

2004

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

1 a	Enter 2004 tax before the surcharge plus the recycling surcharge (see instructions)				
b	Enter 2004 refundable credits (excluding estimated tax and surcharge paid)				
c	Subtract line 1b from line 1a. This is 2004 net tax and surcharge. If less than \$500, enter zero and go to Part II, if applicable				
2	Enter 90% of line 1c				
3 a	Enter 2003 tax before the surcharge plus the recycling surcharge, if applicable (see instructions)				
b	Enter 2003 refundable credits (excluding estimated tax and surcharge paid)				
c	Subtract line 3b from line 3a. This is 2003 net tax and surcharge				
4	If 2004 net income is less than \$250,000 and 2003 return covered 12 months, enter smaller of line 2 or 3c; otherwise, enter line 2				
5	Enter installment due dates (the 15th day of the 3rd, 6th, 9th, and 12th months of your taxable year)	(a)	(b)	(c)	(d)
6	Divide line 4 by 4 and enter the result in each column or, if you use the annualized income installment method for any period, first fill in Part III and enter the amounts from line 47				
7	Estimated tax and surcharge 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 the 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. If your return is filed after the unextended due date and shows a tax due, enter the total on Part II, line 22. Otherwise, enter the total on the line provided on your tax return				

Part II Computation of Total Amount Due

Complete this part only if your return is not filed by the unextended due date and shows a tax due.		(a) Interest at 18% per year	(b) Interest at 12% per year	(c) Total
18	If return filed late without an extension, enter net tax (including surcharge)			
19	If return filed with extended due date and shows –	(90%)	(10%)	
a	Net tax (including surcharge) of \$500 or more, enter portion of net tax indicated			
b	Net tax (including surcharge) 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	(18% per year)	(12% per year) *	
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 47 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% (0.079). 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 recycling surcharge (based on amount in this column)				
36 Add lines 34 and 35				
37 Enter your refundable credits (excluding estimated tax and surcharge paid)				
38 Subtract line 37 from line 36. If zero or less, enter zero. This is annualized net tax				
39 Applicable percentage	22.5%	45%	67.5%	90%
40 Multiply line 38 by line 39				
41 Enter the combined amounts of line 47 from all preceding columns				
42 Subtract line 41 from line 40. If zero or less, enter zero				
43 Divide Part 1, line 4, by 4 and enter the result in each column				
44 Enter the amount from line 46 for the preceding column				
45 Add lines 43 and 44 and enter the total				
46 If line 45 is more than line 42, subtract line 42 from line 45. Otherwise, enter zero				
47 Enter the smaller of line 42 or 45 here and on Part 1, line 6				

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 and recycling surcharge for its taxable year beginning in 2004 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 2004 Wisconsin net income of less than \$250,000, while a “large” corporation is one having 2004 Wisconsin net income of \$250,000 or more.

Required installments for small corporations are based on the smaller of (1) 90% of 2004 Wisconsin net tax, (2) 100% of 2003 Wisconsin net tax, provided the 2003 return covered an entire 12-month period, or (3) 90% of the 2004 Wisconsin net tax figured by annualizing income.

Required installments for large corporations and for corporations that didn’t file a 2003 Wisconsin return covering a 12-month period are based on the smaller of 90% of 2004 Wisconsin net tax or 90% of the 2004 Wisconsin net tax figured by annualizing income.

Line 1a. Enter the amounts from 2004 Form 4, line 16 plus line 17; Form 4I, line 20 plus line 21; Form 4T, line 19 plus line 20; Form 5, line 10 plus line 11; or Form 5S, line 8 plus line 10.

Line 1b. Enter your refundable credits from 2004 Form 4, line 21; Form 4I, line 25; Form 4T, line 24; or Form 5, line 15.

Line 3a. Enter the amounts from 2003 Form 4, line 16 plus line 17; Form 4I, line 20 plus line 21; Form 4T, line 19 plus line 20; Form 5, line 10 plus line 11; or Form 5S, line 8 plus line 10.

Line 3b. Enter your refundable credits from 2003 Form 4, line 21; Form 4I, line 25; Form 4T, line 24; or Form 5, line 15.

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 overpayments 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 and recycling surcharge less any allowable credits and estimated payments made by the due date, including extensions, 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 47 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.