



# INSTRUCTIONS FOR FORM AR2220-PET UNDERPAYMENT OF ESTIMATED TAX BY PASS-THROUGH ENTITY

## PART 1

**Line 1:** Enter current year tax liability. If this is \$1,000.00 or less, you are not subject to an Underestimate Penalty.

**Line 2:** (a) Enter 90% of the dollar amount entered on line 1.  
(b) Enter amount of prior year tax liability.

**Line 3:** Enter lesser of 2(a) or 2(b).

**Line 4:** Enter amount of total estimated tax paid. Include estimated tax carryforward from prior year, but do not include any amount(s) paid with extension (Voucher 5). If Line 4 is equal to or greater than Line 3, you are not subject to an underestimate penalty provided the correct amount of estimates were timely filed and paid.

Estimates are due on the 15<sup>th</sup> day of the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup> and first month after the end of the tax year.

## PART 2

**COLUMNS A and B (NOTE:** Complete Columns A and B first, Column C second, Column D third, and Column E fourth)

**Line 1:** Enter the dates in Col. A and the total amount in Col. B of Estimated Credit Carryforward from previous tax year or other payments made toward the tax liability that were made on or before the required 1st Quarter Estimated Payment due date.

**Line 2:** Enter the date in Col. A and the amount in Col. B of the Required 1st Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

**Lines 3 and 4:** Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 3) of estimated payments (exclude extension payments) made after the Required 1st Quarter Estimated Payment due date and on or before the Required 2nd Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 2nd Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

**Line 5:** Enter the date in Col. A and the amount in Col. B of the Required 2nd Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

**Lines 6 and 7:** Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 6) of estimated payments (exclude extension payments) made after the Required 2nd Quarter Estimated Payment due date and on or before the Required 3rd Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 3rd Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

**Line 8:** Enter the date in Col. A and the amount in Col. B of the Required 3rd Quarter Estimated payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

**Lines 9 and 10:** Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 9) of estimated payments (exclude extension payments) made after the Required 3rd Quarter Estimated payment due date and on or before the Required 4th Quarter Estimated Payment due date. If one or more lines are left blank, enter the Required 4th Quarter Estimated Payment due date in Col. A and zero (0) in Col. B.

**Line 11:** Enter the date in Col. A and the amount in Col. B of the Required 4th Quarter Estimated Payment (Part 1, Line 3 divided by 4 quarters or from Form AR2220A, Line 20).

**Lines 12 and 13:** Enter the dates in Col. A and the totals (as negative numbers) in Col. B (earliest date on line 12) of estimated payments (exclude extension payments) made after the Required 4th Quarter Estimated Payment due date and on or before the earlier of the Income Tax Return Due Date or the date the Income Tax Return was Filed and Paid. If one or more lines are left blank, enter the earlier of the Income Tax Return Due Date or the date the Income Tax Return was Filed and Tax Paid in Col. A and zero (0) in Col. B.

The income tax return due date is the 15<sup>th</sup> day of the 4<sup>th</sup> month after the close of the tax year.

**Line 14:** Enter the earlier of the Income Tax Return Due Date **OR** the date the Income Tax Return was filed and the tax Paid in full.

## COLUMN C

**Lines 2 through 13:** Follow instructions between Columns B and C.  
Example add Col. B Line 1 to Col. B Line 2 and enter the number (as positive or negative) in Col. C Line 2; Add Col. C Line 2 to Col. B Line 3 and enter the number (as positive or negative) in Col. C Line 3; etc.

## COLUMN D

**Lines 2 through 13:** Follow instructions between Columns C and D for each line in Column C that contains a positive amount. Enter in Column D the differences, in days, between the dates in Column A that are referenced in the instructions. Example - If Col. C Line 2 contained a positive amount, in Col. D Line 2 enter the difference in days between the dates in Col. A Line 3 and Col. A Line 2; if Col. C Line 2 contained a negative amount, leave Col. D Line 2 blank or enter zero (0).

## COLUMN E

**Lines 2 through 13:** For each line in Column D that contains an entry of days, follow instructions at the top of Column E and enter the amounts as whole dollars. Example – If Col. D Line 2 contained an entry of days, multiply the amount in Col. C Line 2 by the days in Col. D Line 2 (days underpaid) and multiply this product by .00027397; enter this product on Col. E Line 2. If Col. D Line 2 was blank or contained a zero (0), enter a zero (0) on Col. E Line 2.

**Line 14:** Total all amounts in Col. E on Lines 2 through 13. This is your total Penalty for Underpayment of Estimated Tax to enter on Line 45 of the Arkansas Corporation Income Tax Return, Form AR1100CT or on Line 18 of Arkansas Pass-Through Entity Tax, Form AR1100PET.

## PART 3

If one of the exceptions listed in Part 3 of Form AR2220 applies to you, it is not necessary to complete Form AR2220 **provided** the appropriate numeric character identifying your exception is listed in the block on Line 18 Form AR1100PET.



## Example 1 for AR2220-PET Form

|                                                   |                                                                                                    |                                       |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------|
| Taxpayer: ABC Entity                              | Tax Year End: 06/30/25                                                                             | Current Year Tax Liability: \$18,418  |
| Due Date of Return: 10/15/25                      | Date Return Filed: 10/15/25                                                                        | Previous Year Tax Liability: \$18,624 |
| Est. Tax Carryforward from Prior Tax Year: \$0.00 | Estimated Pymts Made: 10/16/24 \$4,144<br>12/15/24 \$3,144<br>03/15/25 \$7,044<br>07/17/25 \$1,244 | Extension Pymt Made: 10/15/25 \$1,000 |

**NOTE:** Part 3 of the AR2220-PET Form not included below due to space limitations

## AR2220-PET State of Arkansas UNDERPAYMENT OF ESTIMATED TAX BY PASS-THROUGH ENTITY

|                                          |                           |
|------------------------------------------|---------------------------|
| Pass-Through Entity<br><b>ABC Entity</b> | FEIN<br><b>98-7654321</b> |
|------------------------------------------|---------------------------|

### PART 1 DETERMINING TAX AMOUNT REQUIRED TO BE ESTIMATED (Round all entries to whole dollars)

|                                                                                                                                                                                                                                                   |               |           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------|
| 1. Tax Liability for Year Ending <b>06 / 30 / 2025</b> (Enter amount from appropriate line on Arkansas return) .....                                                                                                                              | <b>18,418</b> | <b>00</b> |
| (If Line 1 is \$1,000 or less, you are not subject to an underestimation penalty)                                                                                                                                                                 |               |           |
| 2. (a) 90% of Line 1: .....                                                                                                                                                                                                                       | <b>16,576</b> | <b>00</b> |
| (b) Prior Year Tax Liability: (Enter amount from appropriate line on prior year Arkansas return) .....                                                                                                                                            | <b>18,624</b> | <b>00</b> |
| 3. Enter Lesser of 2(a) or 2(b): (Divide entry by 4 for Part 2 Lines 2, 5, 8, and 11) .....                                                                                                                                                       | <b>16,576</b> | <b>00</b> |
| 4. Total Estimated Tax Paid: (Including estimate carryforward from prior year) .....                                                                                                                                                              | <b>15,576</b> | <b>00</b> |
| (If Line 4 is equal to or greater than Line 3 you are not subject to an underestimation penalty, <u>provided</u> the correct amount of quarterly estimated tax payments, as entered in Part 2, Lines 2, 5, 8, and 11, were timely filed and paid) |               |           |

### PART 2 COMPUTATION OF UNDERESTIMATED PENALTY (Round all entries to whole dollars)

**NOTE:** Complete Columns A and B first, Column C second, Column D third, and Column E fourth.

|                                                                                                                                   | A<br>Date | B<br>Amounts<br>Enter pmts.<br>as (-) |          | C<br>Cumulative<br>Underpay (+)<br>Overpay (-) |                               | D<br>Days<br>Col.<br>C (+)<br>Amts.<br>Only | E<br>Penalty<br>Col. C <b>X</b><br>Col. D <b>X</b><br>.00027397 |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------|----------|------------------------------------------------|-------------------------------|---------------------------------------------|-----------------------------------------------------------------|
| 1. Estimated Credit Carryforwards and Payments made on or before the 1 <sup>st</sup> Quarter Due Date:                            | 10/16/24  | < 4,144.00 >                          |          |                                                |                               |                                             |                                                                 |
| 2. <b>Required 1<sup>st</sup> Quarter Estimated Payment:</b>                                                                      | 10/16/24  | 4,144.00                              | B1+B2=   | 0.00                                           | A3-A2=                        | 0                                           | 0                                                               |
| 3. Est. Pmt. made after Col. A, Ln.2 and on or before Col. A, Ln. 5. <b>If blank</b> , enter Col. A, Ln. 5 date in Col. A:        | 12/15/24  | < 0 >                                 | C2+B3=   | 0.00                                           | A4-A3=                        | 0                                           | 0                                                               |
| 4. Est. Pmt. made after Col. A, Ln. 3 and on or before Col. A, Ln. 5. <b>If blank</b> , enter Col. A, Ln. 5 date in Col. A:       | 12/15/24  | < 0 >                                 | C3+B4=   | 0.00                                           | A5-A4=                        | 0                                           | 0                                                               |
| 5. <b>Required 2<sup>nd</sup> Quarter Estimated Payment:</b>                                                                      | 12/15/24  | 4,144.00                              | C4+B5=   | 4,144.00                                       | A6-A5=                        | 90                                          | 102.00                                                          |
| 6. Est. Pmt. made after Col. A, Ln. 5 and on or before Col. A, Ln. 8. <b>If blank</b> , enter Col. A, Ln. 8 date in Col. A:       | 03/15/25  | < 3,144.00 >                          | C5+B6=   | 1,000.00                                       | A7-A6=                        | 0                                           | 0                                                               |
| 7. Est. Pmt. made after Col. A, Ln. 6 and on or before Col. A, Ln. 8. <b>If blank</b> , enter Col. A, Ln. 8 date in Col. A:       | 03/15/25  | < 0 >                                 | C6+B7=   | 1,000.00                                       | A8-A7=                        | 0                                           | 0                                                               |
| 8. <b>Required 3<sup>rd</sup> Quarter Estimated Payment:</b>                                                                      | 03/15/25  | 4,144.00                              | C7+B8=   | 5,144.10                                       | A9-A8=                        | 61                                          | 86.00                                                           |
| 9. Est. Pmt. made after Col. A, Ln. 8 and on or before Col. A, Ln. 11. <b>If blank</b> , enter Col. A, Ln.1 date in Col. A:       | 07/17/25  | < 7,044.00 >                          | C8+B9=   | (1,900.00)                                     | A10-A9=                       | 0                                           | 0                                                               |
| 10. Est. Pmt. made after Col. A, Ln. 9 and on or before Col. A, Ln.11. <b>If blank</b> , enter Col. A, Ln.11 date in Col. A:      | 07/17/25  | < 1,244.00 >                          | C9+B10=  | (3,144.00)                                     | A11-A10=                      | 0                                           | 0                                                               |
| 11. <b>Required 4<sup>th</sup> Quarter Estimated Payment:</b>                                                                     | 07/17/25  | 4,144.00                              | C10+B11= | 1,000.00                                       | A12-A11=                      | 92                                          | 25.00                                                           |
| 12. Est. Pmt. made after Col. A, Ln. 11 and on or before Col. A, Ln. 14. <b>If blank</b> , enter Col. A, Ln.14 date in Col. A:    | 10/15/25  | < 0 >                                 | C11+B12= | 1,000.00                                       | A13-A12=                      | 0                                           | 0                                                               |
| 13. Est. Pmt. made after Col. A, Ln. 12 and on or before Col. A, Ln.14. <b>If blank</b> , enter Col. A, Ln.14 date in Col. A:     | 10/15/25  | < 0 >                                 | C12+B13= | 1,000.00                                       | A14-A13=                      | 0                                           | 0                                                               |
| 14. <b>Earlier</b> of the Income Tax Return <b>Due Date</b> or the Income Tax Return <b>Filed Date</b> with complete Tax Payment: | 10/15/25  |                                       |          |                                                | Total Penalty (Total Col. E): |                                             | 213.00                                                          |



## Example 2 for AR2220-PET Form

|                                                    |                                                             |                                       |
|----------------------------------------------------|-------------------------------------------------------------|---------------------------------------|
| Taxpayer: XYZ Entity                               | Tax Year End: 12/31/25                                      | Current Year Tax Liability: \$20,000  |
| Due Date of Return: 4/15/26                        | Date Return Filed: 10/15/26                                 | Previous Year Tax Liability: \$40,000 |
| Est. Tax Carryforward from Prior Tax Year: \$2,000 | Estimated Pymts Made: 04/15/25 \$3,000<br>01/15/26 \$10,000 | Extension Pymt Made: 4/15/26 \$3,000  |

**NOTE:** Part 3 of the AR2220-PET Form not included below due to space limitations

## AR2220-PET State of Arkansas UNDERPAYMENT OF ESTIMATED TAX BY CORPORATIONS

|                     |            |                    |
|---------------------|------------|--------------------|
| Pass-Through Entity | XYZ Entity | FEIN<br>12-3456789 |
|---------------------|------------|--------------------|

### PART 1 DETERMINING TAX AMOUNT REQUIRED TO BE ESTIMATED (Round all entries to whole dollars)

|                                                                                                                                                                                                                                                 |        |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----|
| 1. Tax Liability for Year Ending <b>12 / 31 / 2025</b> : (Enter amount from appropriate line on Arkansas return) .....                                                                                                                          | 20,000 | 00 |
| (If Line 1 is \$1,000 or less, you are not subject to an underestimate penalty)                                                                                                                                                                 |        |    |
| 2. (a) 90% of Line 1: .....                                                                                                                                                                                                                     | 18,000 | 00 |
| (b) Prior Year Tax Liability: (Enter amount from appropriate line on prior year Arkansas return) .....                                                                                                                                          | 40,000 | 00 |
| 3. Enter Lesser of 2(a) or 2(b): (Divide entry by 4 for Part 2 Lines 2, 5, 8, and 11) .....                                                                                                                                                     | 18,000 | 00 |
| 4. Total Estimated Tax Paid: (Including estimate carryforward from prior year) .....                                                                                                                                                            | 15,000 | 00 |
| (If Line 4 is equal to or greater than Line 3 you are not subject to an underestimate penalty, <u>provided</u> the correct amount of quarterly estimated tax payments, as entered in Part 2, Lines 2, 5, 8, and 11, were timely filed and paid) |        |    |

### PART 2 COMPUTATION OF UNDERESTIMATED PENALTY (Round all entries to whole dollars)

| NOTE: Complete Columns A and B first, Column C second, Column D third, and Column E fourth.                                     | A<br>Date           | B<br>Amounts<br>Enter pmts.<br>as (-) |          | C<br>Cumulative<br><br>Underpay (+)<br>Overpay (-) |          | D<br>Days<br>Col. C (+)<br>Amts.<br>Only | E<br>Penalty<br>Col. C <b>X</b><br>Col. D <b>X</b><br>.00027397 |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------|----------|----------------------------------------------------|----------|------------------------------------------|-----------------------------------------------------------------|
|                                                                                                                                 | ECF and<br>04/15/25 | < 5,000 >                             |          |                                                    |          |                                          |                                                                 |
| 1. Estimated Credit Carryforwards and Payments made on or before the 1 <sup>st</sup> Quarter Due Date:                          | 04/15/25            | < 5,000 >                             |          |                                                    |          |                                          |                                                                 |
| 2. Required 1 <sup>st</sup> Quarter Estimated Payment:                                                                          | 04/15/25            | 4,500                                 | B1+B2=   | (500)                                              | A3-A2=   | 0                                        | 0                                                               |
| 3. Est. Pmt. made after Col. A, Ln.2 and on or before Col. A, Ln. 5. <b>If blank</b> , enter Col. A, Ln. 5 date in Col. A:      | 06/17/25            | < 0 >                                 | C2+B3=   | (500)                                              | A4-A3=   | 0                                        | 0                                                               |
| 4. Est. Pmt. made after Col. A, Ln. 3 and on or before Col. A, Ln. 5. <b>If blank</b> , enter Col. A, Ln. 5 date in Col. A:     | 06/17/25            | < 0 >                                 | C3+B4=   | (500)                                              | A5-A4=   | 0                                        | 0                                                               |
| 5. Required 2 <sup>nd</sup> Quarter Estimated Payment:                                                                          | 06/17/25            | 4,500                                 | C4+B5=   | 4,000                                              | A6-A5=   | 92                                       | 101                                                             |
| 6. Est. Pmt. made after Col. A, Ln. 5 and on or before Col. A, Ln. 8. <b>If blank</b> , enter Col. A, Ln. 8 date in Col. A:     | 09/16/25            | < 0 >                                 | C5+B6=   | 4,000                                              | A7-A6=   | 0                                        | 0                                                               |
| 7. Est. Pmt. made after Col. A, Ln. 6 and on or before Col. A, Ln. 8. <b>If blank</b> , enter Col. A, Ln 8 date in Col. A:      | 09/16/25            | < 0 >                                 | C6+B7=   | 4,000                                              | A8-A7=   | 0                                        | 0                                                               |
| 8. Required 3 <sup>rd</sup> Quarter Estimated Payment:                                                                          | 09/16/25            | 4,500                                 | C7+B8=   | 8,500                                              | A9-A8=   | 91                                       | 212                                                             |
| 9. Est. Pmt. made after Col. A, Ln. 8 and on or before Col. A, Ln. 11. <b>If blank</b> , enter Col. A, Ln. 11 date in Col. A:   | 01/15/26            | < 10,000 >                            | C8+B9=   | (1,500)                                            | A10-A9=  | 0                                        | 0                                                               |
| 10. Est. Pmt. made after Col. A, Ln. 9 and on or before Col. A, Ln. 11. <b>If blank</b> , enter Col. A, Ln. 11 date in Col. A:  | 01/15/26            | < 0 >                                 | C9+B10=  | (1,500)                                            | A11-A10= | 0                                        | 0                                                               |
| 11. Required 4 <sup>th</sup> Quarter Estimated Payment:                                                                         | 01/15/26            | 4,500                                 | C10+B11= | 3,000                                              | A12-A11= | 91                                       | 75                                                              |
| 12. Est. Pmt. made after Col. A, Ln. 11 and on or before Col. A, Ln. 14. <b>If blank</b> , enter Col. A, Ln. 14 date in Col. A: | 04/15/26            | < 0 >                                 | C11+B12= | 3,000                                              | A13-A12= | 0                                        | 0                                                               |
| 13. Est. Pmt. made after Col. A, Ln. 12 and on or before Col. A, Ln. 14. <b>If blank</b> , enter Col. A, Ln. 14 date in Col. A: | 04/15/26            | < 0 >                                 | C12+B13= | 3,000                                              | A14-A13= | 0                                        | 0                                                               |
| 14. Earlier of the Income Tax Return Due Date or the Income Tax Return Filed Date with complete Tax Payment:                    | 04/15/26            |                                       |          | Total Penalty (Total Col. E):                      |          |                                          | 388                                                             |