



**UNDERPAYMENT OF ESTIMATED TAX  
BY CORPORATIONS**

▶ Attach to your tax return.

Name	Employer identification number
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<b>Part I Required Annual Payment</b>	
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 . . .	1
2 Enter the tax shown on the corporation's 2016 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>	2
3 Enter the <b>smaller</b> of line 1 or line 2. If the corporation is required to skip line 2, enter the amount from line 1 on line 3 . . . . .	3

<b>Part II Reasons for Filing</b> - 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 4 or line 5 applies, the corporation may be able to lower or eliminate the penalty.	
4	<input type="checkbox"/> The corporation is using the adjusted seasonal installment method.
5	<input type="checkbox"/> The corporation is using the annualized income installment method.
6	<input type="checkbox"/> The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

<b>Part III Figuring Your Underpayment</b>					
		<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>
7 <b>Installment due dates.</b> Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year . . . . .	7				
8 <b>Required installments.</b> If the box on line 4 and/or line 5 above is checked, see instructions for the amounts to enter. If the box on line 6 (but not 4 or 5) is checked, see instructions for the amount to enter by a large corporation. If none of these boxes are checked, enter 25% of line 3 above in each column . . . . .	8				
9 Estimated tax paid or credited for each period. For column (a) only, enter the amount from line 9 on line 13. . . . .	9				
<b>Complete lines 10 through 16 for one column before going to the next column.</b>					
10 Enter amount, if any, from line 16 of preceding column . . .	10				
11 Add lines 9 and 10 . . . . .	11				
12 Add amounts on lines 14 and 15 of the preceding column and enter the result . . . . .	12				
13 Subtract line 12 from line 11. If zero or less, enter -0-. . . . .	13				
14 If the amount on line 13 is zero, subtract line 11 from line 12 and enter the result. Otherwise, enter -0-. . . . .	14				
15 <b>Underpayment.</b> If line 13 is less than or equal to line 8, subtract line 13 from line 8 and enter the result. Then go to line 10 of the next column. Otherwise, go to line 16 . . .	15				
16 <b>Overpayment.</b> If line 8 is less than line 13, subtract line 8 from line 13 and enter the result. Then go to line 10 of the next column . . . . .	16				

**Go to Part IV on page 2 to figure the penalty. If there are no entries on line 15, no penalty is owed.**

**Part IV Figuring the Penalty**

	(a)	(b)	(c)	(d)
17 Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier ( <b>SC1120S Corporations:</b> Use 3rd month instead of 4th month. <b>SC 990-T filers:</b> Use 5th month instead of 3rd month.) . . . . .	17			
18 Number of days from due date of installment on line 7 to the date shown on line 17 . . . . .	18			
19 Number of days on line 18 after 4/15/17 and before 7/1/17 . . . . .	19			
20 Underpayment on line 15 x $\frac{\text{Number of days on line 19}}{365}$ x 4%	20	\$	\$	\$
21 Number of days on line 18 after 6/30/17 and before 10/1/17 . . . . .	21			
22 Underpayment on line 15 x $\frac{\text{Number of days on line 21}}{365}$ x 4%	22	\$	\$	\$
23 Number of days on line 18 after 9/30/17 and before 1/1/18 . . . . .	23			
24 Underpayment on line 15 x $\frac{\text{Number of days on line 23}}{365}$ x 4%	24	\$	\$	\$
25 Number of days on line 18 after 12/31/17 and before 4/1/18 . . . . .	25			
26 Underpayment on line 15 x $\frac{\text{Number of days on line 25}}{365}$ x 4%	26	\$	\$	\$
27 Number of days on line 18 after 3/31/18 and before 7/1/18 . . . . .	27			
28 Underpayment on line 15 x $\frac{\text{Number of days on line 27}}{365}$ x *%	28	\$	\$	\$
29 Number of days on line 18 after 6/30/18 and before 10/1/18 . . . . .	29			
30 Underpayment on line 15 x $\frac{\text{Number of days on line 29}}{365}$ x *%	30	\$	\$	\$
31 Number of days on line 18 after 9/30/18 and before 1/1/19 . . . . .	31			
32 Underpayment on line 15 x $\frac{\text{Number of days on line 31}}{365}$ x *%	32	\$	\$	\$
33 Number of days on line 18 after 12/31/18 and before 3/16/19 . . . . .	33			
34 Underpayment on line 15 x $\frac{\text{Number of days on line 33}}{365}$ x *%	34	\$	\$	\$
35 Add lines 20, 22, 24, 26, 28, 30, 32 and 34 . . . . .	35	\$	\$	\$
36 <b>Penalty.</b> Add columns (a) through (d), of line 35. Enter the total here and on SC1120, line 17; or the comparable line for other income tax returns . . . . .	36			\$

\* Use the penalty interest rate for each calendar quarter, which the Department of Revenue will determine during the first month in the preceding quarter. These rates are published quarterly in Information Letters, available at [dor.sc.gov](http://dor.sc.gov).

## Instructions for SC2220 - 2017

### PURPOSE OF FORM

SC2220 is used by corporations (including S corporations, limited liability companies (LLCs) taxed as corporations, 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 SC2220

Complete lines 1 through 3 of Part I. If line 1 is \$100 or more, complete the rest of Part I to determine the required annual payment. Complete Part II if boxes 4, 5 or 6 apply.

Complete Part III to find out if you have an underpayment for any of the four installment due dates. If you have an underpayment on line 15 (column a, b, c, or d) go to part IV, Figuring the Penalty.

### Specific Instructions

#### Part I. Required Annual Payment

**Line 2** Figure your 2016 tax in the same manner as line 1 of this form was determined, using the tax and credit from your 2016 tax return. If you did not file a return showing at least some amount of tax for the 2016 tax year, or if your 2016 tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 1 on line 3.

'S' corporations can refer to federal Form 2220 instructions for amount to enter on line 3. "Large corporations" can refer to line 8 instructions for the amount to enter on line 2.

#### Part III. Figuring Your Underpayment

Complete lines 7 through 16 in Part III. The instructions for most of these lines are on the form itself. Follow the instructions below for lines 8, 9 and 15.

**Line 8** 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 8 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 the amounts to enter in columns (a) through (d) of line 8.

**Line 9** 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 2016 return that you elected to apply to your 2017 estimated tax.

**Line 15** If any of the columns in line 15 shows an underpayment, complete Part IV to figure the penalty.

#### Part IV. Figuring the Penalty

Complete lines 17 through 36 to determine the amount of the penalty. The penalty for the period of underpayment is determined under Internal Revenue Code Section 6655 at a rate determined under Internal Revenue Code Section 6621. See Section 12-54-25(D) of South Carolina Code of Laws.