days on line 15 after 3/31/2015 and before 7/1/2015 ...	17.						
18.	Number of days on line 15 after 6/30/2015 and before 10/1/2015 .	18.						
19.	Number of days on line 15 after 9/30/2015 and before 1/1/2016 ...	19.						
20.	Number of days on line 15 after 12/31/2015 and before 4/1/2016 .	20.						
21.	Number of days on line 15 after 3/31/2016 and before 7/1/2016 ...	21.						
22.	Number of days on line 15 after 6/30/2016 and before 10/1/2016 .	22.						
23.	Number of days on line 15 after 9/30/2016 and before 1/1/2017 ...	23.						
24.	Number of days on line 15 after 12/31/2016 and before 3/15/2017	24.						
25.	<u>Number of days on line 16 x 7.5% x amount on line 13</u> 365	25.						
26.	<u>Number of days on line 17 x 7.5% x amount on line 13</u> 365	26.						
27.	<u>Number of days on line 18 x 7.5% x amount on line 13</u> 365	27.						
28.	<u>Number of days on line 19 x 7.5% x amount on line 13</u> 365	28.						
29.	<u>Number of days on line 20 x * % x amount on line 13</u> 366	29.						
30.	<u>Number of days on line 21 x * % x amount on line 13</u> 366	30.						
31.	<u>Number of days on line 22 x * % x amount on line 13</u> 366	31.						
32.	<u>Number of days on line 23 x * % x amount on line 13</u> 366	32.						
33.	<u>Number of days on line 24 x * % x amount on line 13</u> 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 17c or Form NYC-2A, Schedule A, line 19c. (see instructions for line 35)	36.						



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 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) or with its Business Corporation Tax return (Form NYC-2 or NYC-2A), 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.

In addition, 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

A 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.

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 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 corpora-

tion 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 corporation 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 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.

If you are subject to the Business Corporation Tax and were required to make a declaration of estimated tax and pay an installment of estimated tax on or before June 15, 2015, but made such declaration and paid such installment on or before the first date following June

15, 2015 on which an installment of estimated tax is required to be paid, enter zero on any line of the form related to a period that ends before such date. If you did not file such declaration or make such payment on or before such first date following June 15, 2015, this exception does not apply to you and you are required to calculate the penalty as otherwise provided on this form.

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.