2020
TC-20MC
Instructions

Draft
9/17/20

These instructions are subject to change until marked as final.

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Utah State Tax Commission

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Cover photo by Randolph Prawitt

File the Right Corporate Forms

- **TC-20** if Corporation filed federal form 1120, 1120-IC-DISC
- **TC-20S** if S Corporation filed federal form 1120S
- **TC-20MC** if Corporation filed federal forms 1120-H, 1120-RIC, 1120-REIT, 990-T or 8023

E-Filing is Easier!

E-filing is the easiest and most accurate way to file. Ask your tax preparer about e-filing your individual, fiduciary, partnership, C corporation and S corporation returns, or use commercial tax software.

Utah is Online

Utah offers many online services for individual and business filers, including:

→ **tap.utah.gov**

- Pay by e-check or credit card.
- Manage your Utah tax account.
- Request payment plans.

UTAH TAP TAXPAYER ACCESS POINT

→ **tax.utah.gov**

- Download forms and instructions for all Utah tax types.
- Link to free business resources and other services.

E-Verify for Employers

Employers can help prevent identity theft by verifying the Social Security numbers of job applicants. E-Verify is a free service of the U.S. Department of Homeland Security that verifies employment eligibility through the Internet. Employers can use E-Verify at **uscis.gov/e-verify**.

Utah Taxpayer Advocate Service

The Taxpayer Advocate Service helps taxpayers who have made multiple, unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal agency processes break down, identifies why problems occurred, and suggests solutions. See **tax.utah.gov/contact**, or contact us to find out if you qualify for this service at 801-297-7562 or 1-800-662-4335, ext. 7562, or by email at **taxpayeradvocate@utah.gov**.

Do not use the Taxpayer Advocate Service to bypass normal methods for resolving issues or disputes.

Need more information?

Questions 801-297-2200 or
1-800-662-4335 (outside the Salt Lake area)

Research Utah rules, bulletins and Commission decisions:
tax.utah.gov
Utah Code (UC): **le.utah.gov**
Internal Revenue Code (IRC):
law.cornell.edu/uscode/26

*If you need an accommodation under the Americans with Disabilities Act, email **taxada@utah.gov**, or call 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.*

General Instructions and Information

What's New

- The 2020 Utah Legislature passed HB 6013, suspending the 80 percent of income limitation on the Utah net loss deduction for the 2018-2020 tax years.
- **Apportionment Method:** The 2018 Utah Legislature passed HB 293, creating a new apportionment method and changing the industries that qualify as sales factor weighted taxpayers and optional apportionment taxpayers. See page 10.

Reminders

- **Market Sourcing of Revenues from Performance of Services by Multi-state Taxpayers:** Corporations performing a service both in and outside Utah must calculate the sales factor numerator on TC-20, Schedule J by considering the service income to be in Utah if the buyer receives a greater benefit of the service in Utah than in any other state. See TC-20, *Schedule J – Apportionment Schedule* Instructions in this book.

Electronic Filing for Corporation Returns

Utah corporation returns may be filed electronically under a joint program between the Internal Revenue Service and the Utah State Tax Commission.

The federal and state information is submitted at the same time and the IRS extracts its federal data and forwards the state data to the Tax Commission. No papers need to be mailed to the agencies when filing electronically.

C corporations and S corporations may file electronically.

Check with your software provider to see if they offer electronic corporation filing.

To learn more about filing your corporation return electronically, go to **tax.utah.gov/developers/mef**.

Corporation Identification Numbers

The corporation's federal Employer Identification Number (EIN) is the Utah identification number. The Utah Department of Commerce also issues a registration number upon incorporation or qualification in Utah. Enter both the EIN and Utah Incorporation/Qualification Number in the proper fields. These numbers are used for identification of the corporate tax return.

Corporation Changes

Report changes (e.g., name change, physical and/or mailing address changes, merger, or ceasing to do business in Utah) in writing to:

UT Division of Corporations and Commercial Code
Department of Commerce
160 E 300 S, 2nd Floor
PO Box 146705
Salt Lake City, UT 84114-6705

and submit form TC-69C to:

Exceptions Processing
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-3215

Dissolution or Withdrawal

Corporations that cease to do business in Utah must either dissolve or withdraw the corporation.

Corporations incorporated in Utah must file *Articles of Dissolution* with the Department of Commerce.

Corporations incorporated outside of Utah (foreign corporations) must obtain a *Certificate of Tax Clearance* from the Tax Commission before withdrawing from Utah. Foreign corporations must file an *Application for Withdrawal* with the Department of Commerce.

To request a *Certificate of Tax Clearance,* email the Tax Commission at **taxmaster@utah.gov**, or call 801-297-7705 or 1-800-662-4335 ext. 7705. We will send you form TC-2001 to complete and return.

Dissolving and withdrawing corporations must also close their other Utah tax accounts (sales, withholding, etc.). To close related tax accounts, send a completed TC-69C, *Notice of Change for a Business and/or Tax Account,* to the attention of Exceptions Processing at the Tax Commission address above.

Rounding Off to Whole Dollars

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents on the return.**

Who Must File

The Tax Commission does not mail forms for filing corporate taxes. Get Utah forms at **tax.utah.gov/forms**, or by calling the Forms Hotline at 801-297-6700 or 1-800-662-4335, ext. 6700.

Note: See *What to Attach and What to Keep* later in these *General Instructions* for what federal information is required with the Utah return.

Homeowners Association

A homeowners association incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah whether qualified or not, must file a Utah form TC-20MC when it has taxable income for federal purposes and has filed federal form 1120-H.

Regulated Investment Company (RIC)

Every regulated investment company (RIC) or fund of such company, as defined in IRC §§851(a) or 851(g) and organized under the laws of Utah, must file a Utah form TC-20MC.

Real Estate Investment Trust (REIT)

Every real estate investment trust (REIT) or fund of such company, as defined in IRC §856, registered or doing business in Utah must file a Utah form TC-20MC. Doing business in Utah includes owning an interest in Utah real property.

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Exempt Corporation with Unrelated Business Income

An exempt corporation incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah whether qualified or not, must file a Utah form TC-20MC when it has unrelated business income.

All exempt corporations must register with the Tax Commission by filing form TC-161, *Utah Registration for Exemption from Corporate Franchise or Income Tax.* You do not need to file form TC-161 if you filed it in a previous year.

One-day Utah Corporation (IRC Section 338)

Transactions for which an election has been made or considered to be made for federal purposes under IRC §338 are treated as provided in UC §59-7-114.

An election is not available for Utah purposes unless an election is made or considered to be made for federal purposes.

If an election is made or considered to be made for federal purposes under IRC §338, other than under Subsection 338(h)(10), the target corporation must file a separate entity one-day Utah form TC-20MC, as is required for federal purposes. The target corporation must include in that return the gain or loss on the deemed sale of assets in its adjusted income (UC §59-7-114).

The gain or loss on the deemed sale of assets must be apportioned to Utah using the apportionment fraction, calculated to **six decimals,** of the target corporation, calculated on a separate entity basis for the most recent preceding taxable year consisting of 180 days or more.

If an election is made for federal purposes under IRC §338(h)(10) or IRC §336(e), do not use form TC-20MC, use form TC-20.

Where to File

Mail your return to:
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0300

Taxable Year

The taxable year for Utah tax purposes must match the taxable year used for federal tax purposes. When the taxable year changes for federal purposes, the taxable year must be changed for Utah tax purposes.

Due Date

The due date for an exempt organization with unrelated business income (TC-20MC, Schedule A, Part 4) is the same as the due date of its federal return.

The due date of the one-day return (TC-20MC, Schedule A, Part 5) is the same as the due date of the return that includes the taxable period of the target corporation immediately preceding the one-day return.

All other returns must be filed on or before the 15th day of the fourth month following the close of the taxable year or the due date of the federal return, whichever is later. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

Filing Extension

Corporations are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is NOT an extension of time to pay taxes – it is only an extension of time to file your return.** To avoid penalty, the prepayment requirements must be met on or before the original return due date, and the return must be filed within the six-month extension period.

Minimum Tax

There is a minimum tax (privilege tax) of $100 on every regular C corporation, regulated investment company and real estate investment trust regardless of whether the corporation exercises its right to do business. The minimum tax does not apply to S corporations, homeowners associations, or exempt corporations with unrelated business income.

Prepayment of Minimum Tax

Corporations subject to the minimum tax that meet the prepayment requirement in the **current** year and had a tax liability of $100 (the minimum tax) for the previous year may choose to prepay the $100 minimum tax on the 15th day of the 12th month instead of four payments of $25.

Corporations subject to the minimum tax that met the prepayment requirement in the **previous** year and have a tax liability of $100 (the minimum tax) in the current year may choose to prepay the minimum tax amount of $100 on the 15th day of the 12th month instead of four payments of $25. In this case, the corporation must pay $100, not 90 percent.

Corporations subject to the minimum tax that do not make the required prepayments are subject to a penalty. See *Penalties,* below.

Prepayment Requirements

(Does not apply to One-day Target Corporations electing under Section 338)

Extension Prepayments

Extension prepayments must equal 90 percent of the current year tax liability (or, if applicable, the $100 minimum tax, whichever is greater) or 100 percent of the previous year's tax liability.

Corporations subject to the minimum tax must pay the $100 minimum tax (per corporation in a combined group) even if there was no previous year return.

Use form TC-559, *Corporation/Partnership Payment Coupon,* to make estimated prepayments.

Quarterly Payments

Every corporation having a Utah tax liability of $3,000 or more in the current taxable year, or a tax liability of $3,000 or more in the previous taxable year, must make quarterly estimated tax payments.

A corporation does not need to make quarterly estimated tax payments the first year it files in Utah if it pays the minimum tax on or before the due date, without the extension.

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Quarterly estimated payments are due on the 15th day of the 4th, 6th, 9th and 12th months of the corporation's taxable year, unless federal action changes the federal quarterly due dates. Corporations may elect to make the quarterly estimated tax payments equal to 100 percent of the prior year's tax in four equal payments, or 90 percent of the current year's tax based on the percentages below. As defined in UC §59-7-504(2), the percentage of the payment for annualized income installments, for adjusted seasonal installments, and for estimated tax payments based on the current year tax liability, is:

Installment	Percentage
1st	22.5
2nd	45.0
3rd	67.5
4th	90.0

If you use a different annualization period than the period used for federal purposes, you must make an election with the Tax Commission at the same time as provided in IRC §6655. Make estimated tax payments with form TC-559, *Corporation/ Partnership Payment Coupon.*

Corporations not making the required tax prepayments are subject to a penalty as stated in *Penalties,* below.

Penalties

Utah law (UC §59-1-401) provides penalties for not filing tax returns by the due date, not paying tax due on time, not making sufficient prepayment on extension returns, and not filing information returns or supporting schedules. See **tax.utah.gov/billing/penalties-interest** and Pub 58, *Utah Interest and Penalties,* at **tax.utah.gov/forms**.

The Tax Commission will calculate the penalty for underpayment of required prepayments.

Exceptions to Penalty on Estimated Tax

Annualized Exception

A corporation may annualize its income before determining the amount of each estimated tax installment. Follow federal guidelines to determine annualized income. If the corporation meets the annualized exception at the federal level for any installment, check the appropriate box(es) on Utah form TC-20MC, line 16.

Recurring Seasonal Exception

A corporation with recurring seasonal income may annualize its income before determining the amount of each estimated tax installment. Follow federal guidelines to determine seasonal income. If the corporation meets the seasonal exception at the federal level for any installment, check the appropriate box(es) on Utah form TC-20MC, line 16.

Prepayment of Minimum Tax Requirement

See *Prepayment of Minimum Tax* instructions above.

NOTE: The prepayment penalty does not apply to a one-day target corporation under IRC §338.

Interest (in addition to penalties due)

Interest is assessed on underpayments from the due date until the liability is paid in full. The interest rate for the 2021 calendar year is 2 percent.

For more information, get Pub 58, *Utah Interest and Penalties,* at **tax.utah.gov/forms**.

Suspension for Failure to Pay Tax Due

Utah law provides for suspension of a corporation's right to do business in Utah if it fails to pay taxes due before 5:00 p.m. on the last day of the 11th month after the due date.

If you cannot pay the full amount you owe, you can request a payment plan. Go to **tap.utah.gov** and click "Request Waiver, Payment Plan or e-Reminder."

You may also:

1. complete form TC-804B, *Business Tax Payment Agreement Request* (**tax.utah.gov/forms**), or
2. call the Tax Commission at 801-297-7703 or 1-800-662-4335 ext. 7703.

What to Attach and What to Keep

Include the following with your Utah TC-20MC. Also, keep copies of these with your tax records.

- **Utah miscellaneous corporation return schedules:** Attach to TC-20MC the page 2 and applicable schedules A (page 1 or page 2), B/E, and/or J.
- **Federal return:**
  - **Regulated Investment Company** – Attach a copy of your federal form 1120-RIC.
  - **Real Estate Investment Trust** – Attach a copy of your federal form 1120-REIT.
  - **Homeowners Association** – Attach a copy of your federal form 1120-H.
  - **Unincorporated Exempt Organization or Exempt Corporation having Unrelated Business Income** – Attach a copy of your federal form 990-T.
  - **One-day Target Corporation with an IRC Section 338 Election** – Attach a copy of your federal return including the IRC §338 gain or loss and federal form 8023.

Do not send credit schedules, worksheets, or other documentation unless specifically requested in these instructions. Keep these in your files. We may ask you to provide them later to verify entries on your Utah return.

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TC-20MC – Utah Tax Return for Miscellaneous Corporations Instructions

Filing Period

File the 2020 return for calendar year 2020 and fiscal years beginning in 2020 and ending in 2021. If the return is for a fiscal year or a short tax year (less than 12 months), fill in the tax year beginning and end dates at the top of the form using the format mm/dd/yyyy.

Corporation Name and Address

Enter the corporation name, address and telephone number, including area code. If the address has changed, see *Corporation Changes* in the General Instructions.

Zip Code

Enter your ZIP Code, including the "plus four" at the end, without a hyphen.

Foreign Country

If your address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the City field. Abbreviate if necessary. Leave the State and ZIP Code fields blank. Enter only the foreign country name in the Foreign country field.

EIN and Utah Incorporation/ Qualification Number

Enter your Federal Employer Identification Number (EIN) and Utah Incorporation/Qualification Number issued by the Department of Commerce in the appropriate fields.

Amended Returns

Do not submit a copy of your original return with your amended return.

To amend a previously filed return, use the tax forms and instructions for the year you are amending. Get prior year forms and instructions at **tax.utah.gov/forms-pubs/previousyears**.

Amend your return if:

- you discover an error on your Utah or federal return after it has been filed, or
- your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must amend your Utah return within 90 days of the IRS's final determination.

To qualify for a refund or credit, an amended return must be filed by the later of three years after the original return was due or two years from the date the tax was paid. A return filed before the due date is considered filed on the due date.

To amend a previously filed return, on the top of page 1 of TC-20MC on the "Amended Return" line, enter the code number from the following list that best describes your **Reason for Amending**:

Reason-for-Amending Codes

1. You filed an amended federal return with the IRS. Attach a copy of your amended federal return.
2. You made an error on your Utah return. Attach an explanation of the error.
3. Your federal return was changed by an IRS audit or adjustment that affects your Utah return. Attach a copy of the IRS adjustment.
4. Other. Attach an explanation to your return.

Enter the corrected figures on the return and/or schedule. Enter all other amounts as shown on your original return. If you received a refund on your original return, subtract the previous refund (exclude refund interest) from the amount of any tax paid with the original return and/or subsequent payments of the tax prior to filing the amended return. Enter the net amount on line 8. Enter a net refund as a negative amount (preceded by a minus sign).

Federal Form 8886

If you filed federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service, enter an "X" at the top of TC-20MC, where indicated.

Line-by-Line Instructions

Line 1 – Corporation Return Type

Enter an "X" on the line that matches the type of corporation return being filed. There are six choices:

- Regulated Investment Company (complete Part 1 of Schedule A and attach a copy of federal form 1120-RIC).
- Real Estate Investment Trust (complete Part 2 of Schedule A and attach a copy of federal form 1120-REIT).

  Note: A captive real estate investment trust must file a TC-20 instead of a TC-20MC. For more information, see the TC-20 instructions.
- Homeowners Association with IRC §528 Income (complete Part 3 of Schedule A and attach a copy of federal form 1120-H).
- Unincorporated Exempt Organization or Exempt Corporation having Unrelated Business Income (complete Part 4 of Schedule A and attach a copy of federal form 990-T).
- One-day Target Corporation with an IRC §338 Election (complete Part 5 of Schedule A and attach a copy of federal form 8023).
- Other (use only when the Tax Commission instructs you to do so).

Line 2 – Tax

Enter the amount of tax calculated in the applicable part on Schedule A.

You MUST complete and attach TC-20MC, Schedule A. Attach only the page of Schedule A (page 1 or page 2) that applies to your corporation. See instructions on page 7.

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Line 3 – Utah Use Tax

Use tax is a tax on goods and taxable services purchased for use, storage or other consumption in Utah. Use tax applies only if sales tax was not paid at the time of purchase. If you purchased an item from an out-of-state seller, including Internet, catalog, radio and TV purchases, and the seller did not collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission.

If you have a Utah sales tax license/account, report the use tax on your sales tax return. If you do not have a Utah sales tax license/account, report the use tax on line 3 of TC-20MC.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other state's tax rate is lower than Utah's, you must pay the difference. If the other state's tax rate is more than Utah's, no credit or refund is given. If sales tax was paid to more than one state, complete the *Use Tax Worksheet* below for each state. Add lines 8 on all worksheets and enter the total on line 3 of TC-20MC.

Sales and use tax rates vary throughout Utah. Use the *Use Tax Rate Chart* below to get the rate for the location where the merchandise was delivered, stored, used or consumed. Use the county tax rate if the city is not listed.

Grocery food bought through the Internet or catalog is taxed at 3 percent. The grocery food must be sold for ingestion or chewing by humans and consumed for the substance's taste or nutritional value. The reduced rate does not apply to alcoholic beverages or tobacco. See Pub 25, *Sales and Use Tax,* at **tax.utah.gov/forms**.

Use Tax Worksheet

1. Amount of purchases (except grocery food) subject to use tax	1	_____
2. Use tax rate (decimal from *Use Tax Rate Chart*)	2	.__ __ __ __
3. Multiply line 1 by line 2	3	_____
4. Amount of grocery food purchases subject to use tax	4	_____
5. Multiply line 4 by 3% (.03)	5	_____
6. Add line 3 and line 5	6	_____
7. Credit for sales tax paid to another state on use tax purchases	7	_____
8. Use tax due (subtract line 7 from line 6) (If less than zero, enter "0.")	8	_____

Use Tax Rate Chart (Effective Dec. 31, 2020)

.0635	**Beaver County**
.0735	Beaver City
.0610	**Box Elder County**
.0665	Brigham City, Perry, Willard
.0640	Mantua
.0710	Snowville
.0670	**Cache County**
.0695	Cache Valley Transit, Hyde Park, Lewiston, Millville
.0700	Hyrum, Logan, Nibley, N. Logan, Providence, Richmond, River Heights, Smithfield
.0635	**Carbon County**
.0645	Helper
.0675	Price
.0665	Wellington
.0735	**Daggett County**
.0845	Dutch John
.0715	**Davis County**
.0725	Bountiful, Centerville, Clearfield, Farmington, Layton, N. Salt Lake, Syracuse, W. Bountiful, Woods Cross
.0635	**Duchesne County**
.0645	Duchesne City
.0675	Roosevelt
.0635	**Emery County**
.0825	Green River
.0710	**Garfield County**
.0810	Boulder, Panguitch, Tropic
.0830	Bryce Canyon
.0820	Escalante
.0685	**Grand County**
.0875	Moab
.0610	**Iron County**
.0810	Brian Head
.0620	Cedar City
.0610	**Juab County**
.0650	Nephi
.0635	Santaquin South
.0710	**Kane County**
.0810	Kanab, Orderville
.0635	**Millard County**
.0645	Fillmore
.0620	**Morgan County**
.0610	**Piute County**
.0635	**Rich County**
.0795	Garden City
.0725	**Salt Lake County**
.0875	Alta
.0835	Brighton
.0745	Murray, South Salt Lake
.0775	Salt Lake City
.0635	**San Juan County**
.0675	Blanding, Monticello
.0745	Bluff
.0635	**Sanpete County**
.0645	Centerfield, Mayfield
.0665	Ephraim, Mt. Pleasant
.0675	Fairview, Gunnison
.0635	**Sevier County**
.0645	Aurora, Redmond
.0675	Richfield, Salina
.0715	**Summit County**
.0905	Mil. Rec. Park City, Park City
.0745	Snyderville Basin Transit
.0660	**Tooele County**
.0690	Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park
.0700	Tooele City
.0645	**Uintah County**
.0695	Naples, Vernal
.0715	**Utah County**
.0725	American Fork, Cedar Hills, Lindon, Orem, Payson, Pleasant Grove, Provo, Santaquin, Spanish Fork, Vineyard
.0610	**Wasatch County**
.0640	Heber
.0720	Independence
.0750	Midway
.0800	Park City East
.0645	**Washington County**
.0675	Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0745	Virgin
.0805	Springdale
.0610	**Wayne County**
.0725	**Weber County**
.0745	Falcon Hill Riverdale, Riverdale

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Line 4 – Current Year IRC §965(a) Installment Amount

If you were liable for Utah tax on deferred foreign income described in IRC §965(a) and you chose to pay the tax in eight yearly installments, enter the current-year installment amount on line 4. The installment is a percentage of the total Utah tax due, as reported on line 17 of form TC-20R.

Installment Table

First installment:	8% (paid with TC-20R)
Second Installment:	8%
Third installment:	8%
Fourth installment:	8%
Fifth installment:	8%
Sixth installment:	15%
Seventh installment:	20%
Eighth installment:	25%

Line 5 – Total Tax

Add lines 2, 3 and 4.

Line 6 – Refundable Credits

Enter the total of the refundable credits listed on Schedule B.

Line 7 – Prepayments from Schedule E

A refundable credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayment from a prior year that was applied to this year. Enter the prepayments on Schedule E and carry the total from line 4 of Schedule E to line 7 of the TC-20MC.

Line 8 – Amended Returns Only

This line is only for amended returns. Enter the amount of tax paid with the original return and subsequent payments made prior to filing this amended return, less any previous refunds (exclude refund interest). Enter a net refund as a negative amount (preceded by a minus sign).

Line 9 – Total Refundable Credits and Prepayments

Add lines 6 through 8.

Line 10 –Tax Due

If line 5 is larger than line 9, subtract line 9 from line 5.

Line 11 – Penalties and Interest

Enter any penalties and interest that apply to this return.

Line 12 – Total Due - Pay This Amount

Add line 10 and line 11. Pay at **tap.utah.gov**, or send a check or money order with your return (make payable to the Utah State Tax Commission). Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in the mail.

Line 13 – Overpayment

If line 9 is larger than the sum of lines 5 and 11, subtract the sum of lines 5 and 11 from line 9.

Line 14 – Amount of Overpayment to be Applied to Next Taxable Year

All or part of any overpayment shown on line 13 may be applied as an advance payment for the next tax year. Enter the amount to be applied (may not exceed the overpayment on line 13).

Line 15 – Refund

Subtract line 14 from line 13. This is the amount to be refunded to you.

Line 16 – Quarterly Estimated Prepayments Meeting Exception

Check any boxes corresponding to the four quarters to which a federal penalty exception applies. Refer to *Prepayment Requirements* in the General Instructions for exceptions to the penalty on underpayments. Attach supporting documentation.

Signature and Date Line

Sign and date the return. We will not issue a refund without a signature.

Paid Preparer Authorization

If the corporation wants to allow the Tax Commission to discuss this return with the paid preparer who signed it, enter an "X" in the box on the right-hand side of the signature area of the return where indicated. This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the corporation is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- give the Tax Commission any information that is missing from the return,
- call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- respond to certain Tax Commission notices about math errors, offsets and return preparation.

The corporation is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. The authorization will automatically end no later than the due date (without regard to extensions) for filing next year's tax return.

If you want to expand the preparer's authorization, complete and submit form TC-737, *Power of Attorney and Declaration of Representative* (**tax.utah.gov/forms**). If you want to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

Paid Preparer

The paid preparer must enter his or her name, address and PTIN in the section below the corporate officer's signature on the return.

Preparer Penalties
(UC §59-1-401(11)-(12))

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty ($500 per document) and criminal penalties (second degree felony with a fine from $1,500 to $25,000).

Supplemental Information to be Supplied by All Corporations

All corporations filing a TC-20MC must complete the information on page 2 of the return.

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Schedule A – Tax Calculation

▶ Part 1 – Regulated Investment Company

Remember to mark line 1 on TC-20MC showing this return is for a Regulated Investment Company.

Line 1 – Investment Company Taxable Income (Loss)

Enter the investment company's taxable income (loss) from federal form 1120-RIC, line 26.

Line 2 – Municipal Interest

Enter any municipal interest as determined by IRC §852(b)(2).

Line 3 – Exclusion of Net Capital Gain

Enter any net capital gain exclusion as determined by IRC §852(b)(2).

Line 4 – Net Taxable Income

Add lines 1 through 3.

Line 5 – Deduction for Capital Gain Dividends

Enter any deduction for capital gain dividends as defined in IRC §852(b)(3)(C).

Line 6 – Exempt Interest Dividends

Enter any exempt interest dividends as defined in IRC §852(b)(5).

Line 7 – Utah Taxable Income (Loss)

Subtract the sum of lines 5 and 6 from line 4.

Line 8 – Initial Tax

Multiply line 7 by 4.95 percent (.0495). This is the initial Utah corporate tax. Do not enter an amount less than zero.

Line 9 – Minimum Tax

The minimum tax for a regulated investment company is $100.

Line 10 – Tax

Enter the larger of the tax on line 8 or the minimum tax on line 9. Carry this tax to line 2 of TC-20MC.

Note: Attach a copy of your federal form 1120-RIC to your Utah return.

▶ Part 2 – Real Estate Investment Trust

Remember to mark line 1 on TC-20MC showing this return is for a Real Estate Investment Trust.

Note: A captive real estate investment trust must be included as a member of a unitary group filing Utah form TC-20 (not TC-20MC). A real estate investment trust (REIT) is a "captive real estate investment trust" if the shares or beneficial interests of the REIT are not regularly traded on an established securities market, and more than 50 percent of the voting power or value of the shares or beneficial interests of the REIT are directly, indirectly or constructively owned or controlled by a controlling entity of the REIT.

Line 1 – REIT Taxable Income (Loss)

Enter the real estate investment trust's taxable income (loss) from federal form 1120-REIT, line 22.

Line 2 – Income Taxed for Federal Purposes under the IRC but Not Included in Line 1

Enter the total of all income items taxed for federal purposes under the Internal Revenue Code but not included in the amount entered on line 1.

Line 3 – Federal Net Operating Loss Deduction

Enter any federal net operating loss deduction from federal form 1120-REIT, line 21a.

Line 4 – Apportionable Income (Loss)

Add lines 1 through 3.

Line 5 – Apportionment Fraction

Enter 1.000000, or the fraction (decimal) from TC-20, Schedule J line 9, 13 or 14, if applicable.

Line 6 – Taxable Income (Loss)

Multiply the apportionable income (loss) on line 4 by the apportionment fraction on line 5.

Line 7 – Utah Losses Carried Forward from Prior Years

Enter Utah net losses carried forward from prior years.

Attach documentation to the return to support the losses.

Line 8 – Utah Taxable income (Loss)

Subtract line 7 from line 6.

Line 9 – Initial Tax

Multiply line 8 by 4.95 percent (.0495). This is the initial Utah corporate tax. Do not enter an amount less than zero.

Line 10 – Minimum Tax

The minimum tax for a real estate investment company is $100.

Line 11 – Tax

Enter the larger of the tax on line 9 or the minimum tax on line 10. Carry this tax to line 2 of TC-20MC.

Note: Attach a copy of your federal form 1120-REIT to your Utah return.

▶ Part 3 – Homeowners Association with IRC Section 528 Income

Remember to mark line 1 on TC-20MC showing this return is for a Homeowners Association.

Line 1 – Taxable Income (Loss)

Enter the taxable income (loss) from federal form 1120-H, line 19.

Line 2 – Tax

Multiply line 1 by 4.95 percent (.0495). This is the Utah corporate tax. Do not enter an amount less than zero. Carry this tax to line 2 of TC-20MC.

A homeowners association is not subject to the $100 minimum tax.

Draft 9/17/20

Homeowners associations filing federal form 1120-H and Utah TC-20MC are not allowed net operating loss deductions.

Note: Attach a copy of your federal form 1120-H to your Utah return.

▶ Part 4 – Unincorporated Exempt Organization or Exempt Corporation having Unrelated Business Income

Remember to mark line 1 on TC-20MC showing this return is for an Unincorporated Exempt Organization or Exempt Corporation having Unrelated Business Income.

Line 1 – Unrelated Business Taxable Income (Loss)

Enter the unrelated business taxable income (loss) from federal form 990-T, line 11.

Line 2 – Apportionment Fraction

Enter 1.000000, or the fraction (decimal) from TC-20, Schedule J, line 9, 13 or 14, if applicable.

Note: Only the property, payroll and sales included in the computation of unrelated business income or directly related to the unrelated business income of an exempt organization may be included when apportioning income.

Line 3 – Utah Taxable Income (Loss)

Multiply the unrelated business taxable income (loss) on line 1 by the apportionment fraction on line 2.

Utah taxable income for an exempt organization having unrelated business income begins with federal taxable income after deduction of any federal net operating loss. Consequently, Utah losses are not separately carried forward for these entities.

Line 4 – Tax

Multiply line 3 by 4.95 percent (.0495). This is the Utah corporate tax. Do not enter an amount less than zero. Carry this tax to line 2 of TC-20MC.

An unincorporated exempt organization or an exempt corporation having unrelated business income is not subject to the $100 minimum tax.

Note: Attach a copy of your federal form 990-T to your Utah return.

▶ Part 5 – One-day Target Corporation with an IRC Section 338 Election

Remember to mark line 1 on TC-20MC showing this return is for a One-day Target Corporation with an IRC §338 Election.

Line 1 – Gain (Loss) on Deemed Sale of Assets

Enter the gain or (loss) on the deemed sale of assets included in federal taxable income before any net operating loss from the target corporation.

Line 2 – Apportionment Fraction

Enter the apportionment fraction of the target corporation.

The gain or (loss) on the deemed sale of assets must be apportioned to Utah using the apportionment fraction, calculated to six decimals, of the target corporation. This fraction must be calculated on a separate entity basis for the most recent preceding taxable year consisting of 180 days or more.

Line 3 – Utah Apportioned Gain (Loss)

Multiply the gain (loss) on deemed sale of assets on line 1 by the apportionment fraction on line 2.

Line 4 – Utah Losses Carried Forward from Prior Years

Enter Utah net losses carried forward from prior years.

Attach documentation to the return to support the losses.

Line 5 – Utah Taxable Gain (Loss)

Subtract line 4 from line 3.

Line 6 – Initial Tax

Multiply line 5 by 4.95 percent (.0495). This is the initial Utah corporate tax. Do not enter an amount less than zero.

Line 7 – Minimum Tax

The minimum tax for a one-day target corporation is $100.

Line 8 – Tax

Enter the larger of the tax on line 6 or the minimum tax on line 7. Carry this tax to line 2 of TC-20MC.

Note: Attach a copy of your federal form 8023 to your Utah return.

Draft 9/17/20

Schedule B — Refundable Credits

If you claim any of the following refundable credits, write the **code and amount** of each credit you are claiming on Schedule B. Add all the refundable credits and carry the total to TC-20MC, line 6.

An explanation of each refundable credit is listed below.

Use these codes on Schedule B

39 Renewable Commercial Energy Systems Credit
43 Pass-through Entity Withholding Tax Credit
46 Mineral Production Withholding Tax Credit
47 Agricultural Off-highway Gas/Undyed Diesel Fuel Credit
48 Farm Operation Hand Tools Credit

(39) Renewable Commercial Energy Systems Credit
(UC §59-7-614)

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Governor's Office of Energy Development with their certification stamp. Do not send this form with your return. Keep the form and all related documents with your records to provide the Tax Commission upon request.

For more information, contact:

Governor's Office of Energy Development (OED)
PO Box 144845
Salt Lake City, UT 84114
801-538-8732 or 801-538-8682
energy.utah.gov/renewabletaxcredit

(43) Pass-through Entity Withholding Tax Credit
(UC §59-7-614.4)

If a pass-through entity is required to withhold Utah income tax on any income attributable to this corporation under §59-10-1403.2, the pass-through entity must provide a Utah Schedule K-1 showing the amount of Utah withholding paid on behalf of this corporation. Enter this amount as a refundable credit using code 43.

Attach copies of Utah Schedule K-1(s) to the return to receive proper credit.

(46) Mineral Production Withholding Tax Credit
(UC §59-6-102)

Enter the total of the mineral production tax withheld as shown on forms TC-675R or Utah Schedule K-1(s) for the tax year. For a fiscal year corporation, the credit is claimed on the corporate return that is required to be filed during the year following the December closing period of the form TC-675R.

Attach copies of form TC-675R or Utah Schedule K-1(s) to the return.

(47) Agricultural Off-Highway Gas/Undyed Diesel Fuel Credit
(UC §59-13-202)

You may claim a credit of 31.1 cents per gallon for motor fuel and undyed diesel fuel bought in Utah during 2020 and used to operate stationary farm engines and self-propelled farm machinery used solely for commercial non-highway agricultural use if the fuel was taxed at the time it was bought.

This does not include golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, personal farming and other non-agricultural use.

Credit calculation:

Gallons _____ x .311 = Credit _____

There is no form for this credit. Keep all related documents with your records to provide the Tax Commission upon request.

(48) Farm Operation Hand Tools Credit
(UC §59-7-614.1)

This credit is for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than $250.

There is no form for this credit. Keep all related documents with your records to provide the Tax Commission upon request.

Draft 9/17/20

Schedule E – Prepayments of Any Type

Line 1 – Overpayment Applied from Prior Year

Enter the amount of any refund applied from the prior year to the current year's tax liability.

Line 2 – Extension Prepayment

List the date and amount of any extension prepayment. Enter the check number if payment was not made electronically.

Line 3 – Other Prepayments

List the date and amount of all prepayments made for the filing period. Enter the check number if payment was not made electronically. Enter the total amount on line 3. Attach additional pages, if necessary.

Line 4 – Total Prepayments

Add lines 1, 2 and 3. Enter the total on this line and on TC-20MC, line 7.

Draft 8/17/20

TC-20, Schedule J – Apportionment Schedule

Use TC-20, Schedule J to calculate the portion of the taxpayer's income attributable to Utah, if the taxpayer does business both within and outside of Utah.

Complete TC-20, Schedule J to determine the apportionment fraction (decimal). The factors express a ratio for property in Utah to total property everywhere, for wages and salaries in Utah to total wages and salaries everywhere, and for sales in Utah to total sales everywhere. Use these factors or ratios to arrive at the Utah apportionment fraction calculated to **six decimals.** Then apply this fraction (decimal) to the apportionable income (or loss) on Schedule A to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, use the number of factors present to determine the Utah apportionment fraction.

Your economic activities, and your method of apportioning income in the previous year, dictate the apportionment method you may use.

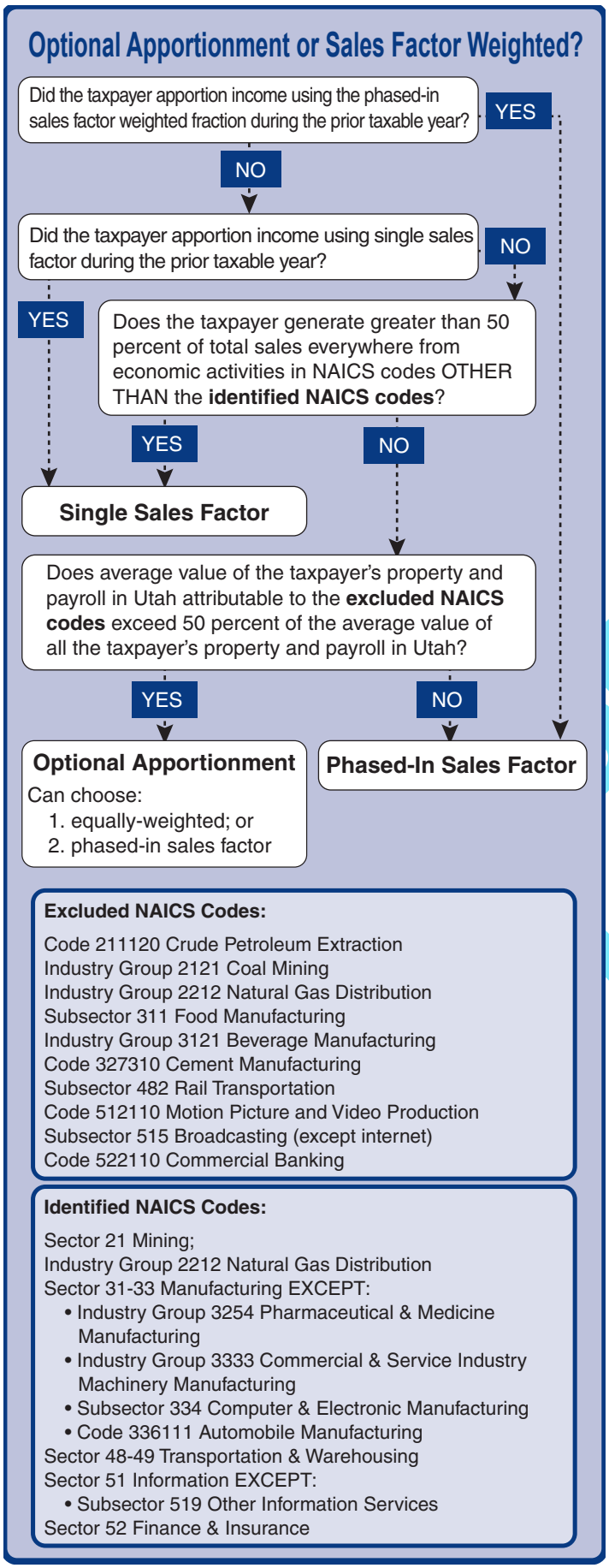
Pass-through Entity Taxpayers

Partners, shareholders and beneficiaries of pass-through entities (an entity taxed as a partnership, s-corporation or trust) must include their pro rata share of the pass-through entity's property, payroll and sales in their calculation of the apportionment factor on TC-20, Schedule J, page 1.

If a corporation holds direct and indirect ownership interests in tiered pass-through entities, it must include its pro rata share of the apportionment factors (property, payroll and sales) of the pass-through entities, applying the respective ownership percentages. For example, a corporation that holds 50 percent interest in Partnership A that in turn holds 20 percent interest in Partnership B would include 50 percent of the factors of Partnership A, and 10 percent (50 percent of 20 percent) of the factors of Partnership B.

Apportionment Method

To determine if you are a sales factor weighted taxpayer, a phased-in sales factor weighted taxpayer, or an optional apportionment taxpayer, take into account the economic activities of each of the entities included in the return. Include the economic activities of any pass-through entities whose income and factors are included in the return.



Sales Factor Weighted Taxpayers

A sales factor weighted taxpayer may only use the sales factor weighted apportionment formula.

A sales factor weighted taxpayer is a taxpayer that either:

1. apportioned income using the sales factor weighted fraction during the prior taxable year, or
2. generates more than 50 percent of total sales everywhere from economic activities in any NAICS codes OTHER THAN these identified NAICS codes:
   - Sector 21, Mining;
   - Industry Group 2212, Natural Gas Distribution;
   - Sector 31-33, Manufacturing EXCEPT:
     - Industry Group 3254, Pharmaceutical and Medicine Manufacturing
     - Industry Group 3333, Commercial and Service Industry Machinery Manufacturing
     - Subsector 334, Computer and Electronic Product Manufacturing
     - Code 336111, Automobile Manufacturing
   - Sector 48-49, Transportation and Warehousing
   - Sector 51, Information EXCEPT:
     - Subsector 519, Other Information Services
   - Sector 52, Finance and Insurance

Report property and payroll factors on Schedule J, page 1, but do not use them to calculate the apportionment of sales factor weighted taxpayers.

Sales factor weighted taxpayers must calculate the apportionment fraction on Schedule J, Page 2 using Part 3 - *Sales Factor Weighted Taxpayers Only.*

Optional Apportionment Taxpayers

To determine if you are an optional apportionment taxpayer, first calculate the following property and payroll factor fractions:

- **Property factor fraction:** Add together the value of property in Utah attributable to economic activities that are classified in an excluded NAICS code. Divide this number by the value of all property in Utah. Remove property from this calculation if the property is attributable to economic activities in both excluded NAICS codes and non-excluded NAICS codes.
- **Payroll factor fraction:** Add together the amount of payroll in Utah attributable to economic activities that are classified in an excluded NAICS code. Divide this number by the total amount of payroll in Utah. A taxpayer engaged in activities in an excluded NAICS code must remove an individual's payroll from this calculation of the payroll factor fraction if the individual's payroll may be attributed to economic activities in both excluded NAICS codes and NAICS codes that are not excluded, or to providing management, information technology, finance, accounting, legal or human resource services.

Add the property and payroll factor fractions and divide that sum by two. If either the property factor fraction or payroll factor fraction has a denominator of zero, or is otherwise excluded, divide by one. If the average is greater than 50 percent, you are an optional apportionment taxpayer.

Draft 1/20

Optional apportionment taxpayers may calculate the apportionment fraction using either the equally-weighted three factor formula (Schedule J, Part 1) or the phased-in sales factor formula (Schedule J, Part 2).

Excluded NAICS codes are NAICS codes of the 2017 North American Industry Classification System within:

- Code 211120, Crude Petroleum Extraction
- Industry Group 2121, Coal Mining
- Industry Group 2212, Natural Gas Distribution
- Subsector 311, Food Manufacturing
- Industry Group 3121, Beverage Manufacturing
- Code 327310, Cement Manufacturing
- Subsector 482, Rail Transportation
- Code 512110, Motion Picture and Video Production
- Subsector 515, Broadcasting (except Internet)
- Code 522110, Commercial Banking

Phased-in Sales Factor Weighted Taxpayers

A phased-in sales factor weighted taxpayer is a taxpayer that either:

1. is not a sales factor weighted taxpayer,
2. does not meet the definition of an optional apportionment taxpayer, or
3. meets the definition of an optional apportionment taxpayer and used the phased-in sales factor method of apportioning income during the previous tax year.

If the calculation of the property and payroll fractions you use to determine if you are an optional apportionment taxpayer is less than or equal to 50 percent, you are a phased-in sales factor weighted taxpayer.

For tax years that begin between Jan. 1, 2020 and Dec. 31, 2020, a phased-in sales factor weighted taxpayer calculates the apportionment fraction using Schedule J, Part 2.

Line Instructions

Business Activity

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1a - 1f – Property Factor

Show the average cost value during the taxable year of real and tangible personal property used in the business within Utah (including leased property) in column A and overall (including Utah) in column B.

Property you own is valued at its original cost. Property you rent is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate you pay less the annual rate you receive from sub-rentals.

The average value of property must be determined by averaging the cost values at the beginning and end of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects your property's average value.

Attach a supporting schedule whenever you use monthly averaging.

If you are a pass-through entity taxpayer, add to line 1e any amounts listed on line J of any TC-65 Schedule K-1 you have received.

Enter totals of lines 1a through 1e in the respective columns on line 1f.

Line 2 – Property Factor Calculation

Determine the property factor (decimal) by dividing line 1f, column A by line 1f, column B.

Line 3 – Payroll Factor

Wages, salaries, commissions and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in Utah if:

1. the individual's service is performed entirely within Utah;
2. the individual's service is performed both within and outside Utah, but the service performed outside Utah is incidental to the individual's service within Utah; or
3. some of the service is performed in Utah and:
   a. the base of operations or, if there is no base of operations, the place where the service is directed or controlled, is within Utah; or
   b. the base of operations or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual's residence is in Utah.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Overall wages, including Utah, are listed in column B.

If you are a pass-through entity taxpayer, add to line 3a any amounts listed on line K of any TC-65 Schedule K-1 you have received.

Line 4 – Payroll Factor Calculation

Determine the payroll factor (decimal) by dividing line 3a, column A by line 3a, column B.

Lines 5a - 5h – Sales Factor

The sales factor is the fraction the sales or charges for services within Utah for the taxable year bear to the overall sales for the taxable year. Gross receipts from the performance of services in Utah are assigned to the Utah sales numerator if the purchaser of the service receives a greater benefit of the service in Utah than in any other state.

Taxpayers that perform a service both in and outside Utah must include service income on line 5g in column A (Inside Utah) if the purchaser of the service receives a greater benefit of the service in Utah than in any other state. The former "cost of performance" method no longer applies. (See UC §59-7-319(3)(a).)

Sales of tangible personal property are in Utah if the property is delivered or shipped to a purchaser within Utah regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory or other place of storage in Utah and:

1. the purchaser is the United States Government, or
2. the taxpayer is not taxable in the state of the purchaser.

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Overall sales, including Utah, are listed in column B.

Note: Securities brokerage businesses must follow the provisions in UC §59-7-319(6).

If you are a pass-through entity taxpayer, add to line 5g any amounts listed on line L of any TC-65 Schedule K-1 you have received.

Enter totals of lines 5a through 5g in their respective columns on line 5h.

Line 6 – Sales Factor Calculation

Determine the sales factor (decimal) by dividing line 5h, column A by line 5h, column B.

NAICS Code for Taxpayer

Line 7 – NAICS Code

This is a mandatory field. Your NAICS code may dictate your apportionment method.

Enter on line 7 the NAICS code for the primary business activity. Do not use the holding company NAICS code.

If multiple NAICS codes apply to this filing, attach an explanation showing the percentage of business activity associated with each NAICS code.

Apportionment Fraction

▶ Part 1 – Equally-Weighted Three Factor Formula

If you are an optional apportionment taxpayer using the equally-weighted three factor formula, complete lines 8 and 9. Otherwise, leave lines 8 and 9 blank.

Line 8 – Total Factors

Enter the sum of the factors from lines 2, 4 and 6.

Line 9 – Apportionment Fraction

Calculate the apportionment fraction to six decimals by dividing line 8 by the number of factors used (typically 3 – property, payroll and sales).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f, 3a or 5h in column B), divide by the number of factors present.
- If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment fraction (decimal) here and on Schedule A, line 12.

▶ Part 2 – Phased-in Sales Factor Formula

Use the above flowchart to determine if you must or may use the single sales factor formula. If you are not a sales factor weighted taxpayer, you may choose to use the phased-in sales factor formula.

Line 10 – Phased-in Sales Factor

Enter an "X" on line 10 for phased-in sales factor.

Line 11 – Sales Factor

Multiply the sales factor (decimal) from line 6 by **8**. This will result in the sales factor being considered eight times in the calculation.

Line 12 – Total Factors

Enter the sum of the factors from lines 2, 4 and 11.

Line 13 – Apportionment Fraction

Calculate the phased-in sales factor to six decimals by dividing line 12 by the number of factors used (typically 10 – property, payroll and eight times the sales factor).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f or 3a in column B), divide by the number of factors present (allowing eight factors for sales).
- If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment fraction (decimal) here and on Schedule A, line 12.

▶ Part 3 – Sales Factor Weighted Taxpayers

See instructions above for the definition and qualifications of a sales factor weighted taxpayer.

Leave line 14 blank if you are an optional apportionment taxpayer.

Line 14 – Apportionment Fraction

Enter the sales factor from line 6 of Schedule J, page 1. This is the apportionment fraction for this apportionment method. (Property and payroll factors are not used in the calculation of the apportionment fraction for a sales factor weighted taxpayer.)

Enter the apportionment fraction (decimal) here and on Schedule A, line 12.

Specialized Apportionment Laws and Rules

Specialized apportionment procedures apply for:

- Trucking Companies (R865-6F-19)
- Railroads (R865-6F-29)
- Publishing Companies (R865-6F-31)
- Financial Institutions (R865-6F-32)
- Telecommunications (R865-6F-33)
- Registered Securities or Commodities Broker or Dealer (R865-6F-36)
- Airlines (UC §§59-7-312 thru 319)
- Sale of Management, Distribution or Administration Services to or on Behalf of a Regulated Investment Company (UC §59-7-319(5))

Draft 9/17/20

Utah State Tax Commission

Corporate/Partnership Payment Coupon

TC-559
Rev. 11/16

Payment Coupon

Use payment coupon TC-559 to make the following corporate/partnership tax payments:

1) Estimated tax payments
2) Extension payments
3) Return payments

Mark the circle on the coupon that shows the type of payment you are making.

Corporation Estimated Tax Requirements

Every corporation with a tax liability of $3,000 or more in the current or previous tax year must make quarterly estimated tax payments. A parent company filing a combined report must make the payment when the total tax is $3,000 or more for all affiliated companies, including those that pay only the minimum tax.

A corporation does not have to make estimated tax payments the first year it is required to file a Utah return if it makes a payment on or before the due date, without extension, equal to or greater than the minimum tax.

Estimated tax payments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the entity's taxable year. You may make quarterly payments equal to 90 percent of the current year tax or 100 percent of the previous year tax. A corporation that had a tax liability of $100 (the minimum tax) for the previous year may prepay the minimum tax amount of $100 on the 15th day of the 12th month instead of making four $25 payments.

The Tax Commission will charge an underpayment penalty to entities that fail to make or underpay the required estimated tax.

Extension Payment Requirements

A corporation/partnership has an automatic filing extension if it makes the necessary extension payment by the return due date. The estimated tax payments must equal at least the lesser of:

1) 90 percent of the current year tax liability (or the $100 corporation minimum tax, if greater), or
2) 100 percent of the previous-year tax liability.

The remaining tax, plus any penalty and interest, is due when the return is filed.

Note: A pass-through entity (partnership or S corporation) must pay 100 percent of any pass-through withholding by the original due date to avoid penalties and interest.

Penalties and Interest

If your tax payments do not equal the lesser of 90 percent of the current-year tax liability ($100 minimum tax for corporations) or 100 percent of the previous-year tax liability, we will assess a penalty of 2 percent of the unpaid tax for each month of the extension period. We will assess a late filing penalty if you file the return after the extension due date.

We will assess interest at the legal rate from the original due date until paid in full.

See Pub 58, *Utah Interest and Penalties,* at **tax.utah.gov/forms**.

Where to File

Send your payment coupon and payment to :

Corporate/Partnership Tax Payment
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0180

Electronic Payment

You may make estimated tax, extension and return payments at **tap.utah.gov**.

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SEPARATE AND RETURN ONLY THE BOTTOM COUPON WITH PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.

Corporation/Partnership Payment Coupon

Mail to: Utah State Tax Commission, 210 N 1950 W, SLC UT 84134-0180

TC-559
Rev. 11/16

Tax year ending (mm/dd/yyyy)

Estimated payment:

- ◯ 1st qtr.
- ◯ 2nd qtr.
- ◯ 3rd qtr.
- ◯ 4th qtr.
- ◯ Extension payment
- ◯ Return payment

Name of corporation/partnership	EIN

Address		
City	State	Zip code

Payment amount enclosed $ 00

Make check or money order payable to the Utah State Tax Commission. Do not send cash. Do not staple check to coupon. Detach check stub.

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