

Underpayment of Estimated Income Tax by Pass-Through Entities

Name of Pass-Through Entity		Federal Employer Identification Number
Number and street	PO Box	Connecticut Tax Registration Number
City, town, or post office	State	ZIP code

Purpose: Filers of **Form CT-1065/CT-1120SI, Connecticut Pass-Through Entity Tax Return**, who underpaid their estimated Connecticut Pass-Through Entity Tax (PE Tax) may use this form to calculate the amount of interest due. **Do not file this worksheet.** Retain a copy of this worksheet for your records. Submit to the Department of Revenue Services (DRS) only upon request.

My Taxes Are Underpaid: In general, if your required annual payment is \$1,000 or more and you do not make timely installments of your required annual payment, you will be charged interest on the underpaid amount.

Your required annual payment is the lesser of:

- 90% of the PE Tax shown on Part 1, *Schedule A*, Line 2a of the return for the current taxable year, or, if no return is filed, 90% of the PE Tax for such year; **or**
- 100% of the PE Tax shown on Part 1, *Schedule A*, Line 2a of the return for the previous taxable year, if the previous taxable year was a taxable year of 12 months and if the PE filed a return for the previous income year.

Interest: You may be charged interest if you did not pay enough estimated tax payments by the installment due dates. This is true even if you are due a refund when you file your tax return. Interest is calculated separately for each installment. Therefore, you may owe interest for an earlier installment even if you paid enough tax later to make up the underpayment. Overpayment of any estimated tax will be credited against any future installment.

Interest on the underpayment of estimated income tax, at 1% per month or fraction of a month, will continue to accrue until the earlier of either:

- The due date of the return (March 15, 2022, for calendar year filers); **or**
- The date on which the underpayment is paid.

Do **not** complete this worksheet **unless:**

- Your income varied during the year and your interest is reduced or eliminated when computing using the annualized income installment method; **or**
- You wish to calculate and pay the interest you owe with your return.

If you do not complete this worksheet and enter the amount of interest that you calculate on Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 5c, DRS will calculate interest on any underpayment of estimated tax you owe and send you a bill. If you are completing this worksheet to calculate the annualized income installment method, complete *Schedule A, Annualized Income Installment Schedule*, and check the box on Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 5d.

When My Payments Are Due: Four equal installments of estimated tax are required from calendar year filers on April 15, June 15, September 15, and January 15. The due dates for fiscal year filers are adjusted based upon their fiscal year. If the due date falls on a Saturday, Sunday, or legal holiday, the payment will be considered timely if filed on the next business day.

Part 1 – Required Annual Payment

Complete Part 1 to determine if you were required to make estimated payments. See instructions.

- 2021 PE Tax from Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 2a. 1. _____
- Multiply Line 1 by 90% (.90). 2. _____
- 2020 PE Tax from Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 2a. 3. _____
- Required annual payment:** Enter the smaller of Line 2 or Line 3. 4. _____
 If Line 4 is less than \$1,000, stop here. Do not complete this form.

Part 2 – Calculate Your Underpayment and Interest for Each Calendar Quarter - See instructions.

	A	B	C	D	Total
1. Enter the required annual payment from Part 1, Line 4. Enter the same amount in Columns A, B, C, and D.					
2. Installment percentages	.25	.50	.75	1.00	
3. Multiply Line 1 by Line 2.					
4. Enter estimated tax payments. See instructions.					
5. Underpayments - Subtract Line 4 from Line 3. If Line 4 is equal to or greater than Line 3 in any column, enter "0" in that column.					
6. Interest - Use Tables A, B, C, and D of <i>Schedule B</i> and enter each result in the appropriate column. Add Columns A, B, C, and D. Enter the total in the Total Column and on Form CT-1065/CT-1120SI, Part 1, <i>Schedule A</i> , Line 5c.					

Keep a copy of this worksheet for your records.

Visit us at portal.ct.gov/DRS for more information.

Schedule A Annualized Income Installment Schedule

See *Schedule A - Annualized Income Installment, General Instructions* on Page 4.

Fiscal year filers should adjust dates to reflect their fiscal year. See below.		A	B	C	D
		1-1-2021 to 3-31-2021	1-1-2021 to 5-31-2021	1-1-2021 to 8-31-2021	1-1-2021 to 12-31-2021
1. Enter your income subject to Pass-Through Entity Tax for each period.	1.				
2. Annualization amounts	2.	4	2.4	1.5	1
3. Annualized income: Multiply Line 1 by Line 2.	3.				
4. Tax amount: Multiply Line 3 by 6.99% (.0699).	4.				
5. Applicable percentages	5.	0.225	0.45	0.675	0.90
6. Multiply Line 4 by Line 5.	6.				

Complete Lines 7 - 16 in one column before going to the next column.

7. Add the amounts in all preceding columns of Line 13.	7.				
8. Annualized income installment. Subtract Line 7 from Line 6.	8.				
9. Enter 25% of the required annual payment from Part 1, Line 4.	9.				
10. Enter Line 12 of the preceding column of this schedule.	10.				
11. Add Line 9 and Line 10.	11.				
12. Subtract Line 8 from Line 11. If less than zero, enter "0."	12.				
13. Enter the smaller of Line 8 or Line 11.	13.				
14. Enter the amount from Line 13, Column (a) here and on Part 2, Line 3, Column A.	14.				
15. Add Line 13, Column (b) and Line 14, Column (a). Enter here and on Part 2, Line 3, Column B.	15.				
16. Add Line 13, Column (c) and Line 15, Column (b). Enter here and on Part 2, Line 3, Column C.	16.				
17. Add Line 13, Column (d) and Line 16, Column (c). Enter here and on Part 2, Line 3, Column D.	17.				

Fiscal Year Filers

Replace the dates in the columns with the following:

Column A: First day of the first month of the fiscal year through the last day of the third month.

Column B: First day of the first month of the fiscal year through the last day of the fifth month.

Column C: First day of the first month of the fiscal year through the last day of the eighth month.

Column D: First day of the first month of the fiscal year through the last day of the twelfth month.

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Schedule B Interest Calculation

See Schedule B - Interest Calculation, General Instructions on Page 4.

Table A — Calendar year filers: For period beginning after April 15, 2021, and ending on or before June 15, 2021.
Fiscal year filers: Adjust dates to reflect your fiscal year. See instructions.

	Date	Amount	Interest Rate	Interest
	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	4-16-2021 to 5-15-2021			
Line c - Revised underpayment			.01	
Line d - Late payment	5-16-2021 to 6-15-2021			
Line e - Total interest				

Table B — Calendar year filers: For period beginning after June 15, 2021, and ending on or before September 15, 2021.
Fiscal year filers: Adjust dates to reflect your fiscal year. See instructions.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	6-16-2021 to 7-15-2021			
Line c - Revised underpayment			.01	
Line d - Late payment	7-16-2021 to 8-15-2021			
Line e - Revised underpayment			.01	
Line f - Late payment	8-16-2021 to 9-15-2021			
Line g - Total interest				

Table C — Calendar year filers: For period beginning after September 15, 2021, and ending on or before January 15, 2022.
Fiscal year filers: Adjust dates to reflect your fiscal year. See instructions.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	9-16-2021 to 10-15-2021			
Line c - Revised underpayment			.01	
Line d - Late payment	10-16-2021 to 11-15-2021			
Line e - Revised underpayment			.01	
Line f - Late payment	11-16-2021 to 12-15-2021			
Line g - Revised underpayment			.01	
Line h - Late payment	12-16-2021 to 1-15-2022			
Line i - Total interest				

Table D — Calendar year filers: For period beginning after January 15, 2022, and ending on or before March 15, 2022.
Fiscal year filers: Adjust dates to reflect your fiscal year. See instructions.

	1	2	3	4
Line a - Underpayment			.01	
Line b - Late payment	1-16-2022 to 2-15-2022			
Line c - Revised underpayment			.01	
Line d - Late payment	2-16-2022 to 3-15-2022			
Line e - Total interest				

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Worksheet CT-2210PE Instructions

Part 2: Calculate Your Underpayment and Interest

Line 4: Enter all timely installment payments you made in the appropriate columns. Timely installment payments are all payments made on or before the estimated payment due date(s) including any previous installment payments. Include overpayments of the prior year tax applied to the current year. If the tax return for the prior year was filed on time or within the extension period (if a timely request for an extension was filed), the overpayment will be treated as estimated tax paid on the fifteenth day of the fourth month (April 15 for calendar year filers). Otherwise, the overpayment will be treated as estimated tax paid on the date the prior year tax return was filed.

Example: If estimated Connecticut Pass-Through Entity Tax payments of \$100 each were made by a calendar year filer on April 15, June 15, September 15, 2021, and January 15, 2022, enter \$100 in Column A, \$200 in Column B, \$300 in Column C, and \$400 in Column D.

Schedule A - Annualized Income Installment

General Instructions

You may benefit from using the annualized income installment method if your income varied throughout the year because you earned more money later in the year than you did in the early part of the year.

By using this method, you may be able to reduce or eliminate the amount of one or more required installments.

If you are filing this form to use the annualized income installment method, complete this schedule and check the box on Form CT-1065/CT-1120SI, Part 1, *Schedule A*, Line 5d.

Schedule B - Interest Calculation

General Instructions

Complete the table for any period where an underpayment is shown on Worksheet CT-2210PE, Part 2, Line 5.

Example: If the underpayment is shown in Part 2, Line 5, Column A, complete Table A. If no underpayment is shown in Part 2, Line 5, Column B, but an underpayment is shown in Part 2, Line 5, Column C, skip Table B and complete Table C.

Interest at 1% per month or fraction of a month will continue to accrue until the earlier of the due date of the return (March 15, 2022, for calendar year filers), or the date on which the underpayment is paid. A month is measured from the sixteenth day of the first month to the fifteenth day of the next month. Any fraction of a month is considered a whole month.

Tables

Underpayment line: Enter in Column 2 the underpayment shown on Worksheet CT-2210PE, Part 2, Line 5. Multiply Column 2 by Column 3 and enter the result in Column 4.

Late payment line: Enter in Column 2 the amount paid during the period listed in Column 1. If multiple payments were made during the period listed, combine those payments and enter the total.

Revised underpayment line: Subtract Line b from Line a in Column 2 and enter the result in Column 2. Multiply Column 2 by Column 3 and enter the result in Column 4.

Total interest line: Add all amounts in Column 4. Enter the total in the appropriate column of Worksheet CT-2210PE, Part 2, Line 6.

Fiscal Year Filers: Fiscal year filers should adjust the dates on the tables to reflect their fiscal year ends. For example, on Table A, Line b, a fiscal year filer with a June 30, 2022 year end should replace "4-16-2021 to 5-15-2021" with "10-16-2021 to 11-15-2021."