

made under section 6654 or 6655 of the Internal Revenue Code of 1986 for any period before April 16, 1994 (March 16, 1994, in the case of a corporation), with respect to any underpayment to the extent such underpayment was created or increased by any provision of this chapter [chapter 1 (§§ 13001-13444) of title XIII of Pub. L. 103-66, see Tables for classification].”

WAIVER OF ESTIMATED TAX PENALTIES FOR UNDERPAYMENTS ATTRIBUTABLE TO SECTION 420(b)(4)(B) OF THIS TITLE

No addition to tax to be made under this section for taxable year preceding taxpayer's first taxable year beginning after Dec. 31, 1990, with respect to any underpayment to the extent such underpayment was created or increased by reason of former section 420(b)(4)(B) of this title, see section 12011(c)(2) of Pub. L. 101-508, set out as an Effective Date note under section 420 of this title.

WAIVER OF ESTIMATED PENALTIES FOR 1988 UNDERPAYMENTS ATTRIBUTABLE TO TECHNICAL AND MISCELLANEOUS REVENUE ACT OF 1988

No addition to tax to be made under this section for any period before Apr. 16, 1989, with respect to any underpayment to the extent that such underpayment was created or increased by any provision of title I (§§ 1001-1019) or II (§§ 2001-2006) of Pub. L. 100-647, see section 1019(b) of Pub. L. 100-647, set out as an Effective Date of 1988 Amendment note under section 1 of this title.

**PLAN AMENDMENTS NOT REQUIRED UNTIL
JANUARY 1, 1989**

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§ 1101-1147 and 1171-1177] or title XVIII [§§ 1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

WAIVER OF ESTIMATED PENALTIES FOR 1986 UNDERPAYMENTS ATTRIBUTABLE TO TAX REFORM ACT OF 1986

Pub. L. 99-514, title XV, § 1543, Oct. 22, 1986, 100 Stat. 2751, provided that: “No addition to tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 (relating to failure to pay estimated tax) for any period before April 16, 1987 (March 16, 1987, in the case of a taxpayer subject to section 6655 of such Code), with respect to any underpayment, to the extent such underpayment was created or increased by any provision of this Act [Pub. L. 99-514, see Tables for classification].”

WAIVER OF ESTIMATED TAX PENALTIES

No addition to tax to be made under this section for any period before Apr. 16, 1985, with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of Pub. L. 98-369, div. A, see section 1879(a) of Pub. L. 99-514, set out as a note under section 6655 of this title.

INCREASE IN SECTION 31 CREDIT FOR TAXABLE YEARS WHICH INCLUDE ANY PORTION OF PERIOD JULY 1, 1983, TO DECEMBER 31, 1983

For purposes of determining the amount of any addition to tax under this section with respect to any installment required to be paid before July 1, 1983, the amount of the credit allowed by section 31 of this title for any taxable year which includes any portion of the period beginning July 1, 1983, and ending December 31, 1983, to be increased by an amount equal to 10 percent of the aggregate amount of payments (1) which are received during the portion of such taxable year after June 30, 1983, and before January 1, 1984, and (2) which (but for the repeal of sections 3451 to 3456 of this title) would have been subject to withholding under sections

3451 to 3456 of this title (determined without regard to any exemption described in former section 3452 of this title, see section 102(d) of Pub. L. 98-67, set out as a note under section 3451 of this title.

ESTIMATED TAX UNDERPAYMENTS CREATED OR INCREASED BY TAX REFORM ACT OF 1976

Pub. L. 95-30, title III, § 303, May 23, 1977, 91 Stat. 152, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that: “No addition to the tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (relating to failure to pay estimated income tax) for any period before April 16, 1977 (March 16, 1977, in the case of a taxpayer subject to section 6655), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1976 [Pub. L. 94-455].”

**WAIVER OF PENALTY FOR UNDERPAYMENT OF 1971
ESTIMATED INCOME TAX**

Pub. L. 92-178, title II, § 207, Dec. 10, 1971, 85 Stat. 512, provided that subsec. (a) of this section did not apply to any taxable year beginning after Dec. 31, 1970 and ending before Jan. 1, 1972, if the gross income for such taxable year did not exceed \$10,000 for a single individual other than head of household or a married individual filing separately, or if the gross income did not exceed \$20,000 for a head of household, a surviving spouse, or married individuals filing jointly, or if the taxpayer had income from sources other than wages in excess of \$200 or \$400 in case of a joint return.

DECLARATION OF ESTIMATED TAX

With respect to taxable years beginning before Dec. 30, 1969, if a taxpayer is required to make a declaration, or to pay any amount of estimated tax by reason of amendments made by Pub. L. 91-172, such amount shall be paid ratably on each of the remaining installment dates for the taxable year beginning with the first installment date on or after Dec. 30, 1969; as to any declaration or payment of estimates tax before the first installment date, this section, and sections 6015, 6154, and 6655 of this title shall be applied without regard to amendments made by Pub. L. 91-172, see section 946(b) of Pub. L. 91-172, set out as a note under section 6153 of this title.

**TAX SURCHARGE EXTENSION; DECLARATIONS OF
ESTIMATED TAX**

Requirement of making a declaration or amended declaration or amended declaration of estimated tax or of payment of any amount or additional amount of estimated tax by reason of amendment of sections 51(a)(1)(A), (B), (2)(A) and 963(b) of this title as calling for payment of such amount or additional amount ratably on or before each of remaining installment dates for taxable year beginning with first installment date on or after the 30th day after Aug. 7, 1969; application of this section without regard to such amendment with respect to any declaration or payment of estimated tax before such first installment date; and definition of “installment date”, see Pub. L. 91-53, § 5(c), Aug. 7, 1969, 83 Stat. 95.

§ 6655. Failure by corporation to pay estimated income tax

(a) Addition to tax

Except as otherwise provided in this section, in the case of any underpayment of estimated tax by a corporation, there shall be added to the tax under chapter 1 for the taxable year an amount determined by applying—

- (1) the underpayment rate established under section 6621,
- (2) to the amount of the underpayment,
- (3) for the period of the underpayment.

(b) Amount of underpayment; period of underpayment

For purposes of subsection (a)—

(1) Amount

The amount of the underpayment shall be the excess of—

(A) the required installment, over

(B) the amount (if any) of the installment paid on or before the due date for the installment.

(2) Period of underpayment

The period of the underpayment shall run from the due date for the installment to whichever of the following dates is the earlier—

(A) the 15th day of the 4th month following the close of the taxable year, or

(B) with respect to any portion of the underpayment, the date on which such portion is paid.

(3) Order of crediting payments

For purposes of paragraph (2)(B), a payment of estimated tax shall be credited against unpaid required installments in the order in which such installments are required to be paid.

(c) Number of required installments; due dates

For purposes of this section—

(1) Payable in 4 installments

There shall be 4 required installments for each taxable year.

(2) Time for payment of installments**In the case of the following required installments:**

	The due date is:
1st	April 15
2nd	June 15
3rd	September 15
4th	December 15.

(d) Amount of required installments

For purposes of this section—

(1) Amount**(A) In general**

Except as otherwise provided in this section, the amount of any required installment shall be 25 percent of the required annual payment.

(B) Required annual payment

Except as otherwise provided in this subsection, the term “required annual payment” means the lesser of—

(i) 100 percent of the tax shown on the return for the taxable year (or, if no return is filed, 100 percent of the tax for such year), or

(ii) 100 percent of the tax shown on the return of the corporation for the preceding taxable year.

Clause (ii) shall not apply if the preceding taxable year was not a taxable year of 12 months, or the corporation did not file a return for such preceding taxable year showing a liability for tax.

(2) Large corporations required to pay 100 percent of current year tax**(A) In general**

Except as provided in subparagraph (B), clause (ii) of paragraph (1)(B) shall not apply in the case of a large corporation.

(B) May use last year's tax for 1st installment

Subparagraph (A) shall not apply for purposes of determining the amount of the 1st required installment for any taxable year. Any reduction in such 1st installment by reason of the preceding sentence shall be recaptured by increasing the amount of the next required installment determined under paragraph (1) by the amount of such reduction.

(e) Lower required installment where annualized income installment or adjusted seasonal installment is less than amount determined under subsection (d)**(1) In general**

In the case of any required installment, if the corporation establishes that the annualized income installment or the adjusted seasonal installment is less than the amount determined under subsection (d)(1) (as modified by paragraphs (2) and (3) of subsection (d))—

(A) the amount of such required installment shall be the annualized income installment (or, if lesser, the adjusted seasonal installment), and

(B) any reduction in a required installment resulting from the application of this paragraph shall be recaptured by increasing the amount of the next required installment determined under subsection (d)(1) (as so modified) by the amount of such reduction (and by increasing subsequent required installments to the extent that the reduction has not previously been recaptured under this subparagraph).

(2) Determination of annualized income installment**(A) In general**

In the case of any required installment, the annualized income installment is the excess (if any) of—

(i) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income, adjusted financial statement income (as defined in section 56A), and modified taxable income—

(I) for the first 3 months of the taxable year, in the case of the 1st required installment,

(II) for the first 3 months of the taxable year, in the case of the 2nd required installment,

(III) for the first 6 months of the taxable year in the case of the 3rd required installment, and

(IV) for the first 9 months of the taxable year, in the case of the 4th required installment, over

(ii) the aggregate amount of any prior required installments for the taxable year.

(B) Special rules

For purposes of this paragraph—

(i) Annualization

The taxable income, adjusted financial statement income (as defined in section 56A), and modified taxable income shall be placed on an annualized basis under regulations prescribed by the Secretary.

(ii) Applicable percentage

In the case of the following required installments:	The applicable percentage is:
1st	25
2nd	50
3rd	75
4th	100.

(iii) Modified taxable income

The term “modified taxable income” has the meaning given such term by section 59A(c)(1).

(C) Election for different annualization periods

(i) If the taxpayer makes an election under this clause—

(I) subclause (I) of subparagraph (A)(i) shall be applied by substituting “2 months” for “3 months”,

(II) subclause (II) of subparagraph (A)(i) shall be applied by substituting “4 months” for “3 months”,

(III) subclause (III) of subparagraph (A)(i) shall be applied by substituting “7 months” for “6 months”, and

(IV) subclause (IV) of subparagraph (A)(i) shall be applied by substituting “10 months” for “9 months”.

(ii) If the taxpayer makes an election under this clause—

(I) subclause (II) of subparagraph (A)(i) shall be applied by substituting “5 months” for “3 months”,

(II) subclause (III) of subparagraph (A)(i) shall be applied by substituting “8 months” for “6 months”, and

(III) subclause (IV) of subparagraph (A)(i) shall be applied by substituting “11 months” for “9 months”.

(iii) An election under clause (i) or (ii) shall apply to the taxable year for which made and such an election shall be effective only if made on or before the date required for the payment of the first required installment for such taxable year.

(3) Determination of adjusted seasonal installment**(A) In general**

In the case of any required installment, the amount of the adjusted seasonal installment is the excess (if any) of—

(i) 100 percent of the amount determined under subparagraph (C), over

(ii) the aggregate amount of all prior required installments for the taxable year.

(B) Limitation on application of paragraph

This paragraph shall apply only if the base period percentage for any 6 consecutive

months of the taxable year equals or exceeds 70 percent.

(C) Determination of amount

The amount determined under this subparagraph for any installment shall be determined in the following manner—

(i) take the taxable income for all months during the taxable year preceding the filing month,

(ii) divide such amount by the base period percentage for all months during the taxable year preceding the filing month,

(iii) determine the tax on the amount determined under clause (ii), and

(iv) multiply the tax computed under clause (iii) by the base period percentage for the filing month and all months during the taxable year preceding the filing month.

(D) Definitions and special rules

For purposes of this paragraph—

(i) Base period percentage

The base period percentage for any period of months shall be the average percent which the taxable income for the corresponding months in each of the 3 preceding taxable years bears to the taxable income for the 3 preceding taxable years.

(ii) Filing month

The term “filing month” means the month in which the installment is required to be paid.

(iii) Reorganization, etc.

The Secretary may by regulations provide for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(4) Treatment of subpart F income**(A) In general**

Any amounts required to be included in gross income under section 951(a) (and credits properly allocable thereto) shall be taken into account in computing any annualized income installment under paragraph (2) in a manner similar to the manner under which partnership income inclusions (and credits properly allocable thereto) are taken into account.

(B) Prior year safe harbor**(i) In general**

If a taxpayer elects to have this subparagraph apply for any taxable year—

(I) subparagraph (A) shall not apply, and

(II) for purposes of computing any annualized income installment for such taxable year, the taxpayer shall be treated as having received ratably during such taxable year items of income and credit described in subparagraph (A) in an amount equal to 115 percent of the amount of such items shown on the return of the taxpayer for the preceding taxable year (the second preceding taxable year in the case of the first and sec-

and required installments for such taxable year).

(ii) Special rule for noncontrolling shareholder

(I) In general

If a taxpayer making the election under clause (i) is a noncontrolling shareholder of a corporation, clause (i)(II) shall be applied with respect to items of such corporation by substituting “100 percent” for “115 percent”.

(II) Noncontrolling shareholder

For purposes of subclause (I), the term “noncontrolling shareholder” means, with respect to any corporation, a shareholder which (as of the beginning of the taxable year for which the installment is being made) does not own (within the meaning of section 958(a)), and is not treated as owning (within the meaning of section 958(b)), more than 50 percent (by vote or value) of the stock in the corporation.

(5) Treatment of certain REIT dividends

(A) In general

Any dividend received from a closely held real estate investment trust by any person which owns (after application of subsection (d)(5) of section 856) 10 percent or more (by vote or value) of the stock or beneficial interests in the trust shall be taken into account in computing annualized income installments under paragraph (2) in a manner similar to the manner under which partnership income inclusions are taken into account.

(B) Closely held REIT

For purposes of subparagraph (A), the term “closely held real estate investment trust” means a real estate investment trust with respect to which 5 or fewer persons own (after application of subsection (d)(5) of section 856) 50 percent or more (by vote or value) of the stock or beneficial interests in the trust.

(f) Exception where tax is small amount

No addition to tax shall be imposed under subsection (a) for any taxable year if the tax shown on the return for such taxable year (or, if no return is filed, the tax) is less than \$500.

(g) Definitions and special rules

(1) Tax

For purposes of this section, the term “tax” means the excess of—

(A) the sum of—

- (i) the tax imposed by section 11 or subchapter L of chapter 1, whichever applies,
- (ii) the tax imposed by section 55,
- (iii) the tax imposed by section 59A, plus
- (iv) the tax imposed by section 887, over

(B) the credits against tax provided by part IV of subchapter A of chapter 1.

For purposes of the preceding sentence, in the case of a foreign corporation subject to taxation under section 11 or 1201(a), or under sub-

chapter L of chapter 1, the tax imposed by section 881 shall be treated as a tax imposed by section 11.

(2) Large corporation

(A) In general

For purposes of this section, the term “large corporation” means any corporation if such corporation (or any predecessor corporation) had taxable income of \$1,000,000 or more for any taxable year during the testing period.

(B) Rules for applying subparagraph (A)

(i) Testing period

For purposes of subparagraph (A), the term “testing period” means the 3 taxable years immediately preceding the taxable year involved.

(ii) Members of controlled group

For purposes of applying subparagraph (A) to any taxable year in the testing period with respect to corporations which are component members of a controlled group of corporations for such taxable year, the \$1,000,000 amount specified in subparagraph (A) shall be divided among such members under rules similar to the rules of section 1561.

(iii) Certain carrybacks and carryovers not taken into account

For purposes of subparagraph (A), taxable income shall be determined without regard to any amount carried to the taxable year under section 172 or 1212(a).

(3) Certain tax-exempt organizations

For purposes of this section—

(A) Any organization subject to the tax imposed by section 511, and any private foundation, shall be treated as a corporation subject to tax under section 11.

(B) Any tax imposed by section 511, and any tax imposed by section 1 or 4940 on a private foundation, shall be treated as a tax imposed by section 11.

(C) Any reference to taxable income shall be treated as including a reference to unrelated business taxable income or net investment income (as the case may be).

In the case of any organization described in subparagraph (A), subsection (b)(2)(A) shall be applied by substituting “5th month” for “4th month”, subsection (e)(2)(A) shall be applied by substituting “2 months” for “3 months” in clause (i)(I), the election under clause (i) of subsection (e)(2)(C) may be made separately for each installment, and clause (ii) of subsection (e)(2)(C) shall not apply. In the case of a private foundation, subsection (c)(2) shall be applied by substituting “May 15” for “April 15”.

(4) Application of section to certain taxes imposed on S corporations

In the case of an S corporation, for purposes of this section—

(A) The following taxes shall be treated as imposed by section 11:

- (i) The tax imposed by section 1374(a).

- (ii) The tax imposed by section 1375(a).
- (iii) Any tax for which the S corporation is liable by reason of section 1371(d)(2).

(B) Paragraph (2) of subsection (d) shall not apply.

(C) Clause (ii) of subsection (d)(1)(B) shall be applied as if it read as follows:

“(ii) the sum of—

“(I) the amount determined under clause (i) by only taking into account the taxes referred to in clauses (i) and (iii) of subsection (g)(4)(A), and

“(II) 100 percent of the tax imposed by section 1375(a) which was shown on the return of the corporation for the preceding taxable year.”

(D) The requirement in the last sentence of subsection (d)(1)(B) that the return for the preceding taxable year show a liability for tax shall not apply.

(E) Subsection (b)(2)(A) shall be applied by substituting “3rd month” for “4th month”.

(F) Any reference in subsection (e) to taxable income shall be treated as including a reference to the net recognized built-in gain or the excess passive income (as the case may be).

(h) Excessive adjustment under section 6425

(1) Addition to tax

If the amount of an adjustment under section 6425 made before the 15th day of the 4th month following the close of the taxable year is excessive, there shall be added to the tax under chapter 1 for the taxable year an amount determined at the underpayment rate established under section 6621 upon the excessive amount from the date on which the credit is allowed or the refund is paid to such 15th day.

(2) Excessive amount

For purposes of paragraph (1), the excessive amount is equal to the amount of the adjustment or (if smaller) the amount by which—

(A) the income tax liability (as defined in section 6425(c)) for the taxable year as shown on the return for the taxable year, exceeds

(B) the estimated income tax paid during the taxable year, reduced by the amount of the adjustment.

(i) Fiscal years and short years

(1) Fiscal years

In applying this section to a taxable year beginning on any date other than January 1, there shall be substituted, for the months specified in this section, the months which correspond thereto.

(2) Short taxable year

This section shall be applied to taxable years of less than 12 months in accordance with regulations prescribed by the Secretary.

(j) Regulations

The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

(Aug. 16, 1954, ch. 736, 68A Stat. 825; Pub. L. 88-272, title I, §122(c), Feb. 26, 1964, 78 Stat. 28;

Pub. L. 90-364, title I, §103(c), (d)(2), (e)(1), June 28, 1968, 82 Stat. 262, 264; Pub. L. 93-625, §7(c), Jan. 3, 1975, 88 Stat. 2115; Pub. L. 94-455, title XIX, §1906(b)(3)(A)-(C)(i), (13)(A), Oct. 4, 1976, 90 Stat. 1833, 1834; Pub. L. 95-600, title III, §301(b)(20)(B), Nov. 6, 1978, 92 Stat. 2824; Pub. L. 96-499, title XI, §1111(a), (b), Dec. 5, 1980, 94 Stat. 2681, 2682; Pub. L. 97-34, title VI, §601(a)(6)(B), title VII, §731(a), (b), Aug. 13, 1981, 95 Stat. 336, 346, 347; Pub. L. 97-248, title II, §234(a), (c), (d), Sept. 3, 1982, 96 Stat. 503, 504; Pub. L. 97-448, title II, §201(j)(4), Jan. 12, 1983, 96 Stat. 2396; Pub. L. 99-499, title V, §516(b)(4)(D), Oct. 17, 1986, 100 Stat. 1771; Pub. L. 99-514, title VII, §701(d)(3), title XV, §1511(c)(15), Oct. 22, 1986, 100 Stat. 2342, 2745; Pub. L. 100-203, title X, §10301(a), Dec. 22, 1987, 101 Stat. 1330-424; Pub. L. 100-418, title I, §1941(b)(6)(B), Aug. 23, 1988, 102 Stat. 1324; Pub. L. 100-647, title II, §2004(r), title V, §5001(a), Nov. 10, 1988, 102 Stat. 3609, 3660; Pub. L. 101-239, title VII, §§7209(a), 7822(a), Dec. 19, 1989, 103 Stat. 2338, 2424; Pub. L. 101-508, title XI, §11704(a)(28), Nov. 5, 1990, 104 Stat. 1388-519; Pub. L. 102-227, title II, §201(a), (b), Dec. 11, 1991, 105 Stat. 1689; Pub. L. 102-244, §3(a), Feb. 7, 1992, 106 Stat. 4; Pub. L. 102-318, title V, §512(a), (b), July 3, 1992, 106 Stat. 300; Pub. L. 103-66, title XIII, §13225(a), (b), Aug. 10, 1993, 107 Stat. 486; Pub. L. 103-465, title VII, §711(a), Dec. 8, 1994, 108 Stat. 4998; Pub. L. 104-188, title I, §1703(h), Aug. 20, 1996, 110 Stat. 1876; Pub. L. 105-34, title XIV, §1461(a), Aug. 5, 1997, 111 Stat. 1057; Pub. L. 106-170, title V, §571(a), Dec. 17, 1999, 113 Stat. 1950; Pub. L. 106-554, §1(a)(7) [title III, §319(21)], Dec. 21, 2000, 114 Stat. 2763, 2763A-647; Pub. L. 113-295, div. A, title II, §221(a)(12)(K), (114), Dec. 19, 2014, 128 Stat. 4039, 4054; Pub. L. 114-41, title II, §2006(a)(2)(F), (G), July 31, 2015, 129 Stat. 457; Pub. L. 115-97, title I, §§12001(b)(18), (19), 13001(b)(2)(P), 14401(d)(4), Dec. 22, 2017, 131 Stat. 2094, 2097, 2233; Pub. L. 115-141, div. U, title IV, §401(d)(1)(D)(xx), Mar. 23, 2018, 132 Stat. 1208; Pub. L. 117-169, title I, §10101(a)(4)(G), (H), Aug. 16, 2022, 136 Stat. 1822.)

Editorial Notes

AMENDMENTS

2022—Subsec. (e)(2)(A)(i). Pub. L. 117-169, §10101(a)(4)(G), inserted “, adjusted financial statement income (as defined in section 56A),” before “and modified taxable income” in introductory provisions.

Subsec. (e)(2)(B)(i). Pub. L. 117-169, §10101(a)(4)(G), inserted “, adjusted financial statement income (as defined in section 56A),” before “and modified taxable income”.

Subsec. (g)(1)(A)(ii) to (iv). Pub. L. 117-169, §10101(a)(4)(H), added cl. (ii) and redesignated former cls. (ii) and (iii) as (iii) and (iv), respectively.

2018—Subsec. (e)(4). Pub. L. 115-141, §401(d)(1)(D)(xx)(II), struck out “and section 936” after “subpart F” in heading.

Subsec. (e)(4)(A). Pub. L. 115-141, §401(d)(1)(D)(xx)(I), struck out “936(h) or” before “951(a)”.

2017—Subsec. (e)(2)(A)(i). Pub. L. 115-97, §14401(d)(4)(B), inserted “and modified taxable income” after “taxable income” in introductory provisions.

Pub. L. 115-97, §12001(b)(18), struck out “and alternative minimum taxable income” after “taxable income” in introductory provisions.

Subsec. (e)(2)(B)(i). Pub. L. 115-97, §14401(d)(4)(B), inserted “and modified taxable income” after “taxable income”.

Pub. L. 115-97, §12001(b)(18), struck out “and alternative minimum taxable income” after “taxable income”.

Subsec. (e)(2)(B)(iii). Pub. L. 115-97, §14401(d)(4)(C), added cl. (iii).

Subsec. (g)(1)(A)(i). Pub. L. 115-97, §14401(d)(4)(A), struck out “plus” at end.

Pub. L. 115-97, §13001(b)(2)(P), struck out “or 1201(a),” after “section 11”.

Pub. L. 115-97, §12001(b)(19), inserted “plus” at end.

Subsec. (g)(1)(A)(ii). Pub. L. 115-97, §14401(d)(4)(A), added cl. (ii). Former cl. (ii) redesignated (iii).

Pub. L. 115-97, §12001(b)(19), redesignated cl. (iii) as (ii) and struck out former cl. (ii) which read as follows: “the tax imposed by section 55, plus”.

Subsec. (g)(1)(A)(iii). Pub. L. 115-97, §14401(d)(4)(A), redesignated cl. (ii) as (iii).

Pub. L. 115-97, §12001(b)(19), redesignated cl. (iii) as (ii).

2015—Subsecs. (b)(2)(A), (g)(3). Pub. L. 114-41, §2006(a)(2)(F), substituted “4th month” for “3rd month”.

Subsec. (g)(4)(E), (F). Pub. L. 114-41, §2006(a)(2)(G), added subpar. (E) and redesignated former subpar. (E) as (F).

Subsec. (h)(1). Pub. L. 114-41, §2006(a)(2)(F), substituted “4th month” for “3rd month”.

2014—Subsec. (e)(2)(A)(i), (B)(i). Pub. L. 113-295, §221(a)(12)(K)(i), substituted “taxable income and alternative minimum taxable income” for “taxable income, alternative minimum taxable income, and modified alternative minimum taxable income”.

Subsec. (e)(2)(B)(iii). Pub. L. 113-295, §221(a)(12)(K)(ii), struck out cl. (iii). Text read as follows: “The term ‘modified alternative minimum taxable income’ has the meaning given to such term by section 59A(b).”

Subsec. (g)(1)(A)(ii) to (iv). Pub. L. 113-295, §221(a)(12)(K)(iii), inserted “plus” at end of cl. (ii), redesignated cl. (iv) as (iii), and struck out former cl. (iii) which read as follows: “the tax imposed by section 59A, plus”.

Subsec. (g)(4)(A)(i). Pub. L. 113-295, §221(a)(114), struck out “(or the corresponding provisions of prior law)” before period at end.

2000—Subsec. (e)(5)(A), (B). Pub. L. 106-554 substituted “subsection (d)(5)” for “subsections (d)(5) and (l)(3)(B)”.

1999—Subsec. (e)(5). Pub. L. 106-170 added par. (5).

1997—Subsec. (g)(3). Pub. L. 105-34 inserted at end “In the case of a private foundation, subsection (c)(2) shall be applied by substituting ‘May 15’ for ‘April 15’.”

1996—Subsec. (g)(3). Pub. L. 104-188, §1703(h), in closing provisions, substituted “, subsection (e)(2)(A) shall be applied by substituting ‘2 months’ for ‘3 months’ in clause (i)(I), the election under clause (i) of subsection (e)(2)(C) may be made separately for each installment, and clause (ii) of subsection (e)(2)(C) shall not apply.” for “, and, except in the case of an election under subsection (e)(2)(C), subsection (e)(2)(A) shall be applied by substituting ‘2 months’ for ‘3 months’ and in clause (i)(I), by substituting ‘4 months’ for ‘5 months’ in clause (i)(II), by substituting ‘7 months’ for ‘8 months’ in clause (i)(III), and by substituting ‘10 months’ for ‘11 months’ in clause (i)(IV).”

1994—Subsec. (e)(4). Pub. L. 103-465 added par. (4).

1993—Subsec. (d)(1)(B)(i). Pub. L. 103-66, §13225(a)(1), substituted “100 percent” for “91 percent” in two places.

Subsec. (d)(2). Pub. L. 103-66, §13225(a)(2)(A)(ii), substituted “100 percent” for “91 percent” in heading.

Subsec. (d)(3). Pub. L. 103-66, §13225(a)(2)(A)(i), struck out heading and text of par. (3). Text read as follows: “In the case of any taxable year beginning after June 30, 1992, and before 1997—

“(A) paragraph (1)(B)(i) and subsection (e)(3)(A)(i) shall be applied by substituting ‘97 percent’ for ‘91 percent’ each place it appears, and

“(B) the table contained in subsection (e)(2)(B)(ii) shall be applied by substituting ‘24.25’, ‘48.50’, ‘72.75’, and ‘97’ for ‘22.75’, ‘45.50’, ‘68.25’, and ‘91.00’, respectively.”

Subsec. (e)(2)(A)(i)(II). Pub. L. 103-66, §13225(b)(1)(A), struck out “or for the first 5 months” after “3 months”.

Subsec. (e)(2)(A)(i)(III). Pub. L. 103-66, §13225(b)(1)(B), struck out “or for the first 8 months” after “6 months”.

Subsec. (e)(2)(A)(i)(IV). Pub. L. 103-66, §13225(b)(1)(C), struck out “or for the first 11 months” after “9 months”.

Subsec. (e)(2)(B)(ii). Pub. L. 103-66, §13225(a)(2)(B), in table, substituted applicable percentages of 25, 50, 75, and 100 for 22.75, 45.50, 68.25, and 91.00, respectively, in 1st, 2nd, 3rd, and 4th installments.

Subsec. (e)(2)(C). Pub. L. 103-66, §13225(b)(2), added subpar. (C).

Subsec. (e)(3)(A)(i). Pub. L. 103-66, §13225(a)(2)(C), substituted “100 percent” for “91 percent”.

Subsec. (g)(3). Pub. L. 103-66, §13225(b)(3), substituted “and, except in the case of an election under subsection (e)(2)(C), subsection (e)(2)(A)” for “and subsection (e)(2)(A)” in last sentence.

1992—Subsec. (d)(1)(B)(i). Pub. L. 102-318, §512(a)(1), substituted “91 percent” for “90 percent” in two places.

Subsec. (d)(2). Pub. L. 102-318, §512(a)(2), substituted “91 percent” for “90 percent” in heading.

Subsec. (d)(3). Pub. L. 102-318, §512(a)(3), added par. (3) and struck out former par. (3) which related to temporary increase in amount of installment method based on current tax year for taxable years beginning after 1991 and before 1997.

Subsec. (d)(3)(A). Pub. L. 102-244, amended table generally, substituting a single entry “1993 through 1996 95” for former arrangement under which years after 1992 were covered by two table entries: “1993 or 1994 94” and “1995 or 1996 95”.

Subsec. (e)(2)(B)(ii). Pub. L. 102-318, §512(b)(1), in table, substituted applicable percentages of 22.75, 45.50, 68.25, and 91.00 for 22.5, 45, 67.5, and 90, respectively, in 1st, 2nd, 3rd and 4th installments.

Subsec. (e)(3)(A)(i). Pub. L. 102-318, §512(b)(2), substituted “91 percent” for “90 percent”.

1991—Subsec. (d)(3). Pub. L. 102-227, §201(a), added par. (3).

Subsec. (e)(1). Pub. L. 102-227, §201(b), substituted “paragraphs (2) and (3) of subsection (d)” for “subsection (d)(2)”.

1990—Subsec. (g)(3). Pub. L. 101-508 inserted a period at end of last sentence.

1989—Subsec. (e)(1). Pub. L. 101-239, §7822(a), substituted “under subsection (d)(1)” for “under section (d)(1)”.

Subsec. (g)(4). Pub. L. 101-239, §7209(a), added par. (4).

1988—Subsec. (e)(1). Pub. L. 100-647, §5001(a), struck out at end “A reduction shall be treated as recaptured for purposes of subparagraph (B) if 90 percent of the reduction is recaptured.”

Subsec. (g)(1)(B). Pub. L. 100-418 amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “the sum of—

“(i) the credits against tax provided by part IV of subchapter A of chapter 1, plus

“(ii) to the extent allowed under regulations prescribed by the Secretary, any overpayment of the tax imposed by section 4986 (determined without regard to section 4995(a)(4)(B)).”

Subsec. (g)(3). Pub. L. 100-647, §2004(r), inserted last sentence, and struck out former last sentence which read as follows: “In the case of any organization described in subparagraph (A), subsection (b)(2)(A) shall be applied by substituting ‘5th month’ for ‘3rd month’.”

1987—Pub. L. 100-203 amended section generally, revising and restating as subsecs. (a) to (j) provisions of former subsecs. (a) to (i).

1986—Subsec. (a)(1). Pub. L. 99-514, §1511(c)(15), substituted “the underpayment rate established under section 6621” for “the rate established under section 6621”.

Subsec. (f)(1). Pub. L. 99-514, §701(d)(3), amended par. (1) generally, restating existing provisions in subpar. (A) and adding subpar. (B).

Pub. L. 99-499 amended subsec. (f)(1), as amended by the Tax Reform Act of 1986 (Pub. L. 99-514), by striking out “plus” at end of subpar. (A), substituting “plus” for “over” at end of subpar. (B), and adding subpar. (C).

1983—Subsec. (f)(2)(B). Pub. L. 97-448 amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “to the extent allowed under regulations prescribed by the Secretary, any amount which is treated under section 6429 as an overpayment of the tax imposed by section 4986”. Notwithstanding directory language that amendment be made to subsec. (e)(2)(B), the amendment was executed to subsec. (f)(2)(B) to reflect the probable intent of Congress, the intervening redesignation of subsec. (e) as (f) by Pub. L. 97-248, and the retrospective effect of the amendment as provided by section 203(a), (b) of Pub. L. 97-448, set out as an Effective Date of 1983 Amendment note under section 4988 of this title.

1982—Subsec. (a). Pub. L. 97-248, §234(c), in heading substituted “Addition to tax” for “Addition to the tax”, in provisions preceding par. (1) inserted reference to subsec. (e) as an exception and struck out “estimated” before “tax”, designated existing provisions as par. (1), and in par. (1) as so designated struck out parenthetical reference to subssecs. (b) and (c) for determination of the amount of the underpayment and the period of the underpayment, respectively, and added par. (2).

Subsec. (b)(1). Pub. L. 97-248, §234(a)(1), substituted “90” for “80” wherever appearing.

Subsec. (d)(3)(A). Pub. L. 97-248, §234(a)(2), substituted “90” for “80”.

Subsec. (e). Pub. L. 97-248, §234(d)(1), added subsec. (e). Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 97-248, §234(d), redesignated former subsec. (e) as (f) and substituted references to subssecs. (e) and (i) for references to subsec. (h). Former subsec. (f) redesignated (g).

Subsecs. (g) to (i). Pub. L. 97-248, §234(d)(1), redesignated former subssecs. (f) to (h) as (g) to (i), respectively.

1981—Subsec. (e)(2). Pub. L. 97-34, §601(a)(6)(B), inserted “the sum of—”, designated existing provisions as subpar. (A), inserted at end of subpar. (A) “, plus”, and added subpar. (B).

Subsec. (h). Pub. L. 97-34, §731(a), (b), substituted in heading “minimum percentage” for “at least 60 percent” and provisions of par. (1) respecting minimum percentage, for provisions respecting in the case of a large corporation, the amount treated as the estimated tax for the taxable year under paragraphs (1) and (2) of subsection (d) shall in no event be less than 60 percent of the tax shown on the return for the taxable year, or if no return was filed, the tax for such year.

1980—Subsec. (e). Pub. L. 96-499, §1111(b), substituted “subsections (b), (d), and (h)” for “subsections (b) and (d)”.

Subsec. (h). Pub. L. 96-499, §1111(a), added subsec. (h). 1978—Subsec. (e). Pub. L. 95-600 struck out provisions relating to the corporation’s temporary estimated tax exemption.

1976—Subsec. (e)(1)(B). Pub. L. 94-455, §1906(b)(3)(A), struck out in cl. (ii) “after December 31, 1967, and” after “taxable year beginning” and struck out cl. (iii) which related to the case of a taxable year beginning after Dec. 31, 1967, and before Jan. 1, 1972, the amount of the corporation’s transitional exemption for such year.

Subsec. (e)(2)(B). Pub. L. 94-455, §1906(b)(3)(B), substituted “clause (ii)” for “clauses (ii) and (iii)”.

Subsec. (e)(3), (4). Pub. L. 94-455, §1906(b)(3)(C)(i), redesignated par. (4) as (3). Former par. (3), which related to the computation of a corporation’s transitional exemption, was struck out.

Subsec. (f). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

1975—Subsecs. (a), (g)(1). Pub. L. 93-625 substituted “an annual rate established under section 6621” for “the rate of 6 percent per annum”.

1968—Subsec. (b)(1). Pub. L. 90-364, §103(c)(1), substituted “80 percent” for “70 percent”.

Subsec. (d)(1). Pub. L. 90-364, §103(e)(1), struck out “reduced by \$100,000” after “The tax shown on the return of the corporation for the preceding taxable year”.

Subsec. (d)(3)(A). Pub. L. 90-364, §103(c)(1), substituted “80 percent” for “70 percent”.

Subsec. (e). Pub. L. 90-364, §103(c)(2), designated existing provisions as par. (1) under a heading “In general”, in such redesignated par. (1) substituted “For purposes of subsections (b) and (d)” for “For purposes of subsections (b), (d)(2), and (d)(3)” in introductory text, redesignated as subpar. (A) former par. (1) and as subpar. (B) former par. (2), struck out reference to \$100,000 as one factor in the sum required for redesignated subpar. (B) and added cls. (ii) and (iii), and added pars. (2), (3), and (4) under headings “Temporary estimated tax exemption”, “Transitional exemption”, and “Special rule for subsection (d)(1) and (2)” respectively.

Subsec. (g). Pub. L. 90-364, §103(d)(2), added subsec. (g).

1964—Subsec. (c)(2). Pub. L. 88-272, §122(c)(1), substituted “any installment date” and “such installment date” for “the 15th day of the 12th month”.

Subsec. (d)(3). Pub. L. 88-272, §122(c)(2), redesignated cls. (A)(i) and (ii) as (A)(iii) and (iv), respectively, added cls. (A)(i) and (ii), and substituted “(3, 5, 6, 8, 9)” for “(6 or 8, or 9)” in subpar. (B)(ii).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117-169 applicable to taxable years beginning after Dec. 31, 2022, see section 10101(f) of Pub. L. 117-169, set out as a note under section 11 of this title.

EFFECTIVE DATE OF 2017 AMENDMENT

Amendment by section 12001(b)(18), (19) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 12001(c) of Pub. L. 115-97, set out as a note under section 11 of this title.

Amendment by section 13001(b)(2)(P) of Pub. L. 115-97 applicable to taxable years beginning after Dec. 31, 2017, see section 13001(c)(1) of Pub. L. 115-97, set out as a note under section 11 of this title.

Amendment by section 14401(d)(4)(A) of Pub. L. 115-97 applicable to base erosion payments (as defined in section 59A(d) of this title) paid or accrued in taxable years beginning after Dec. 31, 2017, see section 14401(e) of Pub. L. 115-97, set out as a note under section 26 of this title.

EFFECTIVE DATE OF 2015 AMENDMENT

Amendment by Pub. L. 114-41 applicable to returns for taxable years beginning after Dec. 31, 2015, with special rule for certain C corporations, see section 2006(a)(3) of Pub. L. 114-41, set out as a note under section 170 of this title.

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-295 effective Dec. 19, 2014, subject to a savings provision, see section 221(b) of Pub. L. 113-295, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 1999 AMENDMENT

Pub. L. 106-170, title V, §571(b), Dec. 17, 1999, 113 Stat. 1951, provided that: “The amendment made by subsection (a) [amending this section] shall apply to estimated tax payments due on or after December 15, 1999.”

EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-34, title XIV, §1461(b), Aug. 5, 1997, 111 Stat. 1057, provided that: “The amendment made by subsection (a) [amending this section] shall apply for purposes of determining underpayments of estimated tax for taxable years beginning after the date of the enactment of this Act [Aug. 5, 1997].”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective as if included in the provision of the Revenue Reconciliation Act of 1993, Pub. L. 103-66, §§13001-13444, to which such amend-

ment relates, see section 1703(o) of Pub. L. 104-188, set out as a note under section 39 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-465 applicable for purposes of determining underpayments of estimated tax for taxable years beginning after Dec. 31, 1994, see section 711(c) of Pub. L. 103-465, set out as a note under section 6654 of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Pub. L. 103-66, title XIII, §13225(c), Aug. 10, 1993, 107 Stat. 487, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1993."

EFFECTIVE DATE OF 1992 AMENDMENTS

Pub. L. 102-318, title V, §512(c), July 3, 1992, 106 Stat. 300, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after June 30, 1992."

Pub. L. 102-244, §3(b), Feb. 7, 1992, 106 Stat. 4, provided that: "The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1992."

EFFECTIVE DATE OF 1991 AMENDMENT

Pub. L. 102-227, title II, §201(c), Dec. 11, 1991, 105 Stat. 1690, provided that: "The amendments made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1991."

EFFECTIVE DATE OF 1989 AMENDMENT

Pub. L. 101-239, title VII, §7209(b), Dec. 19, 1989, 103 Stat. 2339, provided that: "The amendment made by subsection (a) [amending this section] shall apply to taxable years beginning after December 31, 1989."

Amendment by section 7822(a) of Pub. L. 101-239 effective as if included in the provision of the Revenue Act of 1987, Pub. L. 100-203, title X, to which such amendment relates, see section 7823 of Pub. L. 101-239, set out as a note under section 26 of this title.

EFFECTIVE DATE OF 1988 AMENDMENTS

Amendment by section 2004(r) of Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Revenue Act of 1987, Pub. L. 100-203, title X, to which such amendment relates, see section 2004(u) of Pub. L. 100-647, set out as a note under section 56 of this title.

Pub. L. 100-647, title V, §5001(b), Nov. 10, 1988, 102 Stat. 3660, provided that: "The amendment made by subsection (a) [amending this section] shall apply to installments required to be made after December 31, 1988."

Amendment by Pub. L. 100-418 applicable to crude oil removed from the premises on or after Aug. 23, 1988, see section 1941(c) of Pub. L. 100-418, set out as a note under section 164 of this title.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-203 applicable to taxable years beginning after Dec. 31, 1987, see section 10301(c) of Pub. L. 100-203, set out as a note under section 585 of this title.

EFFECTIVE DATE OF 1986 AMENDMENTS

Amendment by section 701(d)(3) of Pub. L. 99-514 applicable to taxable years beginning after Dec. 31, 1986, with certain exceptions and qualifications, see section 701(f) of Pub. L. 99-514, set out as an Effective Date note under section 55 of this title.

Amendment by section 1511(c)(15) of Pub. L. 99-514 applicable for purposes of determining interest for periods after Dec. 31, 1986, see section 1511(d) of Pub. L. 99-514, set out as a note under section 47 of this title.

Amendment by Pub. L. 99-499 applicable to taxable years beginning after Dec. 31, 1986, see section 516(c) of

Pub. L. 99-499, set out as a note under section 26 of this title.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 97-448 effective, except as otherwise provided, as if it had been included in the provision of the Crude Oil Windfall Profit Tax Act of 1980, Pub. L. 96-223, to which such amendment relates, see section 203(a), (b) of Pub. L. 97-448, set out as a note under section 6652 of this title.

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title II, §234(e), Sept. 3, 1982, 96 Stat. 505, provided that: "The amendments made by this section [amending this section and sections 832, 6081, 6152, and 6164 of this title] shall apply to taxable years beginning after December 31, 1982."

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by section 601(a)(6)(B) of Pub. L. 97-34 effective Jan. 1, 1980, see section 601(c)(2) of Pub. L. 97-34, set out as a note under section 6654 of this title.

Pub. L. 97-34, title VII, §731(c), Aug. 13, 1981, 95 Stat. 347, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1981."

EFFECTIVE DATE OF 1980 AMENDMENT

Pub. L. 96-499, title XI, §1111(c), Dec. 5, 1980, 94 Stat. 2682, provided that: "The amendments made by this section [amending this section] shall apply to taxable years beginning after December 31, 1980."

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 applicable to taxable years beginning after Dec. 31, 1978, see section 301(c) of Pub. L. 95-600, set out as a note under section 11 of this title.

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1906(b)(3)(A)-(C)(i) of Pub. L. 94-455 effective with respect to taxable years after Dec. 31, 1976, see section 1906(d)(2) of Pub. L. 94-455, set out as a note under section 6013 of this title.

EFFECTIVE DATE OF 1975 AMENDMENT

Amendment by Pub. L. 93-625 effective July 1, 1975, and applicable to amounts outstanding on such date or arising thereafter, see section 7(e) of Pub. L. 93-625, set out as an Effective Date note under section 6621 of this title.

EFFECTIVE DATE OF 1968 AMENDMENT

Amendment by Pub. L. 90-364 applicable with respect to taxable years beginning after Dec. 31, 1967, except as provided by section 104 of Pub. L. 90-364, see section 103(f) of Pub. L. 90-364, set out as a note under section 243 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-272 effective, except for purposes of section 21 of this title, with respect to taxable years beginning after Dec. 31, 1963, see section 131 of Pub. L. 88-272, set out as a note under section 1 of this title.

REPEAL OF CERTAIN SHIFTS IN THE TIMING OF CORPORATE ESTIMATED TAX PAYMENTS

Pub. L. 112-96, title VII, §7001, Feb. 22, 2012, 126 Stat. 256, as amended by Pub. L. 113-295, div. A, title II, §203(a), Dec. 19, 2014, 128 Stat. 4024, provided that: "The following provisions of law (and any modification of any such provision which is contained in any other provision of law) shall not apply with respect to any installment of corporate estimated tax:

"(1) Section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out below].

“(2) Section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out below].

“(3) Section 505 of the United States-Korea Free Trade Agreement Implementation Act [Pub. L. 112-41, 19 U.S.C. 3805 note].

“(4) Section 603 of the United States-Colombia Trade Promotion Agreement Implementation Act [Pub. L. 112-42, 19 U.S.C. 3805 note].

“(5) Section 502 of the United States-Panama Trade Promotion Agreement Implementation Act [Pub. L. 112-43, 19 U.S.C. 3805 note].”

[Pub. L. 113-295, div. A, title II, §203(b), Dec. 19, 2014, 128 Stat. 4025, provided that: “The amendment made by subsection (a) [amending section 7001 of Pub. L. 112-96, set out above] shall take effect as if included in section 7001 of the Middle Class Tax Relief and Job Creation Act of 2012 [Pub. L. 112-96].”]

SAVINGS PROVISION

For provisions that nothing in amendment by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

PAYMENT OF CORPORATE ESTIMATED TAXES

Pub. L. 114-27, title VIII, §803, June 29, 2015, 129 Stat. 415, which provided for an increase of any required installment of corporate estimated tax due in July, August, or September of 2020 for corporations with assets of not less than \$1,000,000,000, and a corresponding reduction of the next required installment, was repealed by Pub. L. 115-123, div. D, title II, §41118, Feb. 9, 2018, 132 Stat. 162.

Pub. L. 112-163, §4, Aug. 10, 2012, 126 Stat. 1277, provided that: “Notwithstanding section 6655 of the Internal Revenue Code of 1986—

“(1) in the case of a corporation with assets of not less than \$1,000,000,000 (determined as of the end of the preceding taxable year), the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2017 shall be 100.25 percent of such amount; and

“(2) the amount of the next required installment after an installment referred to in paragraph (1) shall be appropriately reduced to reflect the amount of the increase by reason of such paragraph.”

Notwithstanding this section, in the case of a corporation with assets of not less than \$1,000,000,000, any required installment of corporate estimated tax due in July, August, or September of 2012 and July, August, or September of 2016 to be increased by 0.25 percent, and the amount of the next required installment thereafter to be appropriately reduced to reflect the amount of the increase, see section 502 of Pub. L. 112-43, set out in a note under section 3805 of Title 19, Customs Duties.

Notwithstanding this section, in the case of a corporation with assets of not less than \$1,000,000,000, any required installment of corporate estimated tax otherwise due in July, August, or September of 2016 to be increased by 0.50 percent, and the amount of the next required installment thereafter to be appropriately reduced to reflect the amount of the increase, see section 603 of Pub. L. 112-42, set out in a note under section 3805 of Title 19, Customs Duties.

Notwithstanding this section, in the case of a corporation with assets of not less than \$1,000,000,000, any required installment of corporate estimated tax due in July, August, or September of 2012 to be increased by 0.25 percent and any required installment due in July, August, or September of 2016 to be increased by 2.75 percent, and the amount of the next required installment thereafter to be appropriately reduced to reflect the amount of the increase, see section 505 of Pub. L. 112-41, set out in a note under section 3805 of Title 19, Customs Duties.

Pub. L. 109-222, title IV, §401, May 17, 2006, 120 Stat. 353, as amended by Pub. L. 110-28, title VIII, §8248, May 25, 2007, 121 Stat. 204; Pub. L. 110-42, §4, June 30, 2007, 121 Stat. 236; Pub. L. 110-52, §3, Aug. 1, 2007, 121 Stat. 264; Pub. L. 110-89, §2(a), Sept. 28, 2007, 121 Stat. 982; Pub. L. 110-138, title VI, §602, Dec. 14, 2007, 121 Stat. 1490; Pub. L. 110-289, div. C, title III, §3094(a), July 30, 2008, 122 Stat. 2912, provided that: “Notwithstanding section 6655 of the Internal Revenue Code of 1986—

“(1) in the case of a corporation with assets of not less than \$1,000,000,000 (determined as of the end of the preceding taxable year)—

“(A) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2006 shall be 105 percent of such amount,

“(B) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2012 shall be 100 percent of such amount,

“(C) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2013 shall be 100.75 percent of such amount, and

“(D) the amount of the next required installment after an installment referred to in subparagraph (A), (B), or (C) shall be appropriately reduced to reflect the amount of the increase by reason of such subparagraph,

“(2) 20.5 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2010 shall not be due until October 1, 2010, and

“(3) 27.5 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2011 shall not be due until October 1, 2011.”

[Pub. L. 111-42, title II, §202, July 28, 2009, 123 Stat. 1964, provided that:

“(a) REPEAL OF ADJUSTMENTS FOR 2010, 2011, AND 2013.—Section 401 of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] (and any modification of such section contained in any other provision of law) shall not apply with respect to any installment of corporate estimated tax which (without regard to such section) would otherwise be due after December 31, 2009.

“(b) ADJUSTMENT FOR 2014.—Notwithstanding section 6655 of the Internal Revenue Code of 1986—

“(1) in the case of a corporation with assets of not less than \$1,000,000,000 (determined as of the end of the preceding taxable year), the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2014 shall be 100.25 percent of such amount; and

“(2) the amount of the next required installment after an installment referred to in paragraph (1) shall be appropriately reduced to reflect the amount of the increase by reason of such paragraph.”]

[Section 202(b) of Pub. L. 111-42, set out above, and any modification of such provision, not applicable with respect to any installment of corporate income tax, see section 7001 of Pub. L. 112-96, set out as a note above.]

[Pub. L. 111-171, §12(a), May 24, 2010, 124 Stat. 1207, provided that: “The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out above] in effect on the date of the enactment of this Act [May 24, 2010] is increased by 0.75 percentage points.”]

[Pub. L. 111-152, title I, §1410, Mar. 30, 2010, 124 Stat. 1070, provided that: “The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out above] in effect on the date of the enactment of this Act [Mar. 30, 2010] is increased by 15.75 percentage points.”]

[Pub. L. 111-147, title V, §561, Mar. 18, 2010, 124 Stat. 117, provided that: “Notwithstanding section 6655 of the Internal Revenue Code of 1986, in the case of a corporation with assets of not less than \$1,000,000,000

(determined as of the end of the preceding taxable year)—

["(1) the percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out above] in effect on the date of the enactment of this Act [Mar. 18, 2010] is increased by 23 percentage points,

["(2) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2015 shall be 121.5 percent of such amount,

["(3) the amount of any required installment of corporate estimated tax which is otherwise due in July, August, or September of 2019 shall be 106.5 percent of such amount, and

["(4) the amount of the next required installment after an installment referred to in paragraph (2) or (3) shall be appropriately reduced to reflect the amount of the increase by reason of such paragraph."]

[Section 561 of Pub. L. 111-147, set out above, and any modification of such provision, not applicable with respect to any installment of corporate income tax, see section 7001 of Pub. L. 112-96, set out as a note above.]

[Pub. L. 111-344, title III, §302, Dec. 29, 2010, 124 Stat. 3617, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [Dec. 29, 2010] is increased by 4.5 percentage points."]

[Pub. L. 111-240, title II, §2131, Sept. 27, 2010, 124 Stat. 2568, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [Sept. 27, 2010] is increased by 36 percentage points."]

[Pub. L. 111-237, §4(a), Aug. 16, 2010, 124 Stat. 2498, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [Aug. 16, 2010] is increased by 0.25 percentage points."]

[Pub. L. 111-227, title IV, §4002, Aug. 11, 2010, 124 Stat. 2480, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [Aug. 11, 2010] is increased by 0.5 percentage points."]

[Pub. L. 111-210, §3, July 27, 2010, 124 Stat. 2256, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [July 27, 2010] is increased by 0.25 percentage points."]

[Pub. L. 111-171, §12(b), May 24, 2010, 124 Stat. 1207, provided that: "The percentage under paragraph (2) of section 561 of the Hiring Incentives to Restore Employment Act [Pub. L. 111-147, set out above] in effect on the date of the enactment of this Act [May 24, 2010] is increased by 0.75 percentage points."]

[Pub. L. 111-124, §4, Dec. 28, 2009, 123 Stat. 3485, provided that: "The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out above] in effect on the date of the enactment of this Act [Dec. 28, 2009] is increased by 1.5 percentage points."]

[Pub. L. 111-92, §18, Nov. 6, 2009, 123 Stat. 2997, provided that: "The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 [Pub. L. 111-42, set out above] in effect on the date of the enactment of this Act [Nov. 6, 2009] is increased by 33.0 percentage points."]

[Pub. L. 111-3, title VII, §704, Feb. 4, 2009, 123 Stat. 111, provided that: "The percentage under subparagraph

(C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [Feb. 4, 2009] is increased by 0.5 percentage point."]

[Pub. L. 110-436, §6, Oct. 16, 2008, 122 Stat. 4981, provided that: "The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [Oct. 16, 2008] is increased by 2 percentage points."]

[Pub. L. 110-289, div. C, title III, §3094(a), July 30, 2008, 122 Stat. 2912, provided that: "Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] is amended by striking the percentage contained therein and inserting '100 percent'. No other provision of law which would change such percentage shall have any force and effect."]

[Pub. L. 110-289, div. C, title III, §3094(b), July 30, 2008, 122 Stat. 2913, provided that: "The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [July 30, 2008] is increased by 16.75 percentage points."]

[Pub. L. 110-287, §3, July 29, 2008, 122 Stat. 2649, provided that: "The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [July 29, 2008] is increased by 0.25 percentage points."]

[Pub. L. 110-234, title XV, §15202, May 22, 2008, 122 Stat. 1500, and Pub. L. 110-246, §4(a), title XV, §15202, June 18, 2008, 122 Stat. 1664, 2262, provided that: "The percentage under subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [June 18, 2008] is increased by 7.75 percentage points." Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of Title 7, Agriculture.]

[Pub. L. 110-191, §4, Feb. 29, 2008, 122 Stat. 647, provided that: "The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [Feb. 29, 2008] is increased by 0.25 percentage points."]

[Pub. L. 110-142, §10, Dec. 20, 2007, 121 Stat. 1808, provided that: "The percentage under subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 [Pub. L. 109-222, set out above] in effect on the date of the enactment of this Act [Dec. 20, 2007] is increased by 1.50 percentage points."]

[Pub. L. 110-138, title I, §107(a), (c), title VI, §602, Dec. 14, 2007, 121 Stat. 1459, 1490, which directed amendment of section 401(1)(B) of Pub. L. 109-222, set out above, by striking "115 percent" and inserting "115.75 percent" effective on the date on which the United States-Peru Trade Promotion Agreement entered into force (Feb. 1, 2009) and ceasing to have effect on the date on which the Agreement terminates, could not be executed in view of the subsequent amendment by Pub. L. 110-289, §3094(a), which was effective July 30, 2008.]

TIME FOR PAYMENT OF SEPTEMBER 2001 AND SEPTEMBER 2004 CORPORATE ESTIMATED TAXES

Pub. L. 107-16, title VIII, §801, June 7, 2001, 115 Stat. 148, provided that: "Notwithstanding section 6655 of the Internal Revenue Code of 1986—

"(1) 100 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2001 shall not be due until October 1, 2001; and

"(2) 20 percent of the amount of any required installment of corporate estimated tax which is otherwise due in September 2004 shall not be due until October 1, 2004."

WAIVER OF ESTIMATED TAX PENALTIES FOR 1998
UNDERPAYMENTS

No addition to tax to be made under this section with respect to any underpayment of an installment required to be paid on or before the 30th day after July 22, 1998, to the extent such underpayment was created or increased by any provision of Pub. L. 105-206, see section 1(c) of Pub. L. 105-206, set out as a note under section 6654 of this title.

No addition to tax to be made under this section for any period before Jan. 1, 1998, for any payment the due date of which is before Jan. 16, 1998, with respect to any underpayment attributable to such period to the extent such underpayment was created or increased by any provision of Pub. L. 105-34, see section 1(d) of Pub. L. 105-34, set out as a note under section 6654 of this title.

UNDERPAYMENTS OF ESTIMATED TAX FOR 1996

No addition to tax to be made under this section with respect to any underpayment of an installment required to be paid before Aug. 20, 1996, to the extent such underpayment was created or increased by any provision of title I (§§ 1101-1954) of Pub. L. 104-188, see section 1102 of Pub. L. 104-188, set out as a note under section 6654 of this title.

WAIVER OF ESTIMATED PENALTIES FOR 1993 UNDERPAYMENTS ATTRIBUTABLE TO REVENUE RECONCILIATION ACT OF 1993

No addition to tax to be made under this section for any period before Apr. 16, 1994 (Mar. 16, 1994, in the case of a corporation), with respect to any underpayment to the extent such underpayment was created or increased by any provision of chapter 1 (§§ 13001-13444) of title XIII of Pub. L. 103-66, see section 13001(d) of Pub. L. 103-66, set out as a note under section 6654 of this title.

WAIVER OF ESTIMATED TAX PENALTIES FOR UNDERPAYMENTS ATTRIBUTABLE TO SECTION 420(b)(4)(B) OF THIS TITLE

No addition to tax to be made under this section for taxable year preceding taxpayer's first taxable year beginning after Dec. 31, 1990, with respect to any underpayment to the extent such underpayment was created or increased by reason of former section 420(b)(4)(B) of this title, see section 12011(c)(2) of Pub. L. 101-508, set out as an Effective Date note under section 420 of this title.

WAIVER OF ESTIMATED PENALTIES FOR 1990 UNDERPAYMENTS ATTRIBUTABLE TO REVENUE RECONCILIATION ACT OF 1990

Pub. L. 101-508, title XI, § 11307, Nov. 5, 1990, 104 Stat. 1388-452, provided that: "No addition to tax shall be made under section 6655 of the Internal Revenue Code of 1986 for any period before March 16, 1991, with respect to any underpayment to the extent such underpayment was created or increased by any provision of this part [part I (§§ 11301-11307) of subtitle C of title XI of Pub. L. 101-508, see Tables for classification]."

APPLICABILITY OF CERTAIN AMENDMENTS BY PUB. L. 99-514 IN RELATION TO TREATY OBLIGATIONS OF UNITED STATES

For applicability of amendment by section 701(d)(3) of Pub. L. 99-514 notwithstanding any treaty obligation of the United States in effect on Oct. 22, 1986, see section 1012(aa)(2) of Pub. L. 100-647, set out as a note under section 861 of this title.

WAIVER OF ESTIMATED PENALTIES FOR 1988 UNDERPAYMENTS ATTRIBUTABLE TO TECHNICAL AND MISCELLANEOUS REVENUE ACT OF 1988

No addition to tax to be made under this section for any period before Mar. 16, 1989, with respect to any underpayment to the extent such underpayment was created or increased by any provision of title I (§§ 1001 to 1019) or II (§§ 2001 to 2006) of Pub. L. 100-647, see section

1019(b) of Pub. L. 100-647, set out as an Effective Date of 1988 Amendment note under section 1 of this title.

CORPORATIONS ALSO MAY USE 1986 TAX TO DETERMINE AMOUNT OF CERTAIN ESTIMATED TAX INSTALLMENTS DUE ON OR BEFORE JUNE 15, 1987

Pub. L. 100-203, title X, § 10303(b)(2), Dec. 22, 1987, 101 Stat. 1330-430, provided that:

"(A) IN GENERAL.—In the case of a large corporation, no addition to tax shall be imposed by section 6655 of the Internal Revenue Code of 1986 with respect to any underpayment of an estimated tax installment to which this subsection applies if no addition would be imposed with respect to such underpayment by reason of section 6655(d)(1) of such Code if such corporation were not a large corporation. The preceding sentence shall apply only to the extent the underpayment is paid on or before the last date prescribed for payment of the most recent installment of estimated tax due on or before September 15, 1987.

"(B) INSTALLMENT TO WHICH SUBSECTION APPLIES.—This subsection applies to any installment of estimated tax for a taxable year beginning after December 31, 1986, which is due on or before June 15, 1987.

"(C) LARGE CORPORATION.—For purposes of this subsection, the term 'large corporation' has the meaning given such term by section 6655(i)(2) of such Code (as in effect on the day before the date of the enactment of this Act [Dec. 22, 1987])."

WAIVER OF ESTIMATED PENALTIES FOR 1986 UNDERPAYMENTS ATTRIBUTABLE TO TAX REFORM ACT OF 1986

No addition to tax to be made under this section for any period before Mar. 16, 1987, with respect to any underpayment, to the extent such underpayment was created or increased by any provision of Pub. L. 99-514, see section 1543 of Pub. L. 99-514, set out as a note under section 6654 of this title.

WAIVER OF ESTIMATED TAX PENALTIES

Pub. L. 99-514, title XVIII, § 1879(a), Oct. 22, 1986, 100 Stat. 2905, provided that: "No addition to tax shall be made under section 6654 or 6655 of the Internal Revenue Code of 1954 [now 1986] (relating to failure to pay estimated income tax) for any period before April 16, 1985 (March 16, 1985 in the case of a taxpayer subject to section 6655 of such Code), with respect to any underpayment, to the extent that such underpayment was created or increased by any provision of the Tax Reform Act of 1984 [Pub. L. 98-369, div. A]."

UNDERPAYMENTS OF ESTIMATED TAX FOR 1984

Pub. L. 98-369, div. A, title II, subtitle A, § 218, July 18, 1984, 98 Stat. 766, which provided that no addition to the tax shall be made under section 6655 of this title with respect to any underpayment of an installment required to be paid before July 18, 1984, to the extent such underpayment was created or increased by any provision of this subtitle, and such underpayment was paid in full on or before the last date prescribed for payment of the first installment of estimated tax required to be paid after July 18, 1984, was repealed by Pub. L. 99-514, title XVIII, § 1824, Oct. 22, 1986, 100 Stat. 2846.

WAIVER OF PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX

Pub. L. 94-455, title VIII, § 803(g), Oct. 4, 1976, 90 Stat. 1589, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that: "If—

"(1) a corporation made underpayments of estimated tax for a taxable year of the corporation which includes August 1, 1975, because the corporation intended to elect to have the provisions of subparagraph (B) of section 46(a)(1) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (as it existed before the date of enactment of this Act [Oct. 4, 1976]) apply for such taxable year, and

"(2) the corporation does not elect to have the provisions of such subparagraph apply for such taxable

year because this Act does not contain the amendments made by section 804(a)(2) (relating to flowthrough of investment credit), or the provisions of subsection (f) of such section (relating to grace period for certain plan transfers), of the bill H.R. 10612 (94th Congress, 2d Session), as amended by the Senate, then the provisions of section 6655 of such Code (relating to failure by corporation to pay estimated income tax) shall not apply to so much of any such underpayment as the corporation can establish, to the satisfaction of the Secretary of the Treasury, is properly attributable to the inapplicability of such subparagraph (B) for such taxable year."

DECLARATION OF ESTIMATED TAX

With respect to taxable years beginning before Dec. 30, 1969, if a taxpayer is required to make a declaration, or to pay any amount of estimated tax by reason of amendments made by Pub. L. 91-172, such amount shall be paid ratably on each of the remaining installment dates for the taxable year beginning with the first installment date on or after Dec. 30, 1969; as to any declaration or payment of estimated tax before the first installment date, this section, and sections 6015, 6154, and 6654 of this title shall be applied without regard to amendments made by Pub. L. 91-172, see section 946(b) of Pub. L. 91-172, set out as a note under section 6153 of this title.

TAX SURCHARGE EXTENSION; DECLARATIONS OF ESTIMATED TAX

Requirement of making a declaration or amended declaration of estimated tax or of payment of any amount or additional amount of estimated tax by reason of amendment of sections 51(a)(1)(A), (B), (2)(A) and 963(b) of this title as calling for payment of such amount or additional amount ratably on or before each of remaining installment dates for taxable year beginning with installment date on or after the 30th day after Aug. 7, 1969; application of this section without regard to such amendment with respect to any declaration or payment of estimated tax before such first installment date; and definition of "installment date", see Pub. L. 93-53, §5(c), Aug. 7, 1969, 83 Stat. 95.

ESTIMATED TAX OF LIFE INSURANCE COMPANIES FOR 1958

Pub. L. 86-69, June 25, 1959, §3(h), 73 Stat. 140, provided that in the case of a taxpayer subject to tax under section 811 of this title, as in effect before June 25, 1959, no additional tax was to be payable under this section with respect to estimated tax for a taxable year beginning in 1958.

§ 6656. Failure to make deposit of taxes

(a) Underpayment of deposits

In the case of any failure by any person to deposit (as required by this title or by regulations of the Secretary under this title) on the date prescribed therefor any amount of tax imposed by this title in such government depository as is authorized under section 6302(c) to receive such deposit, unless it is shown that such failure is due to reasonable cause and not due to willful neglect, there shall be imposed upon such person a penalty equal to the applicable percentage of the amount of the underpayment.

(b) Definitions

For purposes of subsection (a)—

(1) Applicable percentage

(A) In general

Except as provided in subparagraph (B), the term "applicable percentage" means—

- (i) 2 percent if the failure is for not more than 5 days,
- (ii) 5 percent if the failure is for more than 5 days but not more than 15 days, and
- (iii) 10 percent if the failure is for more than 15 days.

(B) Special rule

In any case where the tax is not deposited on or before the earlier of—

- (i) the day 10 days after the date of the first delinquency notice to the taxpayer under section 6303, or
- (ii) the day on which notice and demand for immediate payment is given under section 6861 or 6862 or the last sentence of section 6331(a),

the applicable percentage shall be 15 percent.

(2) Underpayment

The term "underpayment" means the excess of the amount of the tax required to be deposited over the amount, if any, thereof deposited on or before the date prescribed therefor.

(c) Exception for first-time depositors of employment taxes

The Secretary may waive the penalty imposed by subsection (a) on a person's inadvertent failure to deposit any employment tax if—

- (1) such person meets the requirements referred to in section 7430(c)(4)(A)(ii),
- (2) such failure—
 - (A) occurs during the first quarter that such person was required to deposit any employment tax; or
 - (B) if such person is required to change the frequency of deposits of any employment tax, relates to the first deposit to which such change applies, and
- (3) the return of such tax was filed on or before the due date.

For purposes of this subsection, the term "employment taxes" means the taxes imposed by subtitle C.

(d) Authority to abate penalty where deposit sent to Secretary

The Secretary may abate the penalty imposed by subsection (a) with respect to the first time a depositor is required to make a deposit if the amount required to be deposited is inadvertently sent to the Secretary instead of to the appropriate government depository.

(e) Designation of periods to which deposits apply

(1) In general

A deposit made under this section shall be applied to the most recent period or periods within the specified tax period to which the deposit relates, unless the person making such deposit designates a different period or periods to which such deposit is to be applied.

(2) Time for making designation

A person may make a designation under paragraph (1) only during the 90-day period beginning on the date of a notice that a penalty under subsection (a) has been imposed for the