

declarations of estimated tax by individuals. Except as provided in paragraph (b) of §301.6091-1 (relating to hand-carried documents), an application for an extension of time for paying a particular installment of the estimated tax shall be addressed to the internal revenue officer with whom the taxpayer files his declaration. Each application must contain a full recital of the causes for the delay. Such extension may be for a reasonable period not to exceed 6 months from the date fixed for payment thereof except in the case of a taxpayer who is abroad. Such extension does not relieve the taxpayer from the addition to the tax imposed by section 6654, and the period of the underpayment will be determined under section 6654(c) without regard to such extension.

[T.D. 6950, 33 FR 5357, Apr. 4, 1968]

§ 1.6154-1 Payment of estimated tax by corporations.

(a) *Taxable years beginning on or before December 31, 1963*—(1) *Amount required to be paid.* Every corporation required to file a declaration of estimated tax for a taxable year beginning on or before December 31, 1963, shall pay the following percentage of its estimated tax:

If the taxable year ends—	The amount required to be paid is the following percentage of the estimated tax
On or after Dec. 31, 1955, and before Dec. 31, 1956 ..	10
On or after Dec. 31, 1956, and before Dec. 31, 1957 ..	20
On or after Dec. 31, 1957, and before Dec. 31, 1958 ..	30
On or after Dec. 31, 1958, and before Dec. 31, 1959 ..	40
On or after Dec. 31, 1959	50

(2) *Time for payment.* (i) In the case of a corporation on the calendar year basis which files its declaration on or before September 15 of the taxable year, the percentage of the estimated tax required to be paid is payable in two equal installments, one at the time of filing the declaration, and the other on or before December 15 of the taxable year. If the corporation files its declaration after September 15 of the taxable year, the percentage of the estimated tax required to be paid is payable in full on or before December 15 of the taxable year.

(ii) In the case of a corporation whose taxable year is a fiscal year, the dates prescribed for payment of the estimated tax shall be the 15th day of the 9th month and the 15th day of the 12th month of such taxable year. If the corporation files its declaration after the 15th day of such 9th month, the percentage of the estimated tax required to be paid is payable in full on or before the 15th day of such 12th month.

(3) *Amendment of declaration.* In the case of an amended declaration, filed in accordance with section 6074, the installment payable on the 15th day of the 12th month of the taxable year shall be ratably increased or decreased, as the case may be, to reflect the increase or decrease in the estimated tax by reason of the amended declaration. For example, X, a corporation on the calendar year basis, filed a declaration on September 15, 1955, reporting an estimated tax in the amount of \$20,000. The first installment of \$1,000 (5 percent of \$20,000) accompanied the declaration. However, X filed an amended declaration on December 15, 1955, showing an estimated tax of \$30,000. Since X has already paid \$1,000, it must make a payment in the amount of \$2,000 computed as follows:

Required amount of estimated tax which must be paid for calendar year 1955 (10% of \$30,000)	\$3,000
Amount paid with original estimate (5% of \$20,000)	1,000
Balance to accompany amended declaration	2,000

Had the amended declaration been filed on December 10, 1955, then only the balance of the first installment (\$500) otherwise due on September 15 would have been required to be paid with the declaration and the installment required to be paid on or before December 15, 1955, would be \$1,500.

(b) *Taxable years beginning after December 31, 1963*—(1) *Amount and time for payment of each installment*—(i) *In general.* Paragraphs (1) through (4) of section 6154(a) contain four tables setting forth the percentages of estimated tax for each taxable year beginning after December 31, 1963, which shall be paid as installments of estimated tax and the date on or before which each such installment shall be paid. The date on

or before which the declaration of estimated tax for a taxable year is required, under the provisions of section 6074(a), to be filed determines which of the four installment payment tables shall be used by the corporation for that taxable year. Therefore, if the declaration is required to be filed by the 15th day of the 4th, 6th, 9th, or 12th month, the estimated tax will be required to be paid in four, three, two, or one installment, respectively. However, see subdivision (iii) of this subparagraph for the rules applicable in case of the late filing of a declaration.

(ii) *Examples.* The application of the tables in section 6154(a) may be illustrated by the following examples:

Example (1). X, a corporation reporting on a calendar year basis, is required for the calendar year 1966 to file a declaration of estimated tax on or before the 15th day of the 4th month thereof (April 15, 1966) reporting an estimated tax liability of \$250,000. Assuming that the original declaration is filed on or before April 15, 1966, and is not subsequently amended, X is required to pay its estimated tax in four installments. The first and second installments, each in the amount of \$22,500 (9 percent of \$250,000), are to be paid on or before April 15, 1966, and June 15, 1966, respectively, and the third and fourth installments, each in the amount of \$62,500 (25 percent of \$250,000), are to be paid on or before September 15, 1966, and December 15, 1966, respectively.

Example (2). Y, a corporation which reports on a calendar year basis, is required for the calendar year 1967 to file a declaration of estimated tax on or before the 15th day of the 6th month thereof (June 15, 1967) reporting an estimated tax liability of \$100,000. Assuming that the original declaration is filed on or before June 15, 1967, and is not subsequently amended, Y is required to pay its estimated tax in three installments. The first installment, in the amount of \$18,666.67 (18½ percent of \$100,000), is to be paid on or before June 15, 1967, and the second and third installments, each in the amount of \$29,666.67 (29½ percent of \$100,000), are to be paid on or before September 15, 1967, and December 15, 1967, respectively.

Example (3). Z, a corporation which reports on a fiscal year basis ending with June 30 of each year, is required for the fiscal year ended June 30, 1968, to file a declaration of estimated tax on or before the 15th day of the fourth month thereof (October 15, 1967) reporting an estimated tax liability of \$200,000. Assuming that the original declaration is filed on or before October 15, 1967, and is not subsequently amended, Z is required to pay its estimated tax in four installments.

The first and second installments, each in the amount of \$28,000 (14 percent of \$200,000), are to be paid on or before October 15, 1967, and December 15, 1967, respectively, and the third and fourth installments, each in the amount of \$50,000 (25 percent of \$200,000), are to be paid on or before March 15, 1968, and June 15, 1968, respectively.

(iii) *Late filing of declaration of estimated tax.* If a declaration of estimated tax is filed after the date prescribed by section 6074(a) (determined without regard to any extension of time for filing the declaration under section 6081), the tables set forth in paragraphs (2), (3), and (4) of section 6154(a) do not apply except as provided in this subdivision. In such a case, there shall be paid at the time of the filing of the declaration all installments of the estimated tax which would have been payable under the appropriate table in section 6154(a) on or before such date of filing if the declaration had been timely filed in accordance with the provisions of section 6074(a). The remaining installments shall be paid at the times and in the amounts in which they would have been payable if the declaration had been timely filed. For example, Z, a corporation filing its returns on a calendar year basis, fails to file a declaration of estimated tax on April 15, 1968, even though the requirements for filing a declaration were met before April 1, 1968. However, Z does file its declaration of estimated tax on July 1, 1968, disclosing an estimated tax of \$75,000. As the first two installment dates specified in paragraph (1) of section 6154(a) (the 15th days of the 4th and 6th months) have passed, Z is required to pay \$28,500 (2 installments, each in the amount of 19 percent of \$75,000) when the declaration is filed on July 1, 1968. If there are no subsequent amendments of the declaration for this year, Z will be required to pay installments, each in the amount of \$18,750 (25 percent of \$75,000), on or before September 15, 1968, and December 15, 1968, respectively.

(2) *Amendment of declaration*—(i) *In general.* If any amendment of a declaration is filed, the amount of each remaining installment (including the installment due on the date of the filing of the amendment where the amendment is filed on an installment date), if any, is the amount which would have

been payable as such installment if the new estimate had been the original estimate, adjusted as provided in this subdivision. The adjustment is for the difference between (a) the amount of estimated tax required to be paid before the date of the filing of the amendment and (b) the amount of estimated tax which would have been required to have been paid before such date if the new estimate had been the original estimate. The difference is divided by the number of remaining installments (including the installment due on the date of the filing of the amendment where the amendment is filed on an installment date), and the resulting amount is added to (if the amended declaration increases the amount of estimated tax) or subtracted from (if the amended declaration decreases the amount of the estimated tax) the amount which would have been payable on each remaining installment date if the new estimate had been the original estimate.

(ii) *Examples.* The application of the provisions of this subparagraph may be illustrated by the following examples:

Example (1). X, a calendar year corporation, determines that its estimated tax liability for the year 1967 is \$100,000 and files a declaration of estimated tax by April 15, 1967, with an installment payment of \$14,000. On June 15, 1967, the second installment payment of \$14,000 is made. On July 1, 1967, X discovers that its 1967 estimated tax may reasonably be expected to be \$150,000 and on September 15, 1967, files an amended declaration in that amount. The amounts to be paid on September 15, 1967, and December 15, 1967, are computed as follows:

Installment payments required to be made under the original declaration before date of filing of amendment (14% of \$100,000 is \$14,000×2)	\$28,000
Installment payments which would have been required to be made before date of filing of amendment if the original declaration were in the amount of the amended declaration (14% of \$150,000 is \$21,000×2)	42,000
Difference	14,000
Amount of each installment payment due on September 15, 1967, and December 15, 1967, computed as if the original declaration were in the amount of the amended declaration (25% of \$150,000)	\$37,500
Add: Amount of difference divided by number of remaining installments (\$14,000÷2)	7,000
Amount of each remaining installment (September 15, 1967, and December 15, 1967)	44,500

Example (2). Assume the same facts as in example (1), except that instead of filing the

amended declaration on September 15, 1967, X files an amended declaration on June 15, 1967, disclosing an estimated tax of \$70,000. The installment payments for June 15, 1967, September 15, 1967, and December 15, 1967, are computed as follows:

Installment payment required to be made under the original declaration before the date of filing of amendment (14% of \$100,000)	\$14,000
Installment payment which would have been required to be made before date of filing of amendment if the original declaration were in the amount of the amended declaration (14% of \$70,000)	9,800
Difference	4,200
<i>June 15, 1967, installment computation:</i>	
Installment payment due on June 15, 1967, computed as if the original declaration were in the amount of the amended declaration (14% of \$70,000)	9,800
Less: Amount of difference divided by number of remaining installments (\$4,200÷3)	1,400
Amount to be paid as an installment on June 15, 1967	8,400
<i>September 15, 1967, and December 15, 1967, installments computation:</i>	
Amount of each installment payment due on September 15, 1967, and December 15, 1967, computed as if the original declaration were in the amount of the amended declaration (25% of \$70,000)	17,500
Less: Amount of difference divided by number of remaining installments (\$4,200÷3)	1,400
Amount of each remaining installment (September 15, 1967, and December 15, 1967)	16,100

(c) *Installments paid in advance.* A corporation may, at its election, pay any installment of its estimated tax in advance of the due date.

(d) *Considered payment of income tax.* Payments of estimated tax shall be considered payments on account of the income tax liability for the taxable year. Hence the amount of estimated tax paid shall be entered on the income tax return and applied in payment of the tax liability shown thereon.

[T.D. 6768, 29 FR 14924, Nov. 4, 1964]

§ 1.6154-2 Short taxable years.

(a) *Taxable years beginning on or before December 31, 1963—(1) In general.* In the case of a corporation filing a declaration for a short taxable year beginning on or before December 31, 1963, the amount of the estimated tax required to be paid shall be paid as follows:

(i) If the short taxable year is a period of more than 9 months and the declaration is required to be filed on or