

1999

Underpayment of Estimated Tax by Corporations

(Attach to Wisconsin Form 4, 4I, 4T, 5, or 5S)

Form

4U

Name

Federal Employer ID Number

Wisconsin Department of Revenue

Part I Computation of Underpayment and Interest Due on Underpayment

Table with 4 main columns: (a), (b), (c), (d). Rows include: 1 a Enter 1999 tax, b Enter 1999 refundable credits, c Subtract line 1b from line 1a, 2 Enter 90% of line 1c, 3 a Enter 1998 tax before the surcharge, b Enter 1998 refundable credits, c Subtract line 3b from line 3a, 4 If 1999 net income is less than \$250,000 and 1998 return covered 12 months, enter smaller of line 2 or 3c; otherwise enter line 2, 5 Enter installment due dates, 6 Divide line 4 by 4 and enter the result in each column, 7 Estimated tax paid, 8 If line 7 is less than line 6, subtract line 7 from line 6. This is your underpayment, 9 If line 7 is more than line 6, subtract line 6 from line 7. This is your overpayment, 10 Carryback of overpayment or late payment, 11 Carryforward of overpayment, 12 Subtract the total of lines 10 and 11 from line 8. This is your net underpayment, 13 Number of days from the due date of the installment to the date carryback on line 10 was paid, 14 Number of days from due date of the installment to the date balance due on return was paid or unextended due date of return, whichever is earlier, 15 Interest: 12% per year on amount on line 10 for the number of days on line 13, 16 Interest: 12% per year on amount on line 12 for the number of days on line 14, 17 Add all of the amounts on lines 15 and 16 and enter the total.

Part II Computation of Total Amount Due

Table with 3 main columns: (a) Interest at 18% per year, (b) Interest at 12% per year, (c) Total. Rows include: 18 If return filed late without an extension, enter net tax, 19 If return filed with extended due date and shows - a Net tax of \$500 or more, enter portion of net tax indicated, b Net tax of less than \$500, enter net tax, 20 Enter payments made (apply first to 18% per year column), 21 Subtract line 20 from line 18 or 19a or 19b. This is amount due 15th day of 3rd month after end of taxable year, 22 Interest on underpayment from Part I, line 17, 23 Add lines 21 and 22, 24 Interest on amounts on line 23 to (date return filed), 25 If your return is filed late without an extension or after the extended due date - a Enter penalty of 5% of net tax due on your return for each month or fraction thereof that your return is late, but not more than 25%, b Enter a \$30 late fee, 26 Add lines 22, 24, 25a, and 25b. Enter the total on the line provided on your return and increase the "Amount Due".

* Note: See the instructions for line 24.

Part III Annualized Income Installment Method Worksheet

Fill in this worksheet only if computing required installments using the annualized income installment method. **Complete one column through line 45 before completing the next column.** Form 4T filers see instructions to figure lines 27 and 29.

| | Annualization Period | | | |
|--|----------------------|--------------------|--------------------|---------------------|
| | (a) First 2 months | (b) First 5 months | (c) First 8 months | (d) First 11 months |
| 27 Enter Wisconsin net income for each period (see instructions) | | | | |
| 28 Annualization factor | 6 | 2.4 | 1.5 | 1.091 |
| 29 Multiply line 27 by line 28 | | | | |
| 30 Adjustments (NOLs, etc. – see instructions) | | | | |
| 31 Combine lines 29 and 30. This is annualized income | | | | |
| 32 Multiply line 31 by 7.9% (.079). This is annualized gross tax | | | | |
| 33 Enter your nonrefundable credits | | | | |
| 34 Subtract line 33 from line 32. If zero or less, enter zero | | | | |
| 35 Enter your refundable credits (excluding estimated tax paid) | | | | |
| 36 Subtract line 35 from line 34. If zero or less, enter zero. This is annualized net tax | | | | |
| 37 Applicable percentage | 22.5% | 45% | 67.5% | 90% |
| 38 Multiply line 36 by line 37 | | | | |
| 39 Enter the combined amounts of line 45 from all preceding columns | | | | |
| 40 Subtract line 39 from line 38. If zero or less, enter zero | | | | |
| 41 Divide Part I, line 4, by 4 and enter the result in each column | | | | |
| 42 Enter the amount from line 44 for the preceding column | | | | |
| 43 Add lines 41 and 42 and enter the total | | | | |
| 44 If line 43 is more than line 40, subtract line 40 from line 43. Otherwise, enter zero | | | | |
| 45 Enter the smaller of line 40 or 43 here and on Part I, line 6 | | | | |

Item to Note

The temporary recycling surcharge applies only to taxable years that end before April 1, 1999. On a 1999 Wisconsin franchise and income tax return, the surcharge can only apply if you are filing a short-period return based on a taxable year which began on or after January 1, 1999, and ended before April 1, 1999.

If you are filing a short-period 1999 return and are subject to the temporary recycling surcharge, see the instructions for the 1998 Form 4U or contact any Department of Revenue office for information on computing the underpayment and surcharge.

Purpose of Form 4U – Corporations and tax-exempt organizations that must file Form 4T use Form 4U to determine if they are subject to interest for underpayment of estimated tax and, if so, the amount of interest. A corporation or exempt organization must have made estimated tax payments if the total of its tax for its taxable year beginning in 1999 is \$500 or more. Form 4U is also used to compute both extension and delinquent interest whenever the tax due is not paid within 2½ months after the end of the taxable year.

Part I – Compute any underpayment of required installments and the amount of interest due in Part I. Required installments differ for large and small corporations. For estimated tax purposes, a “small” corporation is one having 1999 Wisconsin net income of less than \$250,000, while a “large” corporation is one having 1999 Wisconsin net income of \$250,000 or more.

Required installments for small corporations are based on the smaller of (1) 90% of 1999 Wisconsin net tax, (2) 100% of 1998 Wisconsin net tax, provided the 1998 return covered an entire 12-month period, or (3) 90% of the 1999 Wisconsin net tax figured by annualizing income.

Required installments for large corporations and for corporations that didn’t file a 1998 Wisconsin return covering a 12-month period are based on the smaller of 90% of 1999 Wisconsin net tax or 90% of the 1999 Wisconsin net tax figured by annualizing income.

Line 1a. Enter the amount from 1999 Form 4, line 16; Form 4I, line 20; Form 4T, line 19; Form 5, line 10; or Form 5S, line 8.

Line 1b. Enter your refundable credits from 1999 Form 4, line 18; Form 4I, line 22; Form 4T, line 21; or Form 5, line 12.

Line 3a. Enter the amount from 1998 Form 4, line 16; Form 4I, line 20; Form 4T, line 19; Form 5, line 10; or Form 5S, line 8.

Line 3b. Enter your refundable credits from 1998 Form 4, line 20; Form 4I, line 24; Form 4T, line 23; or Form 5, line 14.

Line 10. Complete line 10 only if you have an overpayment on line 9 for one or more installment periods. The overpayment may be carried back to prior installment periods and offset against an underpayment for such periods. If you use underpayments from more than one installment period to offset an underpayment of one period, fill in separately on line 10 each carryback used to offset the underpayment.

Line 11. Any overpayment remaining after completing line 10 should be carried forward to the next period.

Lines 13 through 17. Complete these lines to determine the amount of interest due on the underpayment. Complete lines 13 and 15 only when an overpayment or late payment is carried back on line 10. If you apply more than one payment to a given installment, attach a statement showing a separate computation for each payment.

If you do not have a balance due after 2½ months after the close of your taxable year, enter the amount from line 17 on your franchise or income tax return. Otherwise, enter the amount from line 17 on Part II, line 22, and complete the rest of Part II.

Part II – Complete Part II only if your return is not filed by the unextended due date and shows a balance due.

Line 24. The 12% interest applies to the tax on line 23, column b, only for the extension period. Compute interest at 18% per year from the extended due date to the date the return is filed on the sum of the tax on line 23, column b, and the 12% interest on line 24, column b. Include this additional interest in the “Total” on line 24, column c.

Line 25a. The “net tax due” is the total tax less any allowable credits and estimated payments made by the due date of the return.

Part III – If you compute one or more installments under the annualized income installment method, complete Part III and enter the amounts from line 45 on Part I, line 6. See section Tax 2.89, Wisconsin Administrative Code, if the taxable year covers less than 12 months.

Lines 27 and 30. Do not include on line 27 items which remain constant from period to period, such as net business loss carryforwards and amortization of adjustments for changes in method of accounting. Instead, enter these items on line 30, columns a through d, in total.

For filers of Form 4T, the period used to figure taxable income for each column is as follows: Column a, first 1 month; column b, first 4 months; column c, first 7 months; and column d, first 10 months.

Line 29. For filers of Form 4T, the annualization factor to be used in each column is as follows: Column a, 12; column b, 3; column c, 1.714; and column d, 1.2.