

FORM CT-1120I

(Rev. 12/00)

Computation of Interest Due on Underpayment of Estimated Tax

Enter Income Year Beginning \_\_\_\_\_, \_\_\_\_\_, and Ending \_\_\_\_\_, \_\_\_\_\_

CT TAX REGISTRATION NUMBER

Corporation Name

0 0 0

Purpose

Form CT-1120I is used by corporations to determine interest due on underpayments of estimated Connecticut corporation business tax. If the corporation has made timely installment tax payments (Forms CT-1120 ESA, ESB, ESC, and ESD) and has paid at least 90% of the current year's tax or 100% of the prior year's tax before the application of any tax credits, at the required installment rate, the taxpayer is not subject to interest on underpaid installments. If the current year tax is \$1,000 or less, it is not necessary to complete this form. Form CT-1120I is also used to compute interest due on required installments of Connecticut unrelated business income tax, Form CT-990T.

Estimated tax payments may be based on the applicable percentage of the current year's tax determined by annualizing net income. For further information, see Informational Publication 99(12.1), Calculating Annualized Estimated Corporation Business Tax Installment and Worksheet CT-1120 AE, or Informational Publication 99(13.1), Calculating Annualized Estimated Corporation Business Tax Installments for S Corporations and Worksheet CT-1120S AE.

Line Instructions

Part I – Computation of Required Annual Payment

Line 1 - Enter the tax liability for the current income year from Form CT-1120 or CT-1120S, Schedule C, Line 3, minus Schedule C, Line 1b; or Form CT-1120CR, Part IV, Line 6, minus Part IV, Line 4b; or Form CT-990T, Computation of Amount Payable, Line 3.

NOTE: The amount entered on this line should not include any recapture of tax credits.

Line 2 - Multiply amount on Line 1 by 90% (.90).

Line 3 - Enter the total tax from the previous income year before the application of any tax credits. (The amount entered on this line should not include any recapture of tax credits.)

Line 4 - Multiply amount on Line 3 by 100% (1.0).

Line 5 - Enter the lesser of Line 2 or Line 4 (this is your required annual payment).

Part II – Computation of Required Installments

The required installment payments are due on the 15th day of the 3rd, 6th, 9th, and 12th months of the income year. If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Lines 6 through 9 - Calculate the required minimum installment payments due. Multiply the required annual payment from Part I, Line 5, by the required installment rate and enter the result on the appropriate line.

Part III – Form CT-1120 Annualized Income Installment Schedule (Form CT-1120, Form CT-1120CR, or Form CT-990T ONLY)

You must complete one entire column before continuing to the next column.

Line 1 - Enter the corporation's total net income for the period.

Line 4 - The Connecticut corporation business tax rate for 2000 is 7.5%. Multiply Line 3 by 7.5% (.075).

Line 5 - Enter the corporation's estimated allowable Connecticut corporation business tax credits for the year. The credits are based on the annualized income for the period.

Line 9 - Do not enter anything in Column A. Enter in Column B, the amount from Line 15, Column A. Enter in Column C, the sum of Line 15, Column A, plus Line 15, Column B. Enter in Column D, the sum of Line 15, Column A, plus Line 15, Column B, plus Line 15, Column C.

Line 11 - Enter the appropriate amount of your required installment as calculated in Part II, Lines 6 through 9, above.

Line 16 - Add Line 9 and Line 15 (this amount is your total required installment for the period).

Line 17 - Enter all estimated tax payment amounts made through the payment due date for the period. Include overpayments of the prior year's tax applied to the current year. In determining the payment amount, the corporation may apply an overpayment from the preceding income year, but only if the tax return (Form CT-1120, Form CT-1120CR, or Form CT-990T) for such preceding income year was filed prior to the due date of the estimated installment payment.

Continue on Part V, Computation of Interest.

Part IV – Form CT-1120S Annualized Income Installment Schedule (Form CT-1120S ONLY)

You must complete one entire column before continuing to the next column.

Line 1 - Enter the S corporation's total net income for the period.

Line 4 - Phaseout percentage. Conn. Gen. Stat. §12-217(c)(2) provides for the phaseout of the S corporation business tax by reducing the percentage of net income subject to the tax.

Line 6 - The Connecticut S corporation business tax rate for 2000 is 7.5% (.075).

**Line 7** - Enter the corporation's estimated allowable Connecticut corporation business tax credits for the year, except for Neighborhood Assistance Act and Housing Program Contribution tax credits. The credits are based on the annualized income for the period.

**Line 8** - Phaseout percentage. Conn. Gen. Stat. §12-217(c)(2) provides for the phaseout of the S corporation business tax by reducing the percentage of net income subject to the tax. S corporations are eligible for corporation business tax credits to the extent and in the same percentage that net income of the S corporation is subject to the corporation business tax.

**NOTE:** A special rule applies to S corporations claiming a tax credit under the Neighborhood Assistance Act. Any S corporation with an income year beginning on or after January 1, 1999, but before December 31, 2000, shall be eligible for the entire credit available under the Act. (1999 Conn. Pub. Acts 83, §1)

Additionally, an S corporation is eligible to claim the entire Housing Program Contribution credit available under Conn. Gen. Stat. §8-395. (2000 Conn. Pub. Acts 170, §23)

**Line 9** - Multiply Line 7 by Line 8. Add to the sum any available Neighborhood Assistance Act tax credit. Also add to the sum any available Housing Contribution tax credit.

**Line 13** - Do not enter anything in Column A. Enter in Column B, the amount from Line 19, Column A. Enter in Column C the sum of Line 19, Column A, plus Line 19, Column B. Enter in Column D the sum of Line 19, Column A, plus Line 19, Column B, plus Line 19, Column C.

**Line 15** - Enter the appropriate amount of your required installment as calculated in Part II, Lines 6 through 9 above.

**Line 16** - Do not enter anything in Column A. Enter in Column B, the amount from Line 18, Column A. Enter in Column C the amount from Line 18, Column B. Enter in Column D the amount from Line 18, Column C.

**Line 20** - Add Line 13 and Line 19 (this amount is your total required installment for the period).

**Line 21** - Enter all estimated tax payments through the payment due date for the period. Include overpayments of the prior year's tax applied to the current year. In determining the payment amount, the corporation may apply an overpayment from the preceding income year, but only if the tax return for such preceding income year was filed prior to the due date of the estimated installment payment.

**Line 22** - Subtract Line 21 from Line 20. Enter the result here (but not less than "0").

#### **Part V – Computation of Interest**

**Lines 10a, 13c, and 19c** - Enter on the appropriate line the required installment amount that is due. The required installment amounts are computed as follows:

##### **Regular Filers**

Enter the amount from Part II, Lines 6 through 9; **or**

##### **Annualized Filers - CT-1120 or CT-990T**

Enter the amount from Part III, Line 15, Column A, on Line 10a. Enter the amount from Part III, Line 15, Column B, on Line 13c. Enter the amount from Part III, Line 15, Column C, on Line 16c. Enter the amount from Part III, Line 15, Column D, on Line 19c; **or**

##### **Annualized Filers - CT-1120S**

Enter the amount from Part IV, Line 19, Column A, on Line 10a. Enter the amount from Part IV, Line 19, Column B, on Line 13c. Enter the amount from Part IV, Line 19, Column C, on Line 16c. Enter the amount from Part IV, Line 19, Column D, on Line 19c.

**Lines 10b, 11a, 12a, 13a, 14a, 15a, 16a, 17a, 18a, 19a, 20a, 21a, and 22a** - Enter the payment amounts on the appropriate line according to the date of payment. Payments are first applied to any remaining unpaid installment balances that are due, and any overpayment balance can then be applied to the next required installment due.

**Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22** - Interest is calculated monthly on the accumulated unpaid required installment balance due at the rate of 1% (.01) per month.

**Line 23** - Enter the total interest due on unpaid required installment balances by adding the amounts on Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22. This amount is also entered on the appropriate Connecticut tax form.

Payments accompanying an estimated installment **Form CT-1120 ESA, ESB, ESC, or ESD** will be credited as of the U.S. Postal Service cancellation mark on the payment. The payment must be made or credit established on or before the due date of the required installment. Payments of estimated tax are credited first against underpaid installments in the order in which such installments are required to be paid. The overpayment from the filing of a corporation business tax return is established and credited as of the U.S. Postal Service cancellation mark on the completed return.

**NOTE:** Taxpayers can use certain private delivery services, in addition to the U.S. Postal Service, for delivering returns, claims, statements or other documents, or payments, and meet the timely filing/payment rules. The timely filed and timely payment rules will be met if the U.S. Postal Service cancellation date, or the date recorded or marked by a designated private delivery service (designated PDS), is on or before the due date. Not all types of service provided by these designated PDSs qualify. Only those specific types of service listed below qualify at this time.

##### **Airborne Express**

- Overnight Air Express Service
- Next Afternoon Service
- Second Day Service

##### **DHL Worldwide Express**

- DHL "Same Day" Service
- DHL USA Overnight

##### **Federal Express**

- FedEx Priority Overnight
- FedEx Standard Overnight
- FedEx 2Day

##### **United Parcel Service**

- UPS Next Day Air
- UPS Next Day Air Saver
- UPS 2nd Day Air
- UPS 2nd Day Air A.M.

This list is subject to change. To verify the names of designated PDSs and qualifying types of service, check the Web site, or call DRS. See **Special Notice 99(14), Designated Private Delivery Services**, for more information.

**PART I – COMPUTATION OF REQUIRED ANNUAL PAYMENT**

1. 2000 Tax Due (2000 <b>Form CT-1120</b> or <b>CT-1120S</b> , <i>Schedule C</i> , Line 3, minus <i>Schedule C</i> , Line 1b (See instructions); or <b>Form CT-1120CR</b> , Part IV, Line 6, minus Part IV, Line 4b (See instructions); or <b>Form CT-990T</b> , <i>Computation of Amount Payable</i> , Line 3) .....	1	
2. Multiply Line 1 by 90% (.90) .....	2	
3. 1999 Tax (1999 <b>Form CT-1120</b> or <b>CT-1120S</b> , <i>Schedule C</i> , Line 1a; or <b>Form CT-1120CR</b> , Part IV, Line 4a; or <b>Form CT-990T</b> , <i>Computation of Amount Payable</i> , Line 1. See instructions.) .....	3	
4. Multiply Line 3 by 100% (1.00) .....	4	
5. REQUIRED ANNUAL PAYMENT (Enter the lesser of Line 2 or Line 4) .....	5	

**PART II – COMPUTATION OF REQUIRED INSTALLMENTS**

6. FIRST REQUIRED INSTALLMENT: Multiply Line 5 by 30% (.30). Enter here and on Part III, Line 11, Column A, or Part IV, Line 15, Column A, or Part V, Line 10a .....	6	
7. SECOND REQUIRED INSTALLMENT: Multiply Line 5 by 40% (.40). Enter here and on Part III, Line 11, Column B, or Part IV, Line 15, Column B, or Part V, Line 13c .....	7	
8. THIRD REQUIRED INSTALLMENT: Multiply Line 5 by 10% (.10). Enter here and on Part III, Line 11, Column C, or Part IV, Line 15, Column C, or Part V, Line 16c .....	8	
9. FOURTH REQUIRED INSTALLMENT: Multiply Line 5 by 20% (.20). Enter here and on Part III, Line 11, Column D, or Part IV, Line 15, Column D, or Part V, Line 19c .....	9	

**PART III – CT-1120 CONNECTICUT CORPORATION BUSINESS TAX ANNUALIZED INCOME INSTALLMENT SCHEDULE**  
*(Use for Form CT-1120, Form CT-1120CR, or Form CT-990T ONLY)*

**IMPORTANT: You must complete one entire column before continuing to the next column.**

ESTIMATED PAYMENT CALCULATION		<b>A</b>	<b>First 2 months</b>	<b>B</b>	<b>First 5 months</b>	<b>C</b>	<b>First 8 months</b>	<b>D</b>	<b>First 11 months</b>
1	Enter your Connecticut corporation business income for each period. (See instructions)								
2	Annualization factor.		6		2.4		1.5		1.09091
3	Annualized Connecticut corporation business income. Multiply Line 1 by Line 2.								
4	Multiply Line 3 by 7.5% (.075).								
5	Corporation business tax credits. (See instructions)								
6	Total annualized corporation business tax. Subtract Line 5 from Line 4.								
7	Applicable percentages.		.27		.63		.72		.90
8	Multiply Line 7 by Line 6.								
9	Add the amounts in all preceding columns of Line 15. (See instructions)								
10	Annualized income installment using net income. Subtract Line 9 from Line 8. (If zero or less, enter "0")								
11	Enter your required installment for the period. (See instructions)								
12	Enter the amount from Line 14 of the preceding column of this Worksheet.								
13	Add Line 11 and Line 12 and enter here.								
14	If Line 13 is more than Line 10, subtract Line 10 from Line 13 (otherwise enter "0").								
15	Enter the lesser of Line 10 or Line 13.								
16	Total required installment for the period. Add Line 9 and Line 15.								
17	Estimated tax payments made through the due date for the period.								
18	<b>Estimated tax payment required by the next due date.</b> Subtract Line 17 from Line 16 and enter the result (but not less than "0").								

**PART IV – CT-1120S CONNECTICUT S CORPORATION BUSINESS TAX ANNUALIZED INCOME INSTALLMENT SCHEDULE**  
*(Use for Form CT-1120S ONLY)*

**IMPORTANT:** You must complete one entire column before continuing to the next column.

<b>ESTIMATED PAYMENT CALCULATION</b>		<b>A</b>	<b>First 2 months</b>	<b>B</b>	<b>First 5 months</b>	<b>C</b>	<b>First 8 months</b>	<b>D</b>	<b>First 11 months</b>
1	Enter the Connecticut S corporation net income subject to tax, for each period. (See instructions)								
2	Annualization factor.		6		2.4		1.5		1.09091
3	Annualized Connecticut corporation business income. Multiply Line 1 by Line 2.								
4	Phaseout percentage.		.30		.30		.30		.30
5	Multiply Line 3 by Line 4.								
6	Multiply Line 5 by 7.5% (.075).								
7	Corporation business tax credits. (See instructions)								
8	Phaseout percentage. (See instructions)		.30		.30		.30		.30
9	Multiply Line 7 by Line 8. (See instructions)								
10	Total annualized corporation business tax. Subtract Line 9 from Line 6.								
11	Applicable percentages.		.27		.63		.72		.90
12	Multiply Line 11 by Line 10.								
13	Add the amounts in all preceding columns of Line 19. (See instructions)								
14	Annualized income installment using net income. Subtract Line 13 from Line 12 (If zero or less, enter "0")								
15	Enter your required installment for the period. (See instructions)								
16	Enter the amount from Line 18 of the preceding column of this Worksheet.								
17	Add Line 15 and Line 16 and enter here.								
18	If Line 17 is more than Line 14, subtract Line 14 from Line 17 (otherwise enter "0").								
19	Enter the lesser of Line 14 or Line 17.								
20	Total required installment for the period. Add Line 13 and Line 19.								
21	Estimated tax payments made through the due date for the period.								
22	<b>Estimated tax payment required by the next due date.</b> Subtract Line 21 from Line 20 and enter the result (but not less than "0").								

**PART V – COMPUTATION OF INTEREST**

10a. Enter the First Required Installment amount due on the 15th day of the third month (See instructions) ....	10a		
10b. Enter payments made or credits received on or before the 15th day of the third month (FIRST INSTALLMENT DUE DATE) .....	10b		
10c. First Installment Underpayment Balance (Subtract Line 10b from Line 10a) .....	10c		
<b>10. INTEREST DUE - 16th day of the third month through the 15th day of the fourth month</b> (Multiply Line 10c by .01 if greater than zero) .....	10		
11a. Enter payments made or credits received on or before the 15th day of the fourth month .....	11a		
11b. First Installment Underpayment Balance (Subtract Line 11a from Line 10c) .....	11b		
<b>11. INTEREST DUE - 16th day of the fourth month through the 15th day of the fifth month</b> (Multiply Line 11b by .01 if greater than zero) .....	11		
12a. Enter payments made or credits received on or before the 15th day of the fifth month .....	12a		
12b. First Installment Underpayment Balance (Subtract Line 12a from Line 11b) .....	12b		
<b>12. INTEREST DUE - 16th day of the fifth month through the 15th day of the sixth month</b> (Multiply Line 12b by .01 if greater than zero) .....	12		
13a. Enter payments made or credits received on or before the 15th day of the sixth month (SECOND INSTALLMENT DUE DATE) .....	13a		
13b. First Installment Underpayment Balance (Subtract Line 13a from Line 12b) .....	13b		
13c. Enter the Second Required Installment amount due on the 15th day of the sixth month (See instructions) .	13c		
13d. Second Installment Underpayment Balance (Add Line 13b and Line 13c) .....	13d		
<b>13. INTEREST DUE - 16th day of the sixth month through the 15th day of the seventh month</b> (Multiply Line 13d by .01 if greater than zero) .....	13		
14a. Enter payments made or credits received on or before the 15th day of the seventh month .....	14a		
14b. Second Installment Underpayment Balance (Subtract Line 14a from Line 13d) .....	14b		
<b>14. INTEREST DUE - 16th day of the seventh month through the 15th day of the eighth month</b> (Multiply Line 14b by .01 if greater than zero) .....	14		
15a. Enter payments made or credits received on or before the 15th day of the eighth month .....	15a		
15b. Second Installment Underpayment Balance (Subtract Line 15a from Line 14b) .....	15b		
<b>15. INTEREST DUE - 16th day of the eighth month through the 15th day of the ninth month</b> (Multiply Line 15b by .01 if greater than zero) .....	15		
16a. Enter payments made or credits received on or before the 15th day of the ninth month (THIRD INSTALLMENT DUE DATE) .....	16a		
16b. Second Installment Underpayment Balance (Subtract Line 16a from Line 15b) .....	16b		
16c. Enter the Third Required Installment amount due on the 15th day of the ninth month (See instructions) ..	16c		
16d. Third Installment Underpayment Balance (Add Line 16b and Line 16c) .....	16d		
<b>16. INTEREST DUE - 16th day of the ninth month through the 15th day of the tenth month</b> (Multiply Line 16d by .01 if greater than zero) .....	16		
17a. Enter payments made or credits received on or before the 15th day of the tenth month .....	17a		
17b. Third Installment Underpayment Balance (Subtract Line 17a from Line 16d) .....	17b		
<b>17. INTEREST DUE - 16th day of the tenth month through the 15th day of the eleventh month</b> (Multiply Line 17b by .01 if greater than zero) .....	17		
18a. Enter payments made or credits received on or before the 15th day of the eleventh month .....	18a		
18b. Third Installment Underpayment Balance (Subtract Line 18a from Line 17b) .....	18b		
<b>18. INTEREST DUE - 16th day of the eleventh month through the 15th day of the twelfth month</b> (Multiply Line 18b by .01 if greater than zero) .....	18		
19a. Enter payments made or credits received on or before the 15th day of the twelfth month (FOURTH INSTALLMENT DUE DATE) .....	19a		
19b. Third Installment Underpayment Balance (Subtract Line 19a from Line 18b) .....	19b		
19c. Enter the Fourth Required Installment amount due on the 15th day of the twelfth month (See instructions) ...	19c		
19d. Fourth Installment Underpayment Balance (Add Line 19b and Line 19c) .....	19d		
<b>19. INTEREST DUE - 16th day of the twelfth month through the 15th day of the thirteenth month</b> (Multiply Line 19d by .01 if greater than zero) .....	19		
20a. Enter payments made or credits received on or before the 15th day of the thirteenth month .....	20a		
20b. Fourth Installment Underpayment Balance (Subtract Line 20a from Line 19d) .....	20b		
<b>20. INTEREST DUE - 16th day of the thirteenth month through the 15th day of the fourteenth month</b> (Multiply Line 20b by .01 if greater than zero) .....	20		
21a. Enter payments made or credits received on or before the 15th day of the fourteenth month .....	21a		
21b. Fourth Installment Underpayment Balance (Subtract Line 21a from Line 20b) .....	21b		
<b>21. INTEREST DUE - 16th day of the fourteenth month through the 15th day of the fifteenth month</b> (Multiply Line 21b by .01 if greater than zero) .....	21		
22a. Enter payments made or credits received on or before the 15th day of the fifteenth month .....	22a		
22b. Fourth Installment Underpayment Balance (Subtract Line 22a from Line 21b) .....	22b		
<b>22. INTEREST DUE - 16th day of the fifteenth month to the 1st day of the sixteenth month</b> (Multiply Line 22b by .01 if greater than zero) .....	22		
<b>23. TOTAL INTEREST DUE (Add Lines 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22)</b> <b>Enter here and on the appropriate Connecticut tax form .....</b>	23		