



Form CT-222, *Underpayment of Estimated Tax by a Corporation*, Revisions and New Form CT-222.1, *Election to Use Different Annualization Periods for Corporate Estimated Tax*

The 2008 Form CT-222, *Underpayment of Estimated Tax by a Corporation*, has been significantly revised in both design and function. Prior to the revisions, corporations that did not timely and fully pay their estimated tax installments were required to use Form CT-222 to compute and pay any applicable underpayment of estimated tax penalty and to attach the form to their tax return.

The 2008 Form CT-222 should only be attached to a corporation's tax return if their underpayment of estimated tax penalty computed under Tax Law section 1085(c) may be **reduced** or **eliminated** by using any of the statutory exceptions of Tax Law section 1085(d) (e.g. the annualized income installment). When no statutory exception can be claimed to either reduce or eliminate the penalty, the Tax Department will compute the penalty in accordance with the method contained in Tax Law section 1085(c).

In addition, Form CT-222.1, *Election to Use Different Annualization Periods for Corporate Estimated Tax*, has been developed for corporations who qualify for the annualized income installment method as an exception and choose to select an option other than the standard annualization period. This form must be filed by the due date of the declaration of estimated tax for the tax year to which the election will apply. The election applies only to the tax year for which it is made, and is irrevocable for that tax year.

NOTE: An N-Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.