

For taxable year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**Attach to the corporation's return**

Name as shown on Forms 99T, 120, 120A, 120S	Employer identification number (EIN)
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**NOTE:** In most cases, the taxpayer DOES NOT HAVE TO FILE the Form 220. (See Part A below for exceptions.) The department will compute any penalty due and bill the taxpayer. [If the taxpayer does not have to file the Form 220, it may still use the form to compute the penalty. Enter the amount of the penalty on the estimated tax penalty line of the taxpayer's return. Do not check the box on that line of the return or attach the Form 220.]

**Part A - Reasons for Filing Form 220**

Check the boxes below that apply to the taxpayer. If any box is checked, the taxpayer must file Form 220 with the taxpayer's tax return, even though no penalty is due. See page 2 of the instructions.

- 1  The taxpayer is using the annualized income installment method.
- 2  The taxpayer is using the adjusted seasonal installment method.
- 3  **Forms 120 and 120A only.** The taxpayer is a "large corporation" computing its first required installment based on the prior taxable year's tax liability.
- 4  **Form 120S only.** The taxpayer is computing its required annual payment based on an amount equal to the **sum** of: (a) ninety percent of the portion of the current taxable year's liability attributable to built-in gains income or certain capital gains income; **plus** (b) one hundred percent of the portion of the prior taxable year's tax liability attributable to excess net passive income.

**Part B - Calculation of Underpayment**

5 2004 Arizona tax liability - from Form 99T, page 1, line 7; or Form 120, page 1, line 24 less line 25; or Form 120A, page 1, line 16 less line 17; or Form 120S, page 1, line 20 less line 21. Taxpayers with a retroactive consolidation tax payment credit or claim of right tax calculations or claiming refundable tax credits - see instructions ..... 

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6 **REQUIRED ANNUAL PAYMENT.**

a Enter 90 percent of line 5 .....	<b>6a</b>	00	
b Forms 99T, 120, and 120A - enter the tax as shown on the 2003 return. See instructions .....	<b>6b</b>	00	
c Form 120S - see instructions .....	<b>6c</b>	00	
d Forms 99T, 120, and 120A - enter the smaller of line 6a or line 6b. Form 120S - enter the smaller of line 6a or line 6c.....	<b>6d</b>		00

		(a)	(b)	(c)	(d)
7 <b>Installment due dates.</b> In columns (a) through (d), enter the 15th day of the 4th, 6th, 9th, and 12th months of the taxable year.....	7				
8 <b>Required installments.</b> If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, Part III, line 54. If the box on line 3 above is checked (but not the box on line 1 or line 2), see instruction pages 3 and 4 for the amounts to enter. If box 4 above is checked, or if none of these boxes are checked, enter 25 percent of line 6d above in each column.....	8				
9 Estimated tax paid or credited for each period (see page 4 of the instructions). <b>For column (a) only</b> - skip lines 10 through 12. Enter the amount from line 9 on line 13.....	9				
<b>Complete lines 10 through 16 of one column before completing the next column.</b>					
10 <b>For columns (b) through (d) only</b> - enter the amount, if any, from line 16 of the preceding column .....	10				
11 <b>For column (b) through (d) only</b> - add lines 9 and 10. Enter the total.....	11				
12 <b>For column (b) through (d) only</b> - add the amounts on lines 14 and 15 of the preceding column.....	12				
13 <b>For column (b) through (d) only</b> - Subtract line 12 from line 11. If zero or less, enter zero .....	13				
14 <b>For column (b) and (c) only</b> - If the amount on line 13 is zero, subtract line 11 from line 12. Otherwise, enter zero.....	14				
15 <b>Underpayment.</b> If line 13 is less than or equal to line 8, subtract line 13 from line 8. Then go to line 10 of the next column (see page 4 of the instructions). Otherwise, go to line 16 .....	15				
16 <b>Overpayment.</b> If line 8 is less than line 13, subtract line 8 from line 13. Then go to line 10 of the next column.....	16				

**Part C - Penalty Calculation**

- 17 **Forms 120 and 120A:** Enter the date of payment or the 15th day of the 4th month after the close of the taxable year, whichever is earlier. **Form 120S:** Use 3rd month instead of 4th month. **Form 99T:** Use 5th month instead of 4th month.....
- 18 Number of days from due date of installment on line 7 to the date shown on line 17 .....
- 19 Number of days on line 18 after 4/15/2004 and before 7/1/2004 .....
- 20 Underpayment on line 15 x Number of days on line 19 x 5%  
366 .....
- 21 Number of days on line 18 after 6/30/2004 and before 10/1/2004 .....
- 22 Underpayment on line 15 x Number of days on line 21 x 4%  
366 .....
- 23 Number of days on line 18 after 9/30/2004 and before 1/1/2005 .....
- 24 Underpayment on line 15 x Number of days on line 23 x 5%  
366 .....
- 25 Number of days on line 18 after 12/31/2004 and before 4/1/2005 .....
- 26 Underpayment on line 15 x Number of days on line 25 x 5%  
+ compounding, if applicable 365 .....
- 27 Number of days on line 18 after 3/31/2005 and before 7/1/2005 .....
- 28 Underpayment on line 15 x Number of days on line 27 x \*%  
+ compounding, if applicable 365 .....
- 29 Number of days on line 18 after 6/30/2005 and before 10/1/2005 .....
- 30 Underpayment on line 15 x Number of days on line 29 x \*%  
+ compounding, if applicable 365 .....
- 31 Number of days on line 18 after 9/30/2005 and before 1/1/2006 .....
- 32 Underpayment on line 15 x Number of days on line 31 x \*%  
+ compounding, if applicable 365 .....
- 33 Number of days on line 18 after 12/31/2005 and before 3/15/2006 .....
- 34 Underpayment on line 15 x Number of days on line 33 x \*%  
+ compounding, if applicable 365 .....
- 35 Add lines 20, 22, 24, 26, 28, 30, 32, and 34 .....
- 36 **Penalty Limitation.** In columns (a) through (d), list the **smaller** of Part B, line 15 x 10% OR the amount from Part C, line 35.....
- 37 **Penalty.** Add columns (a) through (d) of line 36. Enter the total here and on Form 99T, line 14; or Form 120, line 34; or Form 120A, line 25; or Form 120S, line 29.....

		(a)	(b)	(c)	(d)
17					
18					
19					
20	\$		\$	\$	\$
21					
22	\$		\$	\$	\$
23					
24	\$		\$	\$	\$
25					
26	\$		\$	\$	\$
27					
28	\$		\$	\$	\$
29					
30	\$		\$	\$	\$
31					
32	\$		\$	\$	\$
33					
34	\$		\$	\$	\$
35	\$		\$	\$	\$
36	\$		\$	\$	\$
37	\$				00

\* Arizona underpayment of estimated tax payment penalty rates are the federal underpayment rates established under IRC § 6621(a)(2).  
**Underpayments made after December 31, 2004:** For lines 26, 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter that the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. This information is also available by accessing the IRS Web Site at [www.irs.gov](http://www.irs.gov) or by calling the IRS at 1-800-829-1040.

Schedule A - Annualized Income Installment Method and/or Adjusted Seasonal Installment Method Under IRC § 6655(e)

Part I - Annualized Income Installment Method

	(a)	(b)	(c)	(d)
	First ____ Months	First ____ Months	First ____ Months	First ____ Months
1 Annualization periods - see instructions .....	1			
2 Enter taxable income for each annualization period.....	2			
3 Annualization amounts - see instructions .....	3			
4 Annualization taxable income. Multiply line 2 by line 3.....	4			
5 Calculate the tax on the amount in each column on line 4 - see instructions.....	5			
6 Enter tax from recapture of tax credits for each payment period - see instructions.....	6			
7 Subtotal tax - add lines 5 and 6 .....	7			
8 Clean Elections Fund Tax Reduction (\$5). See instructions.....	8			
9 For each period, enter the amount of nonrefundable tax credits. See instructions .....	9			
10 Arizona tax liability - subtract the sum of lines 8 and 9 from line 7. If zero or less, enter zero.....	10			
11 Clean Elections Fund Tax Credit. See instructions.....	11			
12 Tax liability after Clean Elections Fund tax credit. Subtract line 11 from line 10.....	12			
13 Refundable tax credits - see instructions.....	13			
14 Other adjustments - see instructions .....	14			
15 Net liability - subtract the sum of lines 13 and 14 from line 12. If less than zero, enter zero .....	15			
16 Applicable percentage .....	16	22.5%	45%	67.5%
17 Multiply line 15 by line 16.....	17			
18 Add the amount in all preceding columns from page 4, Part III, line 54 - see instructions.....	18			
19 Annualized income installments. Subtract line 18 from line 17. If zero or less, enter zero.....	19			

Part II - Adjusted Seasonal Installment Method

(Caution: Use this method only if the base period percentage of any 6 consecutive months is at least 70%. See the instructions for more information.)

	(a)	(b)	(c)	(d)
	First 3 Months	First 5 Months	First 8 Months	First 11 Months
20 Enter taxable income for the following periods:				
a Taxable year beginning in 2001 .....	20a			
b Taxable year beginning in 2002.....	20b			
c Taxable year beginning in 2003.....	20c			
21 Enter taxable income for each period for taxable year beginning in 2004.....	21			

	(a)	(b)	(c)	(d)
	First 4 Months	First 6 Months	First 9 Months	Entire Year
22 Enter taxable income for the following periods:				
a Taxable year beginning in 2001 .....	22a			
b Taxable year beginning in 2002.....	22b			
c Taxable year beginning in 2003.....	22c			
23 Divide the amount in each column on line 20a by the amount in column (d) on line 22a .....	23			
24 Divide the amount in each column on line 20b by the amount in column (d) on line 22b .....	24			
25 Divide the amount in each column on line 20c by the amount in column (d) on line 22c .....	25			

	(a)	(b)	(c)	(d)
	First 4 Months	First 6 Months	First 9 Months	Entire Year
26 Add lines 23 through 25 .....	26			
27 Divide line 26 by three (3) .....	27			
28 Divide line 21 by line 27 .....	28			
29 Calculate the tax on the amount in each column on line 28 - see instructions .....	29			
30 Divide the amount in columns (a) through (c) on line 22a by the amount in column (d) on line 22a .....	30			
31 Divide the amount in columns (a) through (c) on line 22b by the amount in column (d) on line 22b .....	31			
32 Divide the amount in columns (a) through (c) on line 22c by the amount in column (d) on line 22c .....	32			
33 Add lines 30 through 32 .....	33			
34 Divide line 33 by three (3) .....	34			
35 Multiply the amount in columns (a) through (c) of line 29 by the amount in the corresponding column of line 34. In column (d), enter the amount from line 29, column (d) .....	35			
36 Enter tax from recapture of tax credits for each payment period - see instructions .....	36			
37 Subtotal tax - add lines 35 and 36 .....	37			
38 Clean Elections Fund Tax Reduction (\$5). See instructions .....	38			
39 For each period, enter the amount of nonrefundable tax credits. See instructions .....	39			
40 Arizona tax liability - subtract the sum of lines 38 and 39 from line 37. If less than zero, enter zero .....	40			
41 Clean Elections Fund Tax Credit. See instructions .....	41			
42 Tax liability after Clean Elections Fund tax credit. Subtract line 41 from line 40 .....	42			
43 Refundable tax credits - see instructions .....	43			
44 Other adjustments - see instructions .....	44			
45 Net liability - subtract the sum of lines 43 and 44 from line 42. If less than zero, enter zero .....	45			
46 Multiply line 45 by 90% .....	46			
47 Add the amounts in all preceding columns from Part III, line 54 - see instructions. ....	47			
48 <b>Adjusted seasonal installments.</b> Subtract line 47 from line 46. If zero or less, enter zero .....	48			

**Part III - Required Installments**

	(a)	(b)	(c)	(d)
	1st Installment	2nd Installment	3rd Installment	4th Installment
49 If only one of the above parts is completed, enter the amount in each column from line 19 or line 48. (If both parts are completed, enter the <b>smaller</b> of the amounts in each column from line 19 or line 48.) .....	49			
50 Enter 25% of line 6d on Form 220 in each column. <b>NOTE:</b> "Large corporations" see line 8 instructions on instruction pages 3 and 4 for the amount to enter .....	50			
51 Enter the amount from line 53 of this worksheet for the preceding column .....	51			
52 Add lines 50 and 51. Enter the total .....	52			
53 If line 52 is more than line 49, subtract line 49 from line 52. Otherwise, enter zero .....	53			
54 <b>Required Installments.</b> Enter the smaller of line 49 or line 52 here and on Arizona Form 220, page 1, line 8 .....	54			