

Name of Corporation as Shown on your Oregon Corporate Return	Oregon Business Identification Number	Federal Employer Identification Number
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Current and Prior Year Information

1. Net Excise or Income tax (from Form 20, Form 20-I, Form 20-S, or Form 20-INS) 1
2. Prior year's tax liability (**high income taxpayers, see instructions**) 2

PART I – Underpayment. To figure your underpayment, fill in lines 3 through 9.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
3. Divide the amount on line 1 by the number of payments required for the year (usually 4). Fill in the result for the quarters you owed estimated tax .. 3				
4. Estimated tax paid this year for each quarter 4				
5. Refund from last year applied to this year's tax..... 5				
6. Overpayment from line 8 from previous quarter..... 6				
7. Total tax paid (add lines 4, 5, and 6)..... 7				
8. Overpayment. If line 7 is more than line 3, enter difference here (do not use exceptions) 8				
9. Amount of underpayment for each quarter. Lesser of lines 10, 11, 12, or 13; less line 7 (whichever is applicable) (only use amounts greater than zero)..... 9				

Do not enter zero on lines 12 or 13 unless you have computed Exception 3, line 12 (use worksheet below) or Exception 4, line 13 (see instructions) and calculated a loss for the quarter.

PART II – Exceptions to Paying Interest. Exception amounts on lines 11, 12, and 13 cannot be used to calculate an overpayment on line 8.

Check box if last year's tax due was \$10 and you are not a "high-income taxpayer" (see instructions).

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
10. Exception 1 – Current year's tax due 10	25% of line 1	25% of line 1	25% of line 1	25% of line 1
11. Exception 2 – Prior year's tax (high-income taxpayers may use this exception for the first quarter only) (see instructions) 11	25% of line 2	25% of line 2	25% of line 2	25% of line 2
12. Exception 3 – Net annualized tax (from line 20) 12	25% of line 20	25% of line 20	25% of line 20	25% of line 20
13. Exception 4 – Recurring seasonal income (see instructions) 13				

You will NOT be subject to interest on underpayment of estimated tax if your tax payment (line 7, quarters 1 through 4) equals or exceeds the amounts for one of the exceptions (lines 10, 11, 12, and 13; quarters 1 through 4) for the same payment period.

Exception 3 Worksheet – To figure your annualized income, use the formula and chart below.

Actual income × Factor = Annualized income

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
14. Ending date of annualization period (see instructions) 14				
15. Actual income through date on line 14 less net losses carried forward from prior tax years..... 15				
16. Annualization factors based on selected annualized period (see instructions)..... 16				
17. Annualized income (line 16 × line 15)..... 17				
18. Annualized tax (0.066 × line 17) 18				
19. Less tax credits available at end of quarter 19				
20. Net annualized tax (use to figure line 12) 20				

Part III – Interest on Underpayments. (See instructions below.)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
21. Amount of underpayment for each quarter. If you met an exception, enter -0-. If not, enter amount from Part I, line 9 21				
22a. Date estimated payment was due 22a				
22b. Date underpayment amount was paid or the due date of the return, whichever is earlier..... 22b				
23. Number of full months between dates on line 22a and 22b 23				
24. Number of days in a partial month between dates on line 22a and 22b 24				
25. Number of full months on line 23 × monthly interest rates × line 21 25				
26. Number of days on line 24 × daily interest rates × line 21 26				
27. Interest due (line 25 plus line 26) 27	a.	b.	c.	d.
28. Total interest due (add line 27, columns a, b, c, and d)28				

Enter the amount from line 28 above on the “interest on underpayment of estimated tax” line of Form 20, Form 20-I, Form 20-S, or Form 20-INS. Attach this form to your return and check the appropriate box at the top of your return to indicate “Form 37 is attached.”

Form 37 Instructions

If your tax on the prior year's return was not over \$10, interest on any underpayment will not be imposed. (This exception does not apply to high-income taxpayers.) High-income taxpayers may use Exception 2 for their first quarter only (see below).

A “high-income taxpayer” is one that had federal taxable income, before net operating loss and capital loss carryovers and carrybacks, of \$1,000,000 or more in any one of the last three tax years, not including the current year.

Line 11—Exception 2. You qualify to use this exception if the prior year's return (1) covers a period of 12 months and (2) shows a liability.

You meet this exception if the current year's tax you paid (Part I, line 7) is equal to or more than the amount of net income tax reported on your prior year's tax return. Each quarterly installment must be paid on or before its due date.

Low income taxpayer. If you paid estimated tax during the first quarter equal to or greater than the net tax for the prior tax year, you qualify for exception two for the entire year and owe no interest on underpayment of estimated tax.

High income taxpayer. This exception only applies to the first installment payment of a high income taxpayer. If you meet this exception, any reduction to the first installment payment due to this exception must be added to the second installment payment.

The reduction amount is the lower of the actual underpayment (difference between line 3 and line 7) in the first quarter column, or the difference between the amount on line 11 and the next lowest exception amount in the first installment column. Add the reduction from the first quarter to the amount on line 3 and the lowest amount on line 10, 12, or 13 in the column for the second quarter.

Line 13—Exception 4. This applies to taxpayers with recurring seasonal income. The taxpayer must pay, by each installment

due date, an amount equal to 100 percent of the amount by applying Section 6655(e)(3)(C) of the Internal Revenue Code (IRC) to Oregon taxable income. Attach a schedule of your computation.

Line 14—Annualization periods. If you did not elect to use the optional annualization periods for federal purposes allowable under section 6655(e)(2)(C) of the Internal Revenue Code, you must use the standard Oregon annualization periods provided in ORS 314.525(2)(c)(A). If you elected to use the optional annualization periods for federal purposes, you must use the same annualization periods for Oregon.

Months in Annualization Periods

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Standard Oregon Periods	3	3 or 5	6 or 8	9 or 11
Federal Option #1	2	4	7	10
Federal Option #2	3	5	8	11

Line 16—Annualization factors. The annualization factor is based on the number of months in the annualization period.

Annualization Factor

Number of Months	2	3	4	5	6	7	8	9	10	11
Annualization Factor	6	4	3	2.4	2	1.714	1.5	1.333	1.2	1.091

Lines 27 and 28—Interest is computed on the underpayment amount from Part III, line 21. Interest rates may change once a calendar year. The chart below shows the interest rates and effective dates.

Interest Rates			
For Periods Beginning	Annual	Monthly	Daily
February 1, 2003	7%	0.5833%	0.0192%
January 1, 2004	6%	0.5000%	0.0164%
January 1, 2005	5%	0.4167%	0.0137%
January 1, 2006	7%	0.5833%	0.0192%
January 1, 2007	9%	0.7500%	0.0247%
January 1, 2008	9%	0.7500%	0.0247%

Attach this form to your return if you owe interest or meet an exception and check the box at the top of your return by Form 37