

Fiscal Year Estimated Tax on Unrelated Business Taxable Income for Tax-Exempt Organizations

(WORKSHEET)

(For use by organizations whose tax year begins after June 30, 1992, and before January 1, 1993)

1992-93

Department of the Treasury
Internal Revenue Service

(Keep for Your Records—Do *Not* Send to the Internal Revenue Service)

1	Unrelated business taxable income expected in the tax year	1		
2	Organizations Taxable as Corporations. —Enter income tax on the amount on line 1. (see instructions for tax computation).	2		
3	Trusts Taxable at Trust Rates. —Enter income tax on the amount on line 1. (see instructions for tax computation)	3		
4	Estimated tax credits	4		
5	Balance (subtract line 4 from line 2 or line 3, whichever applies)	5		
6	Recapture of: a investment credit; and b low-income housing credit	6		
7	Alternative minimum tax (see instructions)	7		
8	Environmental tax. Note: <i>This tax applies only to tax-exempt corporations. Tax-exempt trusts should skip this line</i>	8		
9	Total (add lines 5 through 8)	9		
10	Credit for Federal tax paid on fuels (see instructions)	10		
11	1992-93 Estimated Tax. —Subtract line 10 from line 9. Note: <i>If less than \$500, the organization is not required to make estimated tax payments</i>	11		
12a	Enter 97% of line 11.	12a		
b	Enter the tax shown on your 1991-92 return (Caution: <i>See instructions before completing this line.</i>)	12b		
c	Required Annual Payment. —Enter the smaller of line 12a or line 12b	12c		

		(a)	(b)	(c)	(d)
13	Installment due dates (see instructions).	13			
14	Required installments. Enter 25% of line 12c in columns (a) through (d) unless a or b below applies to the organization (<i>Subtract any 1991-92 overpayment that you are applying to an installment</i>):				
a	If you use the annualized income installment method and/or the adjusted seasonal installment method, complete Schedule A and enter the amounts from line 45 in each column of line 14.				
b	If you are a "large organization," see the instructions for the amount to enter in each column of line 14	14			

Schedule A Required Installments Using the Annualized Income Installment Method or the Adjusted Seasonal Installment Method Under Section 6655(e).

Note: See the Schedule A instructions. An organization having income that is expected to vary during the year may want to complete Schedule A to determine whether it may be able to lower the amount of one or more required installments.

Complete each column of this schedule in its entirety before going to the next column.

Part I—Annualized Income Installment Method		(a)	(b)	(c)	(d)
		Period			
			First 3 months	First 6 months	First 9 months
1	Enter taxable income for each period. 1				
2	Annualization amounts. 2		4	2	1.33333
3	Multiply line 1 by line 2. 3				
		Period			
		First 2 months	First 4 months	First 7 months	First 10 months
4	Enter taxable income for each period. 4				
5	Annualization amounts. 5	6	3	1.71429	1.2
6	Multiply line 4 by line 5. 6				
7	Annualized taxable income. In column (a), enter the amount from line 6, column (a). In columns (b), (c), and (d), enter the smaller of the amounts in each column on line 3 or line 6. 7				
8	Figure tax on the amount in each column on line 7 in the same manner as you figured line 2 or line 3, Form 990-W(FY). 8				
9	Enter other taxes for each payment period (see instructions). 9				
10	Total tax. Add lines 8 and 9. 10				
11	For each period, enter the same type of credits as allowed on Form 990-W(FY), lines 4 and 10 (see instructions). 11				
12	Total tax after credits. Subtract line 11 from line 10. If less than zero, enter -0-. 12				
13	Applicable percentage. 13	24.25%	48.5%	72.75%	97%
14	Multiply line 12 by line 13. 14				
15	Total of all preceding columns of line 45 (see instructions). 15				
16	Subtract line 15 from line 14. If less than zero, enter -0-. 16				

Part II—Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See the Schedule A instructions for more information.)

		(a)	(b)	(c)	(d)
		Period			
		First 3 months	First 5 months	First 8 months	First 11 months
17	Enter taxable income for the following periods: 17a				
	a Tax year beginning in fiscal year 1989-90 17a				
	b Tax year beginning in fiscal year 1990-91 17b				
	c Tax year beginning in fiscal year 1991-92 17c				
18	Enter taxable income for each period for the tax year beginning in fiscal year 1992-93. 18				
		Period			
		First 4 months	First 6 months	First 9 months	Entire year
19	Enter taxable income for the following periods: 19a				
	a Tax year beginning in fiscal year 1989-90 19a				
	b Tax year beginning in fiscal year 1990-91 19b				
	c Tax year beginning in fiscal year 1991-92 19c				
20	Divide the amount in each column on line 17a by the amount in column (d) on line 19a. 20				
21	Divide the amount in each column on line 17b by the amount in column (d) on line 19b. 21				
22	Divide the amount in each column on line 17c by the amount in column (d) on line 19c. 22				

		(a)	(b)	(c)	(d)
		Period			
		First 4 Months	First 6 Months	First 9 Months	Entire year
23 Add lines 20 through 22.	23				
24 Base period percentage for months before filing month. Divide line 23 by 3.	24				
25 Divide line 18 by line 24.	25				
26 Figure tax on the amount on line 25 in the same manner as figured on line 2 or 3, Form 990-W(FY).	26				
27 Divide the amount in columns (a) through (c) on line 19a by the amount in column (d) on line 19a.	27				
28 Divide the amount in columns (a) through (c) on line 19b by the amount in column (d) on line 19b.	28				
29 Divide the amount in columns (a) through (c) on line 19c by the amount in column (d) on line 19c.	29				
30 Add lines 27 through 29.	30				
31 Base period percentage for months through and including filing month. Divide line 30 by 3.	31				
32 Multiply the amount in columns (a) through (c) of line 26 by the percentage in the corresponding column of line 31. In column (d), enter the amount from line 26, column (d).	32				
33 Enter other taxes for each payment period (see instructions).	33				
34 Total tax. Add lines 32 and 33.	34				
35 For each period, enter the same type of credits as allowed on Form 990-W(FY), lines 4 and 10 (see instructions).	35				
36 Total tax after credits. Subtract line 35 from line 34. If less than zero, enter -0-.	36				
37 Multiply line 36 by 97%.	37				
38 Total of all preceding columns of line 45 (see instructions).	38				
39 Subtract line 38 from line 37. If less than zero, enter -0-.	39				

Part III—Required Installments

		1st installment	2nd installment	3rd installment	4th installment
		40 If only one of the above parts was completed, enter the amounts in each column from line 16 or line 39. (If both parts were completed, enter the smaller of the amounts in each column from line 16 or line 39.)	40		
41 Divide line 12c, Form 990-W(FY), by 4 and enter the result in each column. (Note: "Large organizations," see line 14b instructions on page 5 for the amount to enter.)	41				
42 Enter the amount from line 44 for the preceding column.	42				
43 Add lines 41 and 42 and enter the total.	43				
44 If line 43 is more than line 40, subtract line 40 from line 43. Otherwise, enter -0-.	44				
45 Required installments. —Enter the smaller of line 40 or line 43 here and on Form 990-W(FY), line 14, page 1.	45				

Important Change

Public Law 102-318, the Unemployment Compensation Amendments of 1992, has increased the amount of estimated tax payments an organization must make. Generally, for tax years beginning after June 30, 1992, required estimated tax payments are increased to 97% of the organization's current year tax liability. The law does not change the rule that allows a "small organization" to base the amount of its payments on 100% of last year's positive tax liability. Also, a "large organization" may continue to base its first required installment on 100% of the prior year's positive tax liability.

The change applies regardless of whether the organization uses the regular installment method, the annualized income installment method, or the adjusted seasonal installment method.

The 1992-93 Form 990-W(FY) is used by organizations with tax years beginning after June 30, 1992, and before January 1, 1993, to determine their estimated tax payment requirements for the 1992-93 fiscal year. For tax years beginning January 1, 1993, and later, use the 1993 version of Form 990-W to determine the estimated tax payments for the 1993 calendar year or fiscal year beginning in 1993.

General Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—Your use of this form is optional. It is provided only to aid you in determining your tax liability.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Form	Recordkeeping	Learning about the law or the form	Preparing the form
Form 990-W(FY)	4 hr., 47 min.	3 hr., 41 min.	3 hr., 55 min.
Form 990-W(FY), Sch. A (Pt. I)	11 hr., 43 min.	18 min.	30 min.
Form 990-W(FY), Sch. A (Pt. II)	24 hr., 23 min.	12 min.	36 min.
Form 990-W(FY), Sch. A (Pt. III)	5 hr., 16 min.	-0-	5 min.
Tax computation	2 hr., 23 min.	-0-	2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0976), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, keep the form for your records.

Who must make estimated tax payments.—A tax-exempt trust or tax-exempt corporation must make estimated tax payments if the total tax it expects to owe for its tax year (line 11) is \$500 or more. Both tax-exempt trusts and tax-exempt corporations use Form 990-W(FY) to figure their estimated tax liability for 1992-93.

Underpayment of estimated tax.—An organization that does not pay the estimated tax when due may be charged an underpayment penalty for the period of underpayment (section 6655), at a rate determined under section 6621.

Depository method of tax payment.—Deposit unrelated business income tax payments and estimated tax payments with a Federal Tax Deposit (FTD) Coupon. Be sure to darken the "990-T" box on Form 8109. Make these tax deposits

with either a financial institution qualified as a depository for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the organization is located. **DO NOT** submit deposits directly to an IRS office; otherwise, the organization may be subject to a failure to deposit penalty. Records of deposits will be sent to the IRS for crediting to the organization's account. See the instructions contained in the FTD Coupon Book (**Form 8109**) and **Pub. 583**, Taxpayers Starting a Business, for more information.

To help ensure proper crediting to your account, write your employer identification number, "Form 990-T" (or other applicable form), and the tax period to which the deposit applies on your check or money order.

Amended estimated tax.—If after the organization figures and deposits estimated tax, it finds that its tax liability for the year is much more or less than originally estimated because its economic condition has changed, it may have to refigure its required installments. If earlier installments were underpaid, the organization may owe a penalty for underpayment of estimated tax.

An immediate "catch-up" payment should be made to reduce the amount of any penalty resulting from the underpayment of any earlier installments, whether caused by a change in estimate, failure to make a deposit, or a mistake.

Specific Instructions

Note: Refer to **Form 990-T**, *Exempt Organization Business Income Tax Return*, and its instructions for an explanation and special rules regarding the computation of unrelated business income, deductions, and credits for purposes of completing this worksheet.

Line 2.—A corporation (other than members of a controlled group) figures its tax on the amount on line 1 using the Tax Rate Schedule for Corporations on page 5 (members of a controlled group should see the instructions below).

Members of a controlled group, as defined in section 1563, are entitled to one \$50,000 and one \$25,000 taxable income bracket amount (in that order).

If no apportionment plan is adopted, the members of the controlled group must divide the amount in each taxable income bracket equally among themselves. For example, controlled group AB consists of corporation A and corporation B. They do not elect an apportionment plan. Therefore, both corporation A and corporation B are entitled to \$25,000 (one-half of \$50,000) in the \$50,000 taxable income bracket, and to \$12,500 (one-half of \$25,000) in the \$25,000 taxable income bracket.

Members of a controlled group may elect an unequal apportionment plan and divide the amounts in each taxable income bracket in any way they want.

They need not divide each taxable income bracket in the same way. For example, if controlled group AB above elects an unequal apportionment plan, any member of the controlled group may be entitled to all, some, or none of the \$50,000 amount in the first taxable income bracket, as long as the total for all members of the controlled group is not more than \$50,000. Similarly, any member may be entitled to all, some, or none of the \$25,000 amount in the second taxable income bracket, as long as the total for all members of the controlled group is not more than \$25,000.

Each member of a controlled group must compute the tax as follows:

1. Enter taxable income (line 1, Form 990-W(FY)). _____
2. Enter line 1 or the corporation's share of the \$50,000 taxable income bracket, whichever is less _____
3. Subtract line 2 from line 1 _____
4. Enter line 3 or the corporation's share of the \$25,000 taxable income bracket, whichever is less _____
5. Subtract line 4 from line 3 _____
6. Enter 15% of line 2 _____
7. Enter 25% of line 4 _____
8. Enter 34% of line 5 _____
9. If the taxable income of the controlled group exceeds \$100,000, enter this member's share of the smaller of:
 (a) 5% of the excess over \$100,000, or
 (b) \$11,750.
 (See instructions for additional 5% tax below.) _____
10. Total of lines 6 through 9. Enter this amount on line 2, page 1, Form 990-W(FY). _____

Additional 5% tax.—Members of a controlled group of corporations are treated as one corporation for purposes of figuring the applicability of the additional 5% tax. If the taxable income of the controlled group exceeds \$100,000, enter the portion of the smaller of: 5% of the excess over \$100,000; or \$11,750 that this member must pay.

**Tax Rate Schedule for Corporations (except members of a controlled group)
(Section 11 of the Internal Revenue Code)**

If the amount on line 1, page 1 is:		Enter on line 2, page 1:
Over—	but not over—	
-0-	\$50,000	15% of the amount over \$-0-
\$50,000	75,000	\$7,500 plus 25% of the amount over \$50,000
75,000	100,000	\$13,750 plus 34% of the amount over \$75,000
100,000	335,000	\$22,250 plus 39% of the amount over \$100,000
335,000	-----	34% of the amount on line 1

**Tax Rate Schedule for Trusts
(Section 1(e) of the Internal Revenue Code)**

If the amount on line 1, page 1 is:		Enter on line 3, page 1:
Not over \$3,600		15% of the amount over \$-0-
Over \$3,600 but not over \$10,900		\$540.00 plus 28% of the amount over \$3,600
\$10,900 and greater		\$2,584.00 plus 31% of the amount over \$10,900

Tax Computation Using Maximum Capital Gains Rate (Use this computation if you expect a net capital gain for 1992-93.)

1 Unrelated business taxable income expected in the tax year (from page 1, line 1)	1
2 Net capital gain anticipated for 1992-93	2
3 Subtract line 2 from line 1, but not less than -0-	3
4 Enter the greater of line 3 or \$10,900	4
5 Tax on amount on line 4 from the Tax Rate Schedule. If \$10,900, enter \$2,584.00	5
6 Subtract line 4 from line 1	6
7 Multiply line 6 by (.28)	7
8 Maximum capital gains tax (add lines 5 and 7).	8
9 Regular tax on amount on line 1 from the Tax Rate Schedule	9
10 Tax (Enter the smaller of line 8 or line 9.) Enter here and on page 1, line 3	10

Line 3.—Trusts exempt under section 501(a) and employees' trusts that qualify under section 401(a) are taxed at trust rates. A trust figures the tax on the amount on line 1 using the above Tax Rate Schedule for Trusts or the Tax Computation Using Maximum Capital Gains Rate.

Line 4.—The estimated tax credits include the sum of any credits allowable against tax provided by Part IV of Subchapter A of Chapter 1 (except the credits shown on line 10).

Line 7.—Alternative minimum tax is generally the excess of tentative minimum tax over regular tax. Corporations, see **Form 4626, Alternative Minimum Tax—Corporations**, for details. Trusts, see **Form 1041, Schedule H, Alternative Minimum Tax**.

Line 8.—For tax-exempt corporations only, environmental tax is 0.12% of the excess of modified alternative minimum taxable income over \$2 million. See section 59A and **Pub. 542, Tax Information on Corporations**, for more information.

Line 10.—Complete **Form 4136, Credit for Federal Tax Paid on Fuels**, if the organization qualifies to take this credit. Also include on line 10 any credit the organization is claiming for ozone depleting chemicals used in the manufacture of rigid foam insulation under section 4682(g)(3).

Line 12b.—Figure your 1991-92 tax in the same manner as line 11 of this worksheet was determined, using the taxes and credits from your 1991-92 tax return. If you did not file a return showing at least some amount of tax for the 1991-92 tax year, or if your 1991-92 tax year was less than 12 months, do not complete this line. Instead, enter the amount from line 12a on line 12c.

Line 13.—Enter the 15th day of the 4th, 6th, 9th, and 12th months of your tax year in columns (a) through (d). If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday.

Line 14.—Payments of estimated tax should take into account any 1991-92 overpayment that the organization chose to credit against its 1992-93 tax. Any overpayment will be applied to the first installment, unless the organization notifies the IRS that the overpayment should be applied against another installment.

Line 14a—Annualized income installment method or adjusted seasonal installment method.—If the organization's income is expected to vary during the year because, for example, it operates its business on a seasonal basis, it may be able to lower the amount of one or more required installments by using the annualized income installment method or the adjusted seasonal installment method. For example, a shop operated by a museum, which because of its location in an area frequented by tourists, receives most of its income during the summer months, may be able to benefit from using one or both of these methods in figuring one or more of its required installments.

To use one or both of these methods to figure one or more required installments, use Schedule A on pages 2 and 3. If you use Schedule A for any payment date, you must use it for **all** payment due dates. To arrive at the amount of each required installment, Schedule A selects the smallest of: (a) the annualized income installment, (b) the adjusted seasonal installment (if applicable), or (c) the regular installment under section 6655(d) (increased by any reduction recapture under section 6655(e)(1)(B)).

Line 14b—Large organizations.—A "large organization" is one that had, or its predecessor had, taxable income of \$1 million or more for any of the 3 tax years immediately preceding the 1992-93 tax year. For this purpose, taxable income is modified to exclude net operating loss or capital loss carrybacks or carryovers. Members of a controlled group, as defined in section 1563, must divide the \$1-million amount among themselves in accordance with rules similar to those in section 1561.

If you are not using the annualized income installment method or the adjusted seasonal installment method, follow the instructions below to figure the amounts to enter on line

14. (If you are using the annualized income installment method and/or the adjusted seasonal installment method, these instructions apply to line 41 of Schedule A.)

If line 12a is less than 12b: Enter 25% of line 12a in columns (a) through (d) of line 14.

If line 12b is less than line 12a: In column (a) of line 14, enter 25% of line 12b. In column (b), determine the amount to enter by: (i) subtracting line 12b from line 12a, (ii) adding the result to the amount on line 12a, and (iii) multiplying the total by 25%. In columns (c) and (d), enter 25% of line 12a.

Schedule A Instructions

If you are using only the annualized income installment method (Part I), complete Parts I and III of Schedule A. If you are using only the adjusted seasonal installment method (Part II), complete Parts II and III of Schedule A. If you are using both methods, complete all 3 parts of Schedule A. Enter in each column on line 14 of page 1 the amounts from the corresponding column of line 45 of Schedule A.

Caution: *If Schedule A is used, do not attempt to figure any required installment until after the end of the month preceding the due date for that installment.*

For each part that applies to you, complete each column in its entirety before going to the next column. For example, if Parts I and III are required, complete column (a), lines 1 through 16, and column (a), lines 40 through 45, before starting column (b).

Part I—Annualized Income Installment Method

Line 9.—Enter the taxes the organization owed because of events that occurred during the months shown in the headings used to figure annualized taxable income. Include the same taxes used to figure line 9 of Form 990-W(FY).

Compute the alternative minimum tax and the environmental tax for tax-exempt corporations by figuring alternative minimum taxable income and modified alternative minimum taxable income based on the organization's income and deductions during the months shown in the column headings used to figure annualized taxable income. Multiply the alternative minimum taxable income by the annualization amounts used to figure annualized taxable income (line 2 or 5) before subtracting the exemption amounts (see sections 55(d) and 59A(a)(2)).

Line 11.—Enter the credits to which you are entitled because of events that occurred during the months shown in the column headings used to figure annualized taxable income.

Line 15.—In column (b), enter the amount from line 45, column (a), Part III, page 3. In column (c), enter the sum of the amounts in line 45, columns (a) and (b). In column (d), enter the sum of the amounts in line 45, columns (a), (b), and (c).

Part II—Adjusted Seasonal Installment Method

Do not complete this part unless the organization's base period percentage for any 6 consecutive months of the tax year equals or exceeds 70%. The term "base period percentage" for any period of 6 consecutive months is the average of the three percentages figured by dividing the taxable income for the corresponding 6 consecutive-month period in each of the 3 preceding tax years by the taxable income for each of their respective tax years.

Example: A tax-exempt organization that has a September-August tax year receives the largest part of its unrelated business taxable income during the 6-month period from October through March. To compute its base period percentage for the period October 1992 through March 1993, the organization must figure its taxable income for the period October through March in each of the fiscal years 1989-1990, 1990-1991, and 1991-1992. The taxable income for each October-through-March period is then divided by the total taxable income for the tax year in which the period is included, resulting in the following: .69 for October 1989 through March 1990; .74 for October 1990 through March 1991; and .67 for October 1991 through March 1992. The average of .69, .74, and .67 is .70. Therefore, the base period percentage for October 1992 through March 1993 is 70% and the organization qualifies for the adjusted seasonal installment method.

Line 33.—Enter the taxes the organization owed because of events that occurred during the months shown in the column headings above line 17 of Part II. Include the same taxes used to figure line 9 of Form 990-W(FY).

Compute the alternative minimum tax and environmental tax by figuring alternative minimum taxable income and modified alternative minimum taxable income based on the organization's income and deductions during the months shown in the column headings above line 17 of Part II. Divide the alternative minimum taxable income and modified alternative minimum taxable income by the amounts shown on line 24 before subtracting the exemption amounts (see sections 55(d) and 59A(a)(2)). For columns (a) through (c) only, multiply the alternative minimum tax and environmental tax so determined by the amounts shown on line 31.

Line 35.—Enter the credits to which you are entitled because of events that occurred during the months shown in the column headings above line 17 of Part II.

Line 38.—In column (b), enter the amount from line 45, column (a), Part III, page 3. In column (c), enter the sum of the amounts in line 45, columns (a) and (b). In column (d), enter the sum of the amounts in line 45, columns (a), (b), and (c).