



Maine Revenue Services
Corporate Income Tax
Estimated Tax Worksheet
for Form 1120ES-ME

1. Adjusted federal taxable income (check one)

For 2021: [] For 2022 (estimated): [] 1. _____

2. a. Estimated Maine gross tax 2a. _____

For tax years beginning on or after January 1, 2022, the Maine corporate tax rates are as follows:

If adjusted federal taxable income is:

Table with 3 columns: Greater than, But not over, The tax is. Rows show tax rates for income brackets from \$0 to \$3,500,000 or more.

b. Estimated Maine corporate income tax (Line 2a multiplied by the estimated Maine apportionment factor) 2b. _____

3. Overpayment from prior year elected for credit to estimated tax 3. _____

4. Balance of estimated Maine corporate income tax (line 2b minus line 3) 4. _____

5. Computation and record of payments

Table with 6 columns: Date Due*, Quarterly Estimate, 2021 Overpayment, Balance Due, Date Paid, Check or Transaction #. Rows 1-4 for quarterly payments.

* Calendar-year filers only. (Fiscal year corporations: use the date corresponding with the 15th day of the 4th, 6th, 9th and 12th months of the fiscal year.)

Note: If your estimated tax changes during the year, you may use the amended computation worksheet below to determine the amended amounts to be submitted.

1. Amended estimated Maine corporate income tax 1. _____

2. Less:

a. Amount of overpayment from prior year credited to this year's estimated tax and applied to date 2a. _____

b. Payments made for current year 2b. _____

c. Total: Line 2a plus line 2b 2c. _____

3. Unpaid balance: Line 1 minus line 2c 3. _____

4. Amount to be paid: Line 3 divided by number of remaining installments 4. _____

(Keep for your records)
See reverse side for instructions

Important Updates

For tax years beginning on or after January 1, 2022, the corporate income tax law is simplified by establishing clearly defined, objective nexus thresholds as a practical structure for the current general "economic nexus" standard. These so-called factor presence thresholds clarify the minimum thresholds that, when exceeded by a corporation, subject that corporation to the Maine corporate income tax. The new thresholds create a safe harbor for corporations with little activity within the State that nonetheless have nexus

under current law due to a small, but greater than de minimis, physical presence in Maine. Under the new law, a corporation has nexus with Maine if the corporation is organized or commercially domiciled in Maine or if, in Maine, any of the following thresholds are exceeded: \$250,000 of property, \$250,000 in payroll, \$500,000 in sales in Maine, or 25% of the corporation's total property, payroll, or sales is in Maine. For more information, see 36 M.R.S. §§ 5102(10), 5200-B, and 5211(14); L.D. 1216; P.L. 2021, c. 181, Pt. E.

General Instructions

1. Who must pay estimated tax:

Every corporation subject to taxation under 36 M.R.S., Part 8 (Income Taxes) must pay estimated tax. If the income tax liability for the current tax year or for the prior tax year reduced by any allowable credits is less than \$1,000, the requirement is waived. See 36 M.R.S. § 5228(2).

2. Amount of estimated tax to be paid:

The estimated tax must be no less than the smaller of the following:

- An amount equal to the preceding year's tax liability, if that preceding year was a taxable year of 12 months; or
- An amount equal to 90% of the tax liability for the current tax year.

Exception: Large corporations as defined by IRC § 6655(g)(2)(A), are required to pay estimated taxes in accordance with paragraph b, except as provided in 36 M.R.S. § 5228(5)(C).

3. Due dates for estimated tax installments:

Installment payments are due on the 15th day of the 4th, 6th, 9th and 12th months following the beginning of the corporation's fiscal year. If the due date falls on a Saturday, Sunday or legal holiday, substitute the next succeeding day which is not a Saturday, Sunday or legal holiday.

4. Amount of installments:

The amount of estimated tax due for the taxable year must be paid in four equal installments unless:

a. The taxpayer establishes by adequate record the actual distribution of tax liability and allowable credits during the tax year; or

b. The taxpayer is a large corporation as defined by IRC § 6655(g)(2)(A). Such large corporations may elect to determine the first required installment for any taxable year based on the preceding year's state income tax liability, if that preceding year was a taxable year of 12 months.

However, if the corporation so elects, the second required installment for the taxable year must be no less than 90% of the corporation's income tax liability for the first half of the current year, less the amount of the first installment for the taxable year as determined under this provision.

5. Underpayment penalty:

A penalty equal to the interest rate on overdue taxes accrues automatically on underpayments of the required installment amount for the period of underpayment. The period of underpayment is the period of time from the date the installment is due until the underpayment is satisfied or until the tax return to which the estimate installment applies is due, whichever occurs earlier. Calculate the underpayment penalty on Form 2220ME.

6. Short taxable year:

For a corporation having a tax year of less than 12 months, the estimated tax must be paid in full by the 15th day of the last month of the tax year. If you are filing a tax return for a short tax year, identify your next filing period in the space provided on the voucher.

Specific Instructions

Line 5

Column A **Quarterly Estimate.** Divide line 2b by 4 and enter the result in each row.

Column B **2021 Overpayment.** Enter the amount from line 3 on row 1 of this column. If this amount is larger than the amount on row 1 of column A, subtract the amount in column A from this amount. Enter the result in column B, row 2. Repeat this procedure on each line until the amount of overpayment is used.

Column C **Balance Due.** Subtract column B, row 1 from column A, row 1 and enter the result here. This amount is the balance due for the quarter. The total of all four rows in this column should equal the amount on line 4 (Balance of estimated Maine corporate income tax).

Column D **Date Paid.** Enter the date the balance in column C is paid.

Column E **Check or Transaction #.** Enter the check number or the bank transaction number for the quarterly payment made.