AR2220A

STATE OF ARKANSAS
Annualized Income For Underpayment of Estimated Tax by Corporations

Tax Year beginning _____, 19 _____ and ending _____, 19 _____

CORPORATION: _____ FEIN: _____

PART 1 Annualized Income Method

		(A)	(B)	(C)	(D)
		Period			
			First 3 months	First 6 months	First 9 months
1. Enter taxable income for each period: *(Attach Quarterly Income Statement)*	1				
2. Annualization amounts:	2		4	2	1.33333
3. Annualized taxable income: *(Line 1 x Line 2)*	3				
		Period			
		First 4 months	First 5 months	First 8 months	Entire Year
4. Enter taxable income for each period: *(Attach Quarterly Income Statement)*	4				
5. Annualization amounts:	5	3.0	2.4	1.5	1.0
6. Annualized taxable income: *(Line 4 x Line 5)*	6				
7. Adjusted annualized taxable income: In Column (A), enter the amount from Line 6, Column (A). In Columns (B), (C), and (D), enter the smaller of the amounts in each column on Line 3 or Line 6.	7				
8. Tax: Compute tax from Tax Table on amount in each Column on Line 7.	8				
9. Business and Incentive Credit: Enter one-fourth (1/4) of B and I Credits as allowed on AR1100CT, Line 35, for each period.	9				
10. Total tax after credit: *(Line 8 less Line 9, if zero or less, enter zero)*	10				
11. Applicable percentage:	11	22.5%	45%	67.5%	90%
12. Annualized tax: *(Line 10 x Line 11)*	12				
13. Add the amounts in all preceding columns of Line 20: (See Instructions) *Note: Complete Column (A) before (B), (B) before (C), and (C) before (D).*	13				
14. Adjusted Annualized Tax: *(Line 12 less Line 13, If zero or less, enter zero)*	14				

PART 2 Required Estimates

		(A)	(B)	(C)	(D)
		Period			
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
15. Adjusted Annualized Tax: *(Enter the amounts in each Column from Line 14)*	15				
16. Divide Line 3, Form AR2220 by 4 and enter the result in each Column:	16				
17. Enter the amount from Line 19 of the preceding column:	17				
18. Add Line 16 and Line 17:	18				
19. If Line 18 is more than Line 15 subtract Line 15 from Line 18, otherwise enter zero:	19				
20. Required Estimates: Enter the smaller of Line 15 or Line 18 here and on Form AR2220, Line 5.	20				

GENERAL INSTRUCTIONS FOR FORM AR2220A

If a corporation's income varied during the tax year it may be able to lower the ten percent (10%) underestimated penalty by computing the penalty on an annualized basis.

To compute the underestimated penalty on an annualized basis, you must first complete Form AR2220A and transfer the annualized estimated tax due per quarter to Form AR2220 and complete Form AR2220. The completed Forms AR2220 and AR2220A must be attached to the corporation's return, Form AR1100CT.

Part 1 Annualized Income Method

Line 1 Enter the corporation's current tax year taxable income for the first 3 months in Column (B), the first 6 months in Column (C) and the first 9 months in Column (D).

Line 4 Enter the corporation's current tax year taxable income for the first 4 months in Column (A), the first 5 months in Column (B), the first 8 months in Column (C), and the total taxable income for the entire year in Column (D).

Line 7 Enter on Line 7, Column (A), the annualized taxable income from Line 6, Column (A); on Line 7, Column (B), enter the annualized taxable income from Line 3, Column (B) or from Line 6, Column (B), whichever amount is smaller; on Line 7, Column (C), enter the annualized taxable income from Line 3, Column (C) or from Line 6, Column (C), whichever amount is smaller; on Line 7, Column (D), enter the annualized taxable income from Line 3, Column (D) or from Line 6, Column (D), whichever is smaller.

Line 8 Enter on Line 8, Column (A), tax from tax table based on annualized taxable income listed on Line 7, Column (A); on Line 8, Column (B), tax based on income listed on Line 7, Column (B); on Line 8, Column (C), tax based on income listed on Line 7, Column (C); on Line 8, Column (D), tax based on income listed on Line 7, Column (D).

Line 9 Enter one-fourth (1/4) of the Business and Incentive credits allowed on Line 35, Form AR1100CT, in Columns (A), (B), (C), and (D).

Line 13 Enter on Line 13, Column (B), the amount listed on Line 20, Column (A); on Line 13, Column (C), the accumulated total of the amounts listed on Line 20, Columns (A) and (B); on Line 13, Column (D), the accumulated total of the amounts listed on Line 20, Columns (A), (B), and (C).

Note: Column (A) Lines 14 through 20 must be completed before Column (B). Column (B) Lines 13 through 20 must be completed before Column (C). Column (C) Lines 13 through 20 must be completed before Column (D).

Part 2 Required Estimates

Column (A) must be completed before (B), Column (B) before (C) and Column (C) before (D). Refer to Note above.

Line 17 Enter on Line 17, Column (B), the amount listed on Line 19, Column (A); on Line 17, Column (C), the amount listed on Line 19, Column (B); on Line 17, Column (D), the amount listed on Line 19, Column (C).

Line 20 The amount listed on Line 20, Columns (A), (B), (C) and (D) will be entered in the appropriate column on Form AR2220 in Part 2, Line 5.