Arizona Form **220**	**Underpayment of Estimated Tax by Corporations**	**2021**

Include with the corporation's return.

For the ☐ calendar year 2021 or ☐ fiscal year beginning ⌊M⌋M⌊D⌋D⌋2,0,2,1⌋ and ending ⌊M⌋M⌊D⌋D⌋2,0,Y,Y⌋.

Name as shown on Form 99T, 120, 120A, 120S	Employer Identification Number (EIN)

In most cases, the taxpayer DOES NOT HAVE TO FILE Form 220. (See Part A below for exceptions.) The department will compute any penalty due and bill the taxpayer. (If the taxpayer does not have to file Form 220, the form may still be used to compute the penalty. Enter the amount of the penalty on the estimated tax underpayment penalty line of the taxpayer's return. Do not check the box on that line of the return or include Form 220 with the return.)

Part A   Reasons for Filing Form 220

Check the boxes below that apply to the taxpayer. If any box is checked, the taxpayer must file Form 220 with the taxpayer's tax return, even though no penalty is due. See page 2 of the instructions.

1 ☐ The taxpayer is using the annualized income installment method.

2 ☐ The taxpayer is using the adjusted seasonal installment method.

3 ☐ **Forms 120 and 120A only:** The taxpayer is a "large corporation" computing its first required installment based on the prior taxable year's tax liability.

4 ☐ **Form 120S only:** The taxpayer is computing its required annual payment based on an amount equal to the **sum** of:

    (a) ninety percent of the portion of the current taxable year's liability attributable to built-in gains income or certain capital gains income; **plus**

    (b) one hundred percent of the portion of the prior taxable year's tax liability attributable to excess net passive income.

Part B   Calculation of Underpayment

5 Enter the 2021 Arizona tax liability from Form 99T, line 11 less line 12; or Form 120, line 21 less line 22; or Form 120A, line 13 less line 14; or Form 120S, line 17 less line 18. Taxpayers with a claim of right tax calculation. See instructions .... **5** | 00

6 REQUIRED ANNUAL PAYMENT:

    a Enter 90% of line 5 .... **6a** | 00

    b Forms 99T, 120, and 120A: Enter the tax as shown on the 2020 return. See instructions .... **6b** | 00

    c Form 120S. See instructions .... **6c** | 00

    d Forms 99T, 120, and 120A: Enter the smaller of line 6a or line 6b.

    Form 120S. Enter the smaller of line 6a or line 6c .... **6d** | 00

		(a)	(b)	(c)	(d)
7	**Installment due dates:** In columns (a) through (d), enter the 15th day of the 4th, 6th, 9th, and 12th months of the taxable year **7**	M,M,D,D,Y,Y	M,M,D,D,Y,Y	M,M,D,D,Y,Y	M,M,D,D,Y,Y
8	**Required installments:** If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, Part 3, line 48. If the box on line 3 above is checked (but not the box on line 1 or line 2), see the instructions for line 8 to determine the amount to enter. If the box on line 4 above is checked, or if none of these boxes are checked, enter 25% of line 6d in each column **8**				
9	Enter the estimated tax paid or credited for each period (see the instructions). **For column (a) only:** Skip lines 10 through 12. Enter the amount from line 9 on line 13 .... **9**				
Complete lines 10 through 16 of each column before completing the next column.					
10	**For columns (b) through (d) only**: Enter the amount, if any, from line 16 of the preceding column **10**				
11	**For columns (b) through (d) only:** Add lines 9 and 10. Enter the total **11**				
12	**For columns (b) through (d) only**: Add the amounts on lines 14 and 15 of the preceding column. Enter the total. **12**				
13	**For columns (b) through (d) only**: Subtract line 12 from line 11. Enter the difference. If zero or less, enter "0" **13**				
14	**For columns (b) and (c) only**: If the amount on line 13 is zero, subtract line 11 from line 12. Enter the difference. Otherwise, enter "0" **14**				
15	**Underpayment:** If line 13 is less than or equal to line 8, subtract line 13 from line 8. Enter the difference. Then, go to line 10 of the next column (see instructions page 4). Otherwise, go to line 16 .... **15**				
16	**Overpayment:** If line 8 is less than line 13, subtract line 8 from line 13. Enter the difference. Then, go to line 10 of the next column **16**				

Part C | Penalty Calculation

		(a)	(b)	(c)	(d)
17	**Forms 120 and 120A:** Enter the date of payment or the 15th day of the 4th month after the close of the taxable year, whichever is earlier. **Form 120S:** Use 3rd month instead of 4th month. **Form 99T:** Use 5th month instead of 4th month........................ **17**	M,M,D,D,Y,Y	M,M,D,D,Y,Y	M,M,D,D,Y,Y	M,M,D,D,Y,Y
18	Number of days from due date of installment on line 7 to the date shown on line 17.. **18**	Days:	Days:	Days:	Days:
19	Number of days on line 18 after 4/15/2021 and before 7/1/2021 .... **19**	Days:	Days:	Days:	Days:
20	Underpayment on line 15 × $\frac{\text{Number of days on line 19}}{365}$ × 3% **20**				
21	Number of days on line 18 after 6/30/2021 and before 10/1/2021 .. **21**	Days:	Days:	Days:	Days:
22	Underpayment on line 15 × $\frac{\text{Number of days on line 21}}{365}$ × 3% **22**				
23	Number of days on line 18 after 9/30/2021 and before 1/1/2022 .... **23**	Days:	Days:	Days:	Days:
24	Underpayment on line 15 × $\frac{\text{Number of days on line 23}}{365}$ × 3% **24**				
25	Number of days on line 18 after 12/31/2021 and before 4/1/2022 .. **25**	Days:	Days:	Days:	Days:
26	$\boxed{\begin{array}{c}\text{Underpayment on line 15} \\ \text{+ compounding, if applicable}\end{array}}$ × $\frac{\text{Number of days on line 25}}{365}$ × _*% **26**				
27	Number of days on line 18 after 3/31/2022 and before 7/1/2022 .... **27**	Days:	Days:	Days:	Days:
28	$\boxed{\begin{array}{c}\text{Underpayment on line 15} \\ \text{+ compounding, if applicable}\end{array}}$ × $\frac{\text{Number of days on line 27}}{365}$ × _*% **28**				
29	Number of days on line 18 after 6/30/2022 and before 10/1/2022 .. **29**	Days:	Days:	Days:	Days:
30	$\boxed{\begin{array}{c}\text{Underpayment on line 15} \\ \text{+ compounding, if applicable}\end{array}}$ × $\frac{\text{Number of days on line 29}}{365}$ × _*% **30**				
31	Number of days on line 18 after 9/30/2022and before 1/1/2023 ..... **31**	Days:	Days:	Days:	Days:
32	$\boxed{\begin{array}{c}\text{Underpayment on line 15} \\ \text{+ compounding, if applicable}\end{array}}$ × $\frac{\text{Number of days on line 31}}{365}$ × _*% **32**				
33	Number of days on line 18 after 12/31/2022 and before 3/15/2023 **33**	Days:	Days:	Days:	Days:
34	$\boxed{\begin{array}{c}\text{Underpayment on line 15} \\ \text{+ compounding, if applicable}\end{array}}$ × $\frac{\text{Number of days on line 33}}{365}$ × _*% **34**				
35	Add lines 20, 22, 24, 26, 28, 30, 32, and 34. Enter the total. **35**				
36	**Penalty Limitation:** In columns (a) through (d), enter the **smaller** of Part B, line 15 × 10% OR the amount from Part C, line 35 .... **36**				

37 **Penalty:** Add columns (a) through (d) of line 36. Enter the total here and on Form 99T, line 22; or Form 120, line 29; or Form 120A, line 21; or Form 120S, line 25 .... **37** |_____|00

* Percentage rate to be announced

SCHEDULE A	Annualized Income Installment Method and/or Adjusted Seasonal Installment Method Under IRC § 6655(e)			
Part 1	Annualized Income Installment Method			

		(a)	(b)	(c)	(d)
1 Annualization periods: See instructions...................................	1	First ____ Months	First ____ Months	First ____ Months	First ____ Months
2 Enter taxable income for each annualization period..............	2				
3 Annualization amounts: See instructions...............................	3				
4 Annualized taxable income: Multiply line 2 by line 3. Enter the result......	4				
5 Multiply the amount in each column on line 4 by 4.9%. Enter the result.	5				
6 Enter tax from recapture of tax credits for each payment period. See instructions..........	6				
7 Subtotal tax: Add lines 5 and 6. Enter the total.........	7				
8 For each period, enter the amount of nonrefundable tax credits. See instructions	8				
9 Arizona tax liability: Subtract line 8 from line 7. Enter the difference. If zero or less, enter "0"..........	9				
10 Refundable tax credits: See instructions	10				
11 Claim of right adjustment: See instructions............	11				
12 Net liability: Subtract the sum of line 10 and line 11 from line 9. Enter the difference. If zero or less, enter "0"	12				
13 Applicable percentage...	13	22.5%	45%	67.5%	90%
14 Multiply line 12 by line 13. Enter the result.	14				
15 Add the amounts in all preceding columns from page 4, Part 3, line 48. See instructions............	15				
16 Annualized income installments: Subtract line 15 from line 14. Enter the difference. If zero or less, enter "0"	16				

Part 2	Adjusted Seasonal Installment Method

CAUTION: Use this method only if the base period percentage of any 6 consecutive months is at least 70%. See the instructions for more information.

		(a)	(b)	(c)	(d)
17 Enter taxable income for the following periods:		First 3 Months	First 5 Months	First 8 Months	First 11 Months
a Taxable year beginning in 2018......................................	17a				
b Taxable year beginning in 2019......................................	17b				
c Taxable year beginning in 2020......................................	17c				
18 Enter taxable income for each period for taxable year beginning in 2021...	18				

Name (as shown on page 1)			EIN		

Part 2 (continued)		(a)	(b)	(c)	(d)
		First 4 Months	First 6 Months	First 9 Months	Entire Year
19 Enter taxable income for the following periods:					
a Taxable year beginning in 2018......................................	**19a**				
b Taxable year beginning in 2019......................................	**19b**				
c Taxable year beginning in 2020......................................	**19c**				
20 Divide the amount in each column on line 17a by the amount in column (d) on line 17a. Enter the result............................	**20**				
21 Divide the amount in each column on line 17b by the amount in column (d) on line 17b. Enter the result............................	**21**				
22 Divide the amount in each column on line 17c by the amount in column (d) on line 17c. Enter the result............................	**22**				
23 Add lines 20 through 22. Enter the total......................	**23**				
24 Divide line 23 by three (3). Enter the result.	**24**				
25 Divide line 18 by line 24. Enter the result.............................	**25**				
26 Multiply the amount in each column on line 25 by 4.9%. Enter the result.	**26**				
27 Divide the amount in each column on line 19a by the amount in column (d) on line 19a. Enter the result............................	**27**				
28 Divide the amount in each column on line 19b by the amount in column (d) on line 19b. Enter the result............................	**28**				
29 Divide the amount in each column on line 19c by the amount in column (d) on line 19c. Enter the result............................	**29**				
30 Add columns (a) through (c) of lines 27 through 29. Enter the total..	**30**				
31 Divide columns (a) through (c) of line 30 by three (3). Enter the result..	**31**				
32 Multiply the amount in columns (a) through (c) of line 26 by the amount in the corresponding column of line 31. Enter the result. In column (d), enter the amount from line 26, column (d)..	**32**				
33 Enter tax from recapture of tax credits for each payment period. See instructions...	**33**				
34 Subtotal tax: Add line 32 and line 33. Enter the total.................	**34**				
35 For each period, enter the amount of nonrefundable tax credits. See instructions	**35**				
36 Arizona tax liability: Subtract line 35 from line 34. Enter the difference. If zero or less, enter "0"...............................	**36**				
37 Refundable tax credits: See instructions	**37**				
38 Claim of right adjustment: See instructions............................	**38**				
39 Net liability: Subtract the sum of line 37 and line 38 from line 36. Enter the difference. If zero or less, enter "0"	**39**				
40 Multiply line 39 by 90%. Enter the result.	**40**				
41 Add the amounts in all preceding columns from Part 3, line 48. See instructions	**41**				
42 **Adjusted seasonal installments:** Subtract line 41 from line 40. Enter the difference. If zero or less, enter "0".........................	**42**				

Part 3	Required Installments		(a)	(b)	(c)	(d)
			First Installment	Second Installment	Third Installment	Fourth Installment
43 If only one of the above parts is completed, enter the amount in each column from line 16 or line 42. (If both parts are completed, enter the **lesser** of the amounts in each column from line 16 or line 42.)		**43**				
44 Enter 25% of line 6d in each column. **NOTE:** "Large corporations", see the instructions to determine the amount to enter		**44**				
45 Enter the amount from line 47 of this schedule for the preceding column..		**45**				
46 Add line 44 and line 45. Enter the total		**46**				
47 If line 46 is more than line 43, subtract line 43 from line 46. Enter the difference. Otherwise, enter "0"		**47**				
48 **Required Installments:** Enter the **lesser** of line 43 or line 46 here and on page 1, Part B, line 8...............................		**48**				