



Maine Revenue Services Annualized Income Installment Worksheet for Underpayment of Estimated Tax Corporations and Financial Institutions

2021

	A	B	C	D
	First three months of tax year	First five months of tax year	First eight months of tax year	First eleven months of tax year
1. Annualization periods1.				
2. Enter Adjusted Federal Taxable Income for each annualization period (see instructions).....2.				
3. Annualization amounts3.	4	2.4	1.5	1.09091
4. Annualized taxable income. Multiply line 2 by line 3.....4.				
5. Calculate the gross tax on the amount on line 4 in each column (see instructions).....5.				
6. Maine tax. Multiply line 5 by the Maine apportionment factor on Form 1120ME, Schedule A, line 4.....6.				
7. For each period, enter the credits included on Form 2220ME, line 1.....7.				
8. Total tax after credits. Subtract line 7 from line 6. If zero or less, enter 0.....8.				
9. Applicable percentage9.	25%	50%	75%	100%
10. Multiply line 8 by line 9.....10.				
11. For columns B, C and D, add the amount(s) from line 17 of all of the preceding columns.....11.				
12. Annualized income installments. Subtract line 11 from line 10. If zero or less, enter 0.....12.				
13. Enter 25% of line 4 of Form 2220ME in each column. (Note: "Large corporations" see instructions.).....13.				
14. For columns B, C and D, enter the amount from line 16 of the preceding column.....14.				
15. Add lines 13 and 14.....15.				
16. For columns A, B and C, if line 15 is more than line 12, subtract line 12 from line 15; otherwise, enter 0.....16.				
17. Required installments. Enter the smaller of line 12 or line 15 here and on Form 2220ME, line 5.....17.				

Information

Purpose of worksheet: Taxpayers are required to make four equal installments of estimated tax unless the actual liability can be established, by adequate record, for each required installment payment of estimated tax. This worksheet will enable corporations and financial institutions to determine the actual amount of tax liability for each of the estimated tax payment due dates in the tax year. You may be able to lower or eliminate the amount of your quarterly estimated tax payments by using the annualized income installment method.

Who may use this worksheet: You may use this worksheet if your income varied significantly during the year. Significant income variation may occur if, for example, you own a seasonal business or the majority of your income was received at one time.

Use with Form 2220ME: This worksheet is used in conjunction with Form 2220ME, Underpayment of Estimated Tax. Enter the actual tax liability amounts from line 17 on Form 2220ME, line 5.

General Instructions

1. You must complete Form 2220ME, lines 1 through 4, before completing this worksheet.
2. You must complete lines 1-16 in each column before completing the next column.
3. If line 1 or line 3 of Form 2220ME is less than \$1,000, do not complete this worksheet. You are not required to pay estimated tax if your estimated tax liability for either 2020 or 2021, reduced by allowable credits, is less than \$1,000.

Specific Instructions

Line 1 **Annualization periods.** These periods may or may not be the same as your federal periods. See 36 M.R.S. § 5228(5).

Line 2 **Adjusted federal taxable income.** Enter adjusted federal taxable income from Form 1120ME, Line 5. Enter the amount applicable to the annualization period on line 1.

Line 5 **Calculate gross tax.** Calculate the gross tax on the amount on line 4 in each column using the tax table below.

If line 4 is:

<u>Greater than</u>	<u>But not over</u>	<u>The tax is:</u>
\$ 0	\$ 350,000	3.5% of the income
350,000	1,050,000	\$12,250 plus 7.93% of the excess over \$350,000
1,050,000	3,500,000	\$67,760 plus 8.33% of the excess over \$1,050,000
3,500,000	or more	\$271,845 plus 8.93% of the excess over \$3,500,000

Line 7 **Credits.** Enter the dollar amount of credits from 1120ME, line 8c. Enter the total amount in each column.

Line 13 **Large corporations.** A large corporation is defined by IRC § 6655(g)(2)(A). Such large corporations may elect to determine the first required installment for any taxable year based on the preceding year's state income tax liability, if that preceding year was a taxable year of 12 months. However, if the corporation so elects, the second required installment for the taxable year must equal 90% of the corporation's income tax liability for the first half of the current year, less the amount of the first installment for the taxable year as determined under this provision.