



Enclose with your Form 1120ME or Form 1120B-ME
(See instructions on back)

Name as shown on Form 1120ME or 1120B-ME

Your FEIN (do not enter / or -)

☐ Form 1120B-ME, line 3f minus lines 4b and 4d.

4. Enter the smaller of line 2 or line 3 4. _____

b. Overpayment (line 7 minus line 5) 8b.

13. Total of amounts shown on line 12. Enter result here and on Form 1120ME, line 9 or Form 1120B-ME, line 5b 13.

[illegible]

General Instructions

Purpose of form:

Form 2220ME enables corporations and financial institutions to determine if sufficient estimated tax was paid by the proper due date. If the minimum amount was not paid timely, an underpayment penalty is imposed for the period of underpayment. This form helps determine whether or not you are subject to this penalty.

Who must pay the underpayment penalty:

If you did not pay enough estimated tax by any due date for paying estimated tax, you may be charged a penalty.

In general, you may owe the penalty if, for 2024 you did not pay the lesser of 90% of your tax liability for 2024 or 100% of the tax liability for 2023, if the 2023 return covered 12 months. Large corporations, as defined by IRC § 6655(g)(2)(A), must also meet the test required by 36 M.R.S. § 5228(5)(C).

Exceptions to the penalty:

You will not have to pay the penalty or file this form if either of the following two situations applies:

1. Your tax liability for 2024, reduced by allowable credits, is less than \$1,000.
2. Your 2023 tax liability was less than \$1,000.

The penalty may be avoided if at least 90% of the 2024 tax was paid when due, even though you may be required to file this form.

Actual liability for each quarter:

Taxpayers are required to make four equal installments of estimated tax unless the actual liability can be established, by adequate record, for each required installment payment of estimated tax. The Annualized Income Installment Worksheet for Underpayment of Estimated Tax is used to determine actual liability.

Carryover of Prior Year Overpayment:

Line 6a. Enter the carryover of the 2023 overpayment in the column that corresponds to the due date of the 2023 Form 1120ME or Form 1120B-ME, without regard to extension, or the date the payment resulting in the 2023 overpayment was made, whichever is later.

Computation of underpayment penalty:

If no exception applies for an installment date, complete lines 9 through 13 to determine the amount of the penalty. The penalty is based on the amount of the underpayment of the required installment for the period of underpayment. It is computed at the stated rate for each month or fraction thereof in the period of underpayment. For calendar year 2024, the penalty rate is .8333% per month or fraction thereof, compounded monthly. For calendar year 2025, the penalty rate is .8333% per month or fraction thereof, compounded monthly. The effective penalty rate for the number of months shown on line 10 is listed below.

Fiscal year filers may not use the table below.

Number of months shown on line 10	1	2	3	4	5	6	7	8	9	10	11	12
Enter this rate on line 11, Column A	.008333	.016736	.025209	.033752	.042367	.051053	.059812	.068644	.077549	.086529	.095583	.104713
Enter this rate on line 11, Column B	.008333	.016736	.025209	.033752	.042367	.051053	.059812	.068644	.077549	.086529		
Enter this rate on line 11, Column C	.008333	.016736	.025209	.033752	.042367	.051053	.059812					
Enter this rate on line 11, Column D	.008333	.016736	.025209	.033752								