

NAME: _____ FEDERAL EMPLOYER IDENTIFICATION NUMBER: _____

Form 2220E is not a required form unless a taxpayer chooses to utilize an alternative method (as provided for on Form 2220E) to compute the interest and penalty due as a result of their underpayment of estimated tax. Form 2220E, if utilized, along with a copy of the federal Form 2220, should accompany Forms ET-1 and ET-1C. In addition, any interest or penalty due as computed using Form 2220E should be totaled and entered on PART III, lines 4a and 4b, as well as reported on the appropriate line of Forms ET-1 and ET-1C.

PART I – Reasons for Filing

Check the boxes below that apply to the financial institution. If any boxes are checked, the financial institution **must file** Form 2220E (see instructions).

- The financial institution is using the annualized income installment method. Go to Schedule A to compute the Required Installments before computing the interest/penalty due in Part IV and Part V of this form.
- The financial institution is using the adjusted seasonal installment method. Go to Schedule B to compute the Required Installments before computing the interest/penalty due in Part IV and Part V of this form.
- Large Corporation 1st quarter exception (see instructions)

PART II – Required Annual Payment

1 Current Tax Period Liability.	1	
2 Enter the tax shown on the 2023 financial institution's tax return (see instructions). Caution: If the tax liability is zero or the taxpayer meets the definition of a large corporation or the tax period was for less than 12 months, skip this line and enter the amount from line 1 on line 3.	2	
3 Required annual payment. Enter the smaller of line 1 or line 2. If the corporation is required to skip line 2, enter the amount from line 1	3	

PART III – Total Penalty and Interest

4a PENALTY – Enter the total amount of Late Payment Penalty – Estimate computed from Part V, line 21 here and on Form ET-1, line 20b or Form ET-1C, line 6b	4a	
4b INTEREST – Enter the total amount of Estimate Interest computed from Part VI, line 40 and on Form ET-1, line 20c or Form ET-1C, line 6c	4b	

PART IV – Computation of Underpayment / Overpayment by Quarter

Note: Large corporations are required to pay 100% of the current year tax.

	(a)	(b)	(c)	(d)
5 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, 12th months of the financial institution's tax year	5			
6 Required Installments (see instructions)	6	\$	\$	\$
7 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 7 on line 11.	7	\$	\$	\$

Complete lines 8 through 14 of one column before going to the next column.

8 Enter amount, if any, from line 14 of the preceding column	8	////////////////////		
9 Add lines 7 and 8.	9	////////////////////		
10 Add amounts on lines 12 and 13 of the preceding column	10	////////////////////		
11 Subtract line 10 from line 9. If zero or less, enter -0-	11			
12 If the amount on line 11 is zero, subtract line 9 from line 10. Otherwise, enter -0-	12	////////////////////		////////////////////
13 Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6, then go to line 8 of the next column. Otherwise, go to line 14	13			
14 Overpayment. If line 6 is less than line 11, subtract line 6 from line 11, then go to line 8 of the next column	14			////////////////////

Go to Part V on page 2 to calculate the penalty. Go to Part VI on page 2 to calculate the interest. Do not go to Part V or VI if there is not an underpayment on line 13 – no penalty or interest is owed.

*Alabama interest rates are tied to the interest rates used by the Internal Revenue Service. Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov or call 1-800-829-4933.


PART V – Late Payment Penalty-Estimate		(a)	(b)	(c)	(d)
15	Required Installments (from Part IV, line 6, page 1).....	15			
16	Estimated Tax Paid (from Part IV, line 7, page 1).....	16			

Complete lines 17 through 20 of one column before going to the next column.

17	Underpayment/(Overpayment) of Estimated Tax (subtract line 16 from line 15). Enter the result.	17			
18	Enter any Overpayment (as a positive value) from the preceding column of line 17 (or line 19) in columns (b)–(d).....	18	////////////////////	////////////////////	
19	Underpayment/(Overpayment) by period (subtract line 18 from line 17). Enter the result.	19			
20	Penalty [Multiply the underpayment on line 19 by 10% (.10)]. If line 19 reflects an overpayment, leave blank.	20			

21 PENALTY. Add columns (a) through (d) of line 20. Enter the total here and on page 1, Part III, line 4a. **21**

PART VI – Computing the Addition to Tax-Interest
Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier (see instructions)

		(a)	(b)	(c)	(d)
22	Number of days from due date of installment on line 5, Part IV to the date shown above	22			
23	Number of days on line 22 after 4/18/2023 and before 7/1/2023 ...	23			
24	Underpayment on line 13 x number of days on line 23 x $\frac{365}{365}$	24	\$	\$	\$
25	Number of days on line 22 after 6/30/2023 and before 10/1/2023 ...	25			
26	Underpayment on line 13 x number of days on line 25 x $\frac{365}{365}$	26	\$	\$	\$
27	Number of days on line 22 after 9/30/2023 and before 1/1/2024 ...	27			
28	Underpayment on line 13 x number of days on line 27 x $\frac{365}{365}$	28	\$	\$	\$
29	Number of days on line 22 after 12/31/2023 and before 4/1/2024 ...	29			
30	Underpayment on line 13 x number of days on line 29 x $\frac{365}{365}$	30	\$	\$	\$
31	Number of days on line 22 after 3/31/2024 and before 7/1/2024 ...	31			
32	Underpayment on line 13 x number of days on line 31 x $\frac{365}{365}$	32	\$	\$	\$
33	Number of days on line 22 after 6/30/2024 and before 10/1/2024 ...	33			
34	Underpayment on line 13 x number of days on line 33 x $\frac{365}{365}$	34	\$	\$	\$
35	Number of days on line 22 after 9/30/2024 and before 1/1/2025 ...	35			
36	Underpayment on line 13 x number of days on line 35 x $\frac{365}{365}$	36	\$	\$	\$
37	Number of days on line 22 after 12/31/2024 and before 2/16/2025 ...	37			
38	Underpayment on line 13 x number of days on line 37 x $\frac{365}{365}$	38	\$	\$	\$
39	Add lines 24, 26, 28, 30, 32, 34, 36 and 38. 	39	\$	\$	\$

40 Addition to tax (interest). Add columns (a) through (d) of line 39. Enter the total here and page 1, Part III, line 4b. **40** \$

PART VII – Required Installments – Annualized Income and/or Seasonal Installment Method

Complete lines 42 through 47 of one column before going to the next column.

	(a)	(b)	(c)	(d)
41 If only Schedule A or Schedule B is completed, enter the amount in each column from line 19 of Schedule A or line 23 of Schedule B. If both parts are completed, enter the smaller of the amounts in each column from line 19 of Schedule A or line 23 of Schedule B and check here <input type="checkbox"/>				
42 Add the amounts in all preceding columns of line 47 (b), (c), and (d)	////////////////////////////////////// //////////////////////////////////////			
43 Adjusted seasonal or annualized income installments. Subtract line 42 from line 41. If zero or less, enter -0-				
44 Enter 25% of line 3 from page 1, Part II of this form in each column.				
45 Subtract line 47 of the preceding column from line 46 of the preceding column (b), (c), and (d)	////////////////////////////////////// //////////////////////////////////////			
46 Add line 44 and line 45				
47 Required Installments. Enter the smaller of line 43 or line 46 here and on line 6, page 1, Part IV of this form				

SCHEDULE A – Annualized Income Installment Method		(a)	(b)	(c)	(d)
		First _____ Months	First _____ Months	First _____ Months	First _____ Months
1	Annualization periods (see instructions)	1			
2	Enter Annualized Taxable Income (loss) by period from line 23c of Federal Form 2220	2			
3	Federal Net Operating Loss	3			
4	Reconciliation adjustments (from line 26, Schedule A)	4			
5	Net Nonbusiness (income)/loss (Everywhere) from Schedule C, line 2, col. E	5			
6	Annualized Taxable Income by period, adjusted to Alabama basis. (Enter total of lines 2, 3, 4 and 5)	6			
7	Financial Institution's Alabama apportionment factor.	7	%	%	%
8	Multiply line 6 by line 7. Enter the result.	8			
9	Net nonbusiness income/(loss) – Alabama (from Schedule C, line 2, col. F)	9			
10	Financial Institution's Federal Income Tax Deduction	10			
11	Financial Institution's Alabama Net Operating Loss Deduction - Schedule B.	11			
12	Other Tax Preference Items	12			
13	Enter the total of lines 9, 10, 11 and 12.	13			
14	Subtract line 13 from line 8. Enter the result.	14			
15	Calculate the tax on the amount on line 14 using the instructions for Form ET-1.	15			
16	Credits.	16			
17	Subtract line 16 from line 15. Enter the result.	17			
18	Applicable percentage.	18	25%	50%	75%
19	Multiply line 17 by line 18. Enter the result here and on line 41, Part VII of this form.	19			

SCHEDULE B – Adjusted Seasonal Installment Method		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
1	Enter taxable income for the following periods:				
a	Tax year beginning in 2020	1a			
b	Tax year beginning in 2021	1b			
c	Tax year beginning in 2022	1c			
2	Enter taxable income for each period for the tax year beginning in 2023	2			
			First 4 months	First 6 months	First 9 months
3	Enter taxable income for the following periods:				Entire Year
a	Tax year beginning in 2020	3a			
b	Tax year beginning in 2021	3b			
c	Tax year beginning in 2022	3c			

		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
4	Divide the amount in each column on line 1a by the amount in column (d) on line 3a.				
4					
5	Divide the amount in each column on line 1b by the amount in column (d) on line 3b.				
5					
6	Divide the amount in each column on line 1c by the amount in column (d) on line 3c.				
6					
7	Add lines 4 through 6.				
7					
8	Divide line 7 by 3 (not line 3). Enter the result.				
8					
9	Divide line 2 by line 8. Enter the result.				
9					
10	Financial Institution's Alabama apportionment factor				
10					
11	Multiply line 9 by line 10. Enter the result.				
11					
12	Financial Institution's Federal Income Tax Deduction (allocable to each period – see instructions)				
12					
13	Financial Institution's Alabama Net Operating Loss Deduction (allocable to each period – see instructions)				
13					
14	Other Tax preference items (allocable to each period – see instructions)				
14					
15	Total (add lines 12, 13 and 14). Enter the result.				
15					
16	Subtract line 15 from line 11. Enter the result.				
16					
17	Calculate the tax on the amount on line 16 using the instructions for Form ET-1.				
17					
18 a	Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a.				////////////////////
18a					////////////////////
18 b	Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b.				////////////////////
18b					////////////////////
18 c	Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c.				////////////////////
18c					////////////////////
19	Add lines 18a through 18c.				////////////////////
19					////////////////////
20	Divide line 19 by 3 (not line 3). Enter the result.				////////////////////
20					////////////////////
21	Multiply the amount in columns (a) through (c) of line 17 by columns (a) through (c) of line 20. In column (d) enter the amount from line 17, column (d).				
21					
22	Enter any applicable tax credits for each period.				
22					
23	Total tax after credits. Subtract line 22 from line 21. If zero or less, enter -0-. Enter the result on line 41, Part VII of this form				
23					