

SINGLE BUSINESS TAX Penalty and Interest Computation for Underpaid Estimated Tax

C-8020 1998

This form is issued under authority of P.A. 228 of 1975.
See instruction booklet for filing guidelines.

1 Name _____	2 Federal Employer ID No. (FEIN) or TR No. _____
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PART 1: ESTIMATED TAX REQUIRED FOR THE YEAR

3 Annual tax (from C-8000, line 50) 3. _____
 4 Required estimate amount. Enter 85% of line 3. If your last year's tax was less than \$20,000, enter the smaller of last year's tax or 85% of line 3..... 4. _____

See SBT instruction booklet for exceptions to penalty and interest computation.

5 **ENTER YOUR PAYMENT DUE DATES** _____ 5

6 Divide amount on line 4 by 4 (or by the number of quarterly returns required). If you annualize, enter the amount from worksheet, line 29 6 _____

CAUTION: Complete lines 8 - 15 one column at a time.

	A	B	C	D
7 Prior year overpayment used on quarterly return 7				
8 Amount paid on quarterly return or SUW return 8				
9 Enter amount, if any, from line 15 of the previous column 9				
10 Add lines 7, 8 and 9 10				
11 Add amounts on lines 13 and 14 of the previous column and enter the result here 11				
12 Subtract line 11 from line 10. If zero or less, enter zero. For column A only, enter the amount from line 10..... 12				
13 Remaining underpayment from previous period. If the amount on line 12 is zero, subtract line 10 from line 11 and enter the result here. Otherwise, enter zero 13				
14 UNDERPAYMENT. If line 6 is greater than or equal to line 12, subtract line 12 from line 6 and enter it here. Then go to line 8 of the next column. Otherwise, go to line 15 14				
15 OVERPAYMENT. If line 12 is larger than line 6, subtract line 12 from line 6 and enter it here. Then go to line 9 of next column..... 15				

PART 2: FIGURING THE INTEREST

	A	B	C	D
16 TOTAL UNDERPAYMENT. Add lines 13 and 14 16				
17 Enter the due date for your next quarter or the date the tax was paid, whichever is earlier. In column D, enter the earlier of the due date for your annual return or date the tax was paid 17				
18 Number of days from the due date of your quarter to the date on line 17..... 18				
19 Number of days on line 18 after 4/30/98 and before 7/1/98..... 19				
20 Number of days on line 18 after 6/30/98 and before 1/1/99 20				
21 Number of days on line 18 after 12/31/98 and before 7/1/99 21				
22 Number of days on line 18 after 6/30/99 and before 1/1/2000 22				
23 <u>Number of days on line 19</u> x 9.5% (.095) x amount on line 16 23				
365				
24 <u>Number of days on line 20</u> x 9.5% (.095) x amount on line 16 24				
365				
25 <u>Number of days on line 21</u> x 9.5% (.095) x amount on line 16 25				
365				
26 <u>Number of days on line 22</u> x % x amount on line 16 26				
365				
27 Underpayment of interest. Add lines 23 through 26 27				

28 **Interest Due.** Add line 27 columns A through D and enter the result here.
 If you have no penalty, enter on C-8000, line 57 or C-8044, line 23 28. _____

*Interest rate will be set at 1% above the prime rate of interest for this period.



PART 3: FIGURING THE PENALTY

Compute penalty only if paid quarterly return(s) were not filed. Do not compute penalty for any quarter in which a timely paid estimated return was filed or there is a credit available from prior quarterly returns. Treasury will review the estimates filed and, if necessary, bill you for the appropriate penalty.

	A	B	C	D
29 Enter the amount from line 16.....				
30 Penalty rate by quarter.....	15%	15%	15%	15%
31 Multiply line 29 by line 30.....				
32 Enter the portion of line 29, column D, that is carried forward from line 29A (see below*).....				
33 Penalty correction percentage.....				10%
34 Multiply line 32, column D, by 10%.....				
35 Penalty. Subtract line 34 from line 31, if applicable.....				
36 Enter the amounts from line 31 or line 35, whichever applies.....				
37 Total penalty. Add line 36, columns A through D.....				37.
38 Total penalty and interest. Add lines 28 and 37. Enter here and on form C-8000, line 57 or C-8044, line 23.....				38.

*This adjustment is only necessary if a first quarter underpayment is not satisfied by payments made in the second, third or fourth quarters. To compute this line, total the amounts on line 8, columns B, C and D. If the total of these three amounts is greater than or equal to the amount on line 14, column A, then no adjustment is necessary. If line 14, column A is greater than the total of line 8, columns B, C and D, enter the difference on line 32 and compute the adjustment.

Annualization Worksheet

Complete this worksheet if your liability is not evenly distributed throughout the year.

	A First 3 Months	B First 6 Months	C First 9 Months	D Full 12 Months
1 Gross receipts.....				
2 Business income.....				
3 Compensation.....				
4 Additions.....				
5 Add lines 2 through 4.....				
6 Subtractions.....				
7 Tax base. Subtract line 6 from line 5.....				
8 Apportionment percentage.....				
9 Apportioned tax base. Multiply line 7 by line 8.....				
10 Net capital acquisition deduction.....				
11 Business loss deduction.....				
12 Statutory deduction if available.....				
13 Adjusted tax base. Subtract lines 10, 11 and 12 from line 7 or 9, whichever applies.....				
14 Reductions to tax base from C-8000S.....				
15 Taxable amount. Subtract line 14 from line 13.....				
16 Tax rate.....	2.3%	2.3%	2.3%	2.3%
17 Tax before credits. Multiply line 15 by line 16.....				
18 Standard small business credit from C-8000C or C-8009.....				
19 Subtract line 18 from line 17.....				
20 Alternate tax from C-8000C, C-8044 or C-8009.....				
21 Unincorporated/S-corporation credit.....				
22 Other credits.....				
23 Net tax liability. Subtract lines 21 and 22 from line 19 or 20, whichever applies.....				
24 Annualization ratios.....	4	2	1.3333	1
25 Annualized tax. Mutliply line 23 by line 24.....				
26 Applicable percentage.....	21.25%	42.5%	63.75%	85%
27 Multiply line 25 by line 26.....				
28 Enter the combined amounts of line 29 from all preceding columns.....				
29. ESTIMATE REQUIREMENTS BY QUARTER Subtract line 28 from line 27. If less than zero, enter -0-. Enter here and on C-8020, line 6.....				29.

NOTE: Totals on line 29 must equal 85% of the current year tax liability on page 1, line 3.