



**UNDERPAYMENT OF ESTIMATED TAX  
BY CORPORATIONS**

Name	FEIN
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<b>Part I Required annual payment</b>	
1. Total tax (line 11 of the SC1120, or comparable line for other Income Tax returns) If the result is less than \$100, do not complete this form. You do not owe a penalty . . . . .	1
2. Enter the tax from the corporation's 2023 Income Tax return (see instructions) <b>If the tax is zero, or the tax year was for less than 12 months, skip this line</b> . . . . .	2
3. Enter the <b>lesser</b> of line 1 or line 2. If the corporation is required to skip line 2, enter the amount from line 1 . . . . .	3

<b>Part II Reasons for filing</b>	
Check the boxes below that apply. If any box is checked, the corporation <b>must</b> file the SC2220 with the corporation's tax return, even if no penalty is due. If the box on line 4 or line 5 applies, the corporation may be able to lower or eliminate the penalty.	
4. <input type="checkbox"/> The corporation is using the adjusted seasonal installment method.	
5. <input type="checkbox"/> The corporation is using the annualized income installment method.	
6. <input type="checkbox"/> The corporation is a <b>large corporation</b> calculating its first required installment based on the prior year's tax.	

<b>Part III Calculating your underpayment</b>					
		A	B	C	D
7. <b>Installment due dates:</b> Enter in columns A through D the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year . . . . .	7				
8. <b>Required installments:</b> If you checked the boxes on line 4, line 5, or line 6, see the instructions for the amount to enter in each column. If none of these boxes are checked, enter 25% of line 3 in each column . . . . .	8				
9. <b>Estimated Tax paid or credited for each period:</b> For column A only, enter the amount from line 9 on line 13..	9				
<b>Complete line 10 through line 16 of one column before going to line 10 of the next column.</b>					
10. Enter amount from line 16 of the previous column . . . . .	10				
11. Add line 9 and line 10 . . . . .	11				
12. Add amounts on line 14 and line 15 of the previous column . . . . .	12				
13. Subtract line 12 from line 11. If zero or less, enter 0 . . . . .	13				
14. If the amount on line 13 is zero, subtract line 11 from line 12. Otherwise, enter 0 . . . . .	14				
15. <b>Underpayment:</b> If line 13 is less than or equal to line 8, subtract line 13 from line 8 . . . . .	15				
16. <b>Overpayment:</b> If line 8 is less than line 13, subtract line 8 from line 13. Enter here and on line 10 of the next column . . . . .	16				

**If there are amounts on line 15 in any column, go to Part IV on page 2 to calculate the penalty.**

**Part IV Calculating the penalty**

	(a)	(b)	(c)	(d)
17. Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier. <b>(SC1120S filers:</b> use the 3rd month. <b>SC 990-T filers:</b> use the 5th month.) . . . . .	17			
18. Number of days from due date of installment on line 7 to the date on line 17 . . . . .	18			
19. Number of days on line 18 after 4/15/24 and before 7/1/24 . . . . .	19			
20. Underpayment on line 15 x $\frac{\text{Number of days on line 19}}{366}$ x 8%	20	\$	\$	\$
21. Number of days on line 18 after 6/30/24 and before 10/1/24 . . . . .	21			
22. Underpayment on line 15 x $\frac{\text{Number of days on line 21}}{366}$ x 8%	22	\$	\$	\$
23. Number of days on line 18 after 9/30/24 and before 1/1/25 . . . . .	23			
24. Underpayment on line 15 x $\frac{\text{Number of days on line 23}}{366}$ x 8%	24	\$	\$	\$
25. Number of days on line 18 after 12/31/24 and before 4/1/25 . . . . .	25			
26. Underpayment on line 15 x $\frac{\text{Number of days on line 25}}{365}$ x 7%	26	\$	\$	\$
27. Number of days on line 18 after 3/31/25 and before 7/1/25 . . . . .	27			
28. Underpayment on line 15 x $\frac{\text{Number of days on line 27}}{365}$ x *%	28	\$	\$	\$
29. Number of days on line 18 after 6/30/25 and before 10/1/25 . . . . .	29			
30. Underpayment on line 15 x $\frac{\text{Number of days on line 29}}{365}$ x *%	30	\$	\$	\$
31. Number of days on line 18 after 9/30/25 and before 1/1/26 . . . . .	31			
32. Underpayment on line 15 x $\frac{\text{Number of days on line 31}}{365}$ x *%	32	\$	\$	\$
33. Number of days on line 18 after 12/31/25 and before 3/16/26 . . . . .	33			
34. Underpayment on line 15 x $\frac{\text{Number of days on line 33}}{365}$ x *%	34	\$	\$	\$
35. Add lines 20, 22, 24, 26, 28, 30, 32, and 34 . . . . .	35	\$	\$	\$
36. <b>Penalty:</b> Add columns (a) through (d), of line 35. Enter the total here and on line 17 of the SC1120, or the comparable line for other Income Tax returns . . . . .	36			\$

\* Use the penalty interest rate for each calendar quarter. The SCDOR will determine these rates during the first month in the preceding quarter. These rates are published quarterly in Information Letters, available at [dor.sc.gov/policy](http://dor.sc.gov/policy).

# Instructions

## Filing requirements

If you are a corporation who owes an Income Tax liability of \$100 or more on your Corporate Tax Return, you must prepay your tax through withholdings or with Estimated Tax payments.

This requirement includes S Corporations, Limited Liability Companies (LLCs) taxed as corporations, and tax-exempt organizations subject to the unrelated business Income Tax.

Use this form to determine if you paid enough Income Tax during the year. If you did not pay enough, you may owe a penalty based on the amount of your underpayment.

## Part I: Required annual payment

**Line 1:** If your total tax is \$100 or greater, complete the remainder of Part I to determine the required annual payment. For your total tax amount, refer to:

- SC1120, line 11
- SC1120S, line 12
- SC1120U, line 9
- SC1104, line 9
- SC1101B, line 7
- SC990T, line 9

**Line 2:** Enter the tax, after any tax credits, as calculated on your 2023 Income Tax return. If you did not file a return showing a tax amount for the 2023 tax year, or if your 2023 tax year was for less than 12 months, do not complete this line. Instead, enter the amount from line 1 on line 3.

**Large corporations**, as defined in IRC Section 6655, should refer to the federal 2220 instructions, available at [irs.gov](https://www.irs.gov), to determine the amount to enter on line 2.

**Line 3:** Enter the lesser of line 1 or line 2. If you did not have an amount on line 2, enter the amount from line 1.

S Corporations should refer to the federal 2220 instructions for the amount to enter on line 3. The federal 2220 and instructions are available at [irs.gov](https://www.irs.gov).

## Part II: Reasons for filing

Check the appropriate box in Part II if you are:

- using the adjusted seasonal installment method
- using the annualized income installment method
- a **large corporation** calculating your first required installment based on the prior year's tax

If you check a box in Part II, you **must** file the SC2220 with your tax return even if no penalty is due.

If you checked the box on line 4 or line 5, your penalty may be lowered or eliminated.

## Part III: Calculating your underpayment

Complete line 7 through line 16 of Part III to determine if you have an underpayment for any of the four installment due dates.

**Line 8:** If your corporation's income varied during the year, (for example, it operated its business on a seasonal basis), it may be able to lower the amount of one or more required installments by using the annualized income installment method or the adjusted seasonal installment method.

To use either of these methods to calculate your required installments, use the federal forms, worksheets, and instructions with the necessary South Carolina adjustments. Write **adjusted** or **annualized** to the left of line 8 to indicate use of either of these methods. Attach a copy of the worksheet to the SC2220.

If you are a **large corporation** as defined in the IRC Section 6655, refer to the federal 2220 instructions for the amounts to enter in columns A through D of line 8.

The federal 2220 and instructions are available at [irs.gov](https://www.irs.gov).

**Line 9:** Complete as follows:

- Column A: Enter Estimated Tax payments you made by the 15th day of the 4th month of your tax year.
- Column B: Enter Estimated Tax payments you made after the 15th day of the 4th month through the 15th day of the 6th month of your tax year.
- Column C: Enter Estimated Tax payments you made after the 15th day of the 6th month through the 15th day of the 9th month of your tax year.
- Column D: Enter Estimated Tax payments you made after the 15th day of the 9th month through the 15th day of the 12th month of your tax year.

Include in your Estimated Tax payments any overpayment of tax from your 2023 tax return that you elected to apply to your 2024 Estimated Tax.

**Line 15:** If any column shows an underpayment on line 15, complete Part IV to calculate the penalty.

**Part IV: Calculating the penalty**

Complete line 17 through line 36 to determine the amount of the penalty. The penalty for the period of underpayment is determined under IRC Section 6655 at a rate determined under IRC Section 6621. For more information, refer to SC Code Section 12-54-25(D), available at [dor.sc.gov/policy](http://dor.sc.gov/policy).

Attach this form to your Income Tax return.