

New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment (page 1 of 3)

Print your company's name	Enter your federal employer identification number
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Section I. Calculate the estimated installment tax due for each quarter using method 4 and calculate the underpayment for each quarter. Using the instructions for this form, complete the schedule below to calculate underpayment of estimated corporate income tax. Complete lines 1 through 8 for each fiscal quarter.

NOTE: If your corporate income tax less credits for the current taxable year is less than \$5,000, do not file this form. You do not owe quarterly estimated tax.

1. For each quarter, enter the due date of the quarterly estimated installment tax payment. Use the 4th, 6th, 9th and 12th month of the corporation's tax year.
2. Enter the New Mexico net taxable income earned in the corresponding fiscal quarter. (The portion of line 9, Form CIT-1 earned in each quarter.)
3. Enter the net New Mexico corporate income tax due (The portion of line 14, Form CIT-1) for the corresponding fiscal quarter. If less than zero, enter zero.
4. For each quarter, multiply line 3 by 80% (0.80) and enter here. This is the estimated installment tax payment due.
5. For each quarter, enter the estimated tax payments made on or before the due date of the installment tax payment. Include payments of tax withheld. See the instructions.
6. Subtract line 5 from line 4 and enter here. This is the underpayment for the quarter as of the due date of the installment tax payment.
7. For each quarter, enter any estimated tax payments made after the due date of the installment tax payment.
8. Add lines 5 and 7 and enter here. This is the total estimated tax paid for the current quarter.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(a)	(b)	(c)	(d)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				

Section II. List each estimated tax payment. Complete the list below recording the amount of each estimated tax payment and the date each estimated tax payment was mailed. Include any carryforward from a previous return. If the federal employer identification number at the time of payment is different from the number above, include the federal employer identification number (FEIN) indicated at the time of payment. If additional space is needed, attach a separate page. The sum of estimated tax payments on line 8 of Section I must equal the estimated tax payments listed below.

Amount of estimated tax payment	Postmark date of estimated tax payment	FEIN (if different)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Check here if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. You must complete Sections I and II or the Department cannot calculate your penalty and interest using method 4, and you will be assessed penalty and interest based on the lower of methods 1, 2 or 3.

To compute the penalty and interest on underpayment of estimated corporate income tax, continue on page 2.

New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment (page 2 of 3)

Section III: Compute the interest on underpayment of estimated installment payments. Complete Section III to calculate the interest you owe.

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter

9. Enter the underpayment of estimated tax for the quarter, from line 6 of Section I.

10. Enter the due date of the installment from line 1 of Section I.

11. Enter the date of the payment or the due date of the return, whichever is earlier. (See instructions.) Include only payments made after the due date of the installment payment reported on line 7, Section I.

12. Number of days from the due date of the installment (line 10) to the date shown on line 11.

13. Number of days on line 12, after 4/15/2012 and before 7/1/2012.

14. Underpayment on line 9 X $\frac{\text{Number of days on line 13}}{365}$ X 3 % =

15. Number of days on line 12, after 6/30/2012 and before 10/1/2012.

16. Underpayment on line 9 X $\frac{\text{Number of days on line 15}}{365}$ X 3 % =

17. Number of days on line 12, after 9/30/2012 and before 1/1/2013.

18. Underpayment on line 9 X $\frac{\text{Number of days on line 17}}{365}$ X 3 % =

19. Number of days on line 12, after 12/31/2012 and before 4/1/2013.

20. Underpayment on line 9 X $\frac{\text{Number of days on line 19}}{366}$ X 3 % =

21. Number of days on line 12 after 3/31/2013 and before 7/1/2013.

22. Underpayment on line 9 X $\frac{\text{Number of days on line 21}}{366}$ X _____ % =

23. Number of days on line 12, after 6/30/2013 and before 10/1/2013.

24. Underpayment on line 9 X $\frac{\text{Number of days on line 23}}{366}$ X _____ % =

	(a)	(b)	(c)	(d)
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				

New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment (page 3 of 3)

Section III: continued

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(a)	(b)	(c)	(d)
25. Number of days on line 12, after 9/30/2013 and before 1/1/2014.	25.			
26. Underpayment on line 9 X $\frac{\text{Number of days on line 25}}{366} \times \text{ } \% =$	26.			
27. Number of days on line 12, after 12/31/2013 and before 2/16/2014.	27.			
28. Underpayment on line 9 X $\frac{\text{Number of days on line 27}}{365} \times \text{ } \% =$	28.			
29. For each column, add lines 14, 16, 18, 20, 22, 24, 26 and 28.	29.			
30. Add columns (a) through (d) of line 29. Enter the total here. This is your total interest on underpayment of estimated income tax.	30.			

Section IV: Compute the penalty on underpayment of estimated installment payments. Complete Section IV to calculate the penalty you owe.

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(a)	(b)	(c)	(d)
31. Penalty. Multiply the underpayment from line 9 by the number of months or partial months that the payment was not made by 0.02, not to exceed 20% of the amount of underpayment. A month begins on the day after the due date of the installment payment and ends on the 15th of each subsequent month.	31.			
32. Total Penalty. Enter the sum of columns (a) through (d) on line 31. This is the total penalty due on underpayment of estimated corporate income tax.	32.			

Section V: Compute the penalty and interest on underpayment of estimated installment payments. Complete Section V to calculate the penalty and interest you owe.

33. Total Interest and Penalty. Enter the sum of lines 30 and 32 on line 33. This is the total interest and penalty due on underpayment of estimated corporate income tax.	33.
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New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment
Instructions (page 1 of 3)

PURPOSE OF THIS FORM

NOTE: Complete this form only if you have elected to use method 4 to calculate estimated tax for the taxable year, and you owe penalty and interest from underpayment of estimated corporate income tax. If you qualify for method 4 and you owe penalty and interest on underpayment of estimated corporate income tax using the lower of methods 1, 2 or 3, complete this form. You may be able to reduce penalty and interest on underpayment of the estimated tax payments by filing this form. To file this form attach it to your 2012 New Mexico CIT-1 Form and mark the indicator box for *method 4, estimated underpayment penalty and interest calculation*, beneath line 19 of Form CIT-1, page 2. If you do not qualify to use method 4, do not complete this form and do not mark the box under line 19 on Form 2012 CIT-1, page 2. The Department will compute your estimated tax due, if any, using the lower of method 1, 2 or 3 and issue you an assessment of penalty and interest for underpayment of estimated tax.

See the instructions for Form CIT-ES, *New Mexico Estimated Corporate Income and Franchise Tax Payment Voucher*, for a complete explanation of estimated corporate income tax; who is required to pay, and methods 1, 2, 3 and 4.

HOW TO COMPLETE THE FORM

Section I: Compute the estimated installment tax due for each quarter using method 4 and calculate the underpayment for each quarter. Calculating estimated tax using method 4 requires that you compute corporate income tax due, net of any tax credit applied to the tax due, for each fiscal quarter of the current taxable year. The amount of the installment tax payment due for each quarter is 80% of the tax due for that quarter. The installment tax payments are due on or before the 15th day of the 4th, 6th, 9th, and 12th month of the tax year.

Requesting the Department to compute penalty and interest on underpayment of estimated corporate income tax. If you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax using method 4, mark the indicator box at the bottom of page 1 of Form RPD-41287. Complete Sections I and II *only* and submit Form RPD-41287 with your 2012 Corporate Income and Franchise tax return. REMINDER: You must also check the box under line 19 on Form CIT-1, page 2.

Line 1. For each quarter enter the due date of the quarterly estimated installment tax payment. Enter the 15th day of the 4th, 6th, 9th, and 12th month of the tax year. If the due date falls on a Saturday, Sunday, state or national legal holiday, the due date is the next regular work day. For 2012 calendar-year taxpayers, the due dates are April 16, 2012, June 15, 2012, September 17, 2012 and December 17, 2012.

Line 2. Enter the New Mexico net taxable income earned in the corresponding fiscal quarter. The New Mexico net taxable income for each quarter is the portion of the amount entered on line 9, Form CIT-1, that was earned in the applicable quarter. The amount is the net taxable income earned for the quarter, before applying the New Mexico percentage.

Line 3. For each quarter enter the net New Mexico corporate income tax due for the corresponding fiscal quarter (line 14, Form CIT-1, page 2). If less than zero, enter zero. The corporate income tax due for each quarter is based on the income earned during the fiscal quarter after applying the New Mexico percentage, less allowable credits.

Line 4. To complete line 4 for each quarter, multiply line 3 of the corresponding column by 80% (0.80). This is the estimated installment tax payment due.

Line 5. Record the sum of all timely estimated tax payments made or credited to each quarter. Include only payments made on or before the due date of the installment payment. Include any carryforwards from previous tax year returns in the first quarter installment payment and an overpayment of a prior quarter installment payment that is applied to the current installment payment. Include only timely installment payments made on or before the date the installment payment is due (line 1). Payments made after each quarterly due date for the current quarter are reported on line 7. NOTE: An overpayment of an estimated tax paid or credited can be applied to a prior quarter installment payment only when it exceeds the amount due on the current installment date.

The amount of tax withheld under the Withholding Tax Act [7-3-1 NMSA 1978] or the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act [7-3A-1 NMSA 1978] shall be deemed a payment of estimated tax. An equal amount of the tax

New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment
Instructions (page 2 of 3)

withheld is deemed paid on each quarterly payment due date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be deemed payments of estimated tax on the due dates on which the amounts were actually withheld.

Line 6. Calculate any underpayment as of the due date of the installment tax payment for each quarter by subtracting line 5 from line 4.

Line 7. Record the sum of all estimated installment tax payments made against each quarter that was paid after the due date of the installment tax payment. Do not include amounts made or credited to any other quarterly installment payment.

Line 8. For each column, add the amounts on lines 5 and 7. The total of all columns of line 8 should equal total estimated tax payments made or credited for the 2012 tax year. This amount should also equal the sum of all estimated payments listed in Section II.

Section II: List each estimated tax payment made or credited to tax year 2012. Enter the amount of each estimated tax payment made and the postmark of the payment. If it was a carryforward from a previous tax return, indicate the tax year of the return. If one or more payments were submitted to the Department under an incorrect federal employer identification number (FEIN), provide the FEIN as originally submitted with the payment.

Section III: Compute the penalty and interest on underpayment of estimated installment tax payments. Do not complete this section if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. Please check the indicator box at the bottom of page 1 of this form (RPD-41287) and follow the directions for filing this form. (See the note at the beginning of these instructions.)

Line 9. Enter the underpaid amount of the estimated installment payment due as of the due date of the installment payment. (From line 6 of Section I)

Line 10. Enter the date the installment payment was due (from line 1 of Section I).

Line 11. Enter the date the late installment payment was made or the due date of the return, whichever is earlier. Include only payments made after the due date of the installment payment. If multiple payments were made after the due date of the installment payment, for any quarter, the column for the quarter will need to be repeated. Each payment for a quarter should be computed in a separate column. A spreadsheet can be attached that is in the same format as Section III. When completing line 21, for subsequent columns for the same quarter, subtract the previous payment(s) for the quarter from the underpayment of estimated tax for the quarter.

General Instructions for lines 12 through 30, columns (a) through (d).

- You do not need to complete a column for a quarter if zero or no underpayment of estimated tax payment is recorded on line 9 for the corresponding quarter.
- "Underpayment" generally refers to the underpayment calculated on line 6 of Section I. See the note on the next page, when multiple partial payments are made on a quarterly estimated tax liability after the installment tax due date.

Lines 13, 15, 17, 19, 21, 23, 25, and 27. Enter the number of days from the beginning of the calculation period to the date the underpayment was paid or the last day of the calculation period, whichever is earlier. The calculation period is defined on the form. For example, line 13, identifies the calculation period as after 04/15/2012 and before 07/01/2012. The calculation periods coincide with the calendar year quarters.

Lines 14, 16, 18, 20, 22, 24, 26 and 28. Calculate interest due during the calculation period. Perform the computation as indicated on the form. If the annual interest rate is blank, then the annual interest rate for the quarter was not announced by the IRS at the time of the last revision of this form. Check the Department web site for a current list of the applicable interest rates. The IRS does not announce the interest rates until the month prior to the beginning of each quarter.

New Mexico Taxation and Revenue Department
2012 Calculation of Estimated Corporate Income Tax
Penalty and Interest on Underpayment
Instructions (page 3 of 3)

Line 29. For each column, add lines 14, 16, 18, 20, 22, 24, 26 and 28 and enter the sum in the respective column.

Line 30. Enter the sum of line 29, columns (a) through (d). This is the total interest on underpayment of estimated income tax.

Section IV: Compute the penalty on underpayment of estimated installment payments. Do not complete this section if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. Please check the indicator box at the bottom of page 1 of this form (RPD-41287) and submit page 1 only.

Line 31. Multiply the underpayment from the corresponding column, line 9 by the number of months or partial months* within the calculation period that the underpayment was unpaid by 0.02. The calculation period for computing penalty is the period between lines 10 and 11, on page 2 of Form RPD-41287. The formula for computing penalty is:

$$\text{Underpayment} \times \text{number of full/partial months} \times 0.02 =$$

*Compute the number of full/partial months within the calculation period that the underpayment on line 9 remains unpaid. To calculate months or partial months, begin counting on the day after the due date of the estimated installment tax payment. Payments received the day after the due date of the installment tax payment, are paid one partial month late. Add one month for each 15th of the month that passes before the payment is made.

NOTE: If a required quarterly estimated tax liability is paid with more than one estimated tax payment after the due date of the installment tax payment, additional computations will be necessary. For computing the underpayment interest on a partial payment within a calculation period, on a separate sheet of paper calculate each underpayment amount and the number of days within each calculation period that the underpayment amount remained outstanding. Compute the penalty and interest on each underpayment due using the instructions for computing interest and penalty. Add the total penalty and interest for the calculation period and record the totals in the correct column for the applicable quarter. Attach the worksheet.

Line 32. Enter the sum of line 31, columns (a) through (c). This is the total penalty on underpayment of estimated income tax.

Section V: Compute the penalty and interest on underpayment of estimated installment payments. Do not complete this section if you wish the Department to compute the penalty and interest on underpayment of estimated corporate income tax. Please check the indicator box at the bottom of page 1 of this form (RPD-41287) and submit page 1 only.

Line 33. Enter the sum of lines 30 and 32 on line 33. This is the total interest and penalty due on underpayment of estimated corporate income tax.

HOW TO PAY AN ESTIMATED INSTALLMENT PAYMENT

You may pay through the Department's web site at www.tax.newmexico.gov. Click on "Online Services". You may pay by electronic check at no charge. An electronic check authorizes the Department to debit your checking account in the amount you specify. You may also make tax payments via credit card. *A convenience fee of 2.49% is required to use this service. The fee reimburses the state for fees charged by the credit card company.*

To make an estimated installment payment by check, obtain the CIT-ES Form from the Department's web site at www.tax.newmexico.gov, one of the Department's district offices, or from your tax return preparation software. Ensure that your form indicates the correct tax on the CIT-ES. To ensure your payment is applied to correctly, the form must indicate the correct tax year which you wish to make an estimated payment. For example, if you are making an estimated payment for your 2012 tax return due in 2013, make certain that your CIT-ES form indicates the 2012 tax year. Write your FEIN or CRS number and the tax year of the return to which the payment applies on the check or money order. Make the payment payable to New Mexico Taxation and Revenue Department and mail with Form CIT-ES to:

New Mexico Taxation and Revenue Department
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