

What's New for 2021

Electing Pass-Through Entity. Alabama Act 2021-1 allows Alabama S-Corporations and Subchapter K entities (passthrough entities or PTEs) to elect to pay Alabama income tax at the entity level. Entities making this election (Electing PTEs) must notify ALDOR by filing Form PTE-E via My Alabama Taxes at any time during the tax year but no later than the 15th day of the third month following the close of that tax year for which the entity elects to be taxed as an Electing PTE. Entities making this election are required to file Form EPT, in addition to Form 65 or Form 20S, and submit estimated tax payments.

If the entity elects to be an Electing Pass-Through Entity, substitute Electing Pass-Through Entity when Form 2220AL refers to Corporation.

General Instructions

Purpose of Form

Corporations (including S corporations) and certain tax-exempt organizations (subject to the tax on unrelated business taxable income) which have an income tax liability of \$500 or more use Form 2220AL to determine:

- Whether they are subject to the interest and penalty due for underpayment of estimated tax and, if so,
- The amount of the underpayment interest and penalty due for the period that applies.

Section 40-18-80.1 of the *Code of Alabama 1975* provides for interest on underpayments of estimated taxes for corporations. The amount of any required quarterly installment shall be 25% of the required annual payment. In addition, Section 40-2A-11 of the *Code of Alabama 1975* provides for a 10% penalty on underpayments of quarterly installments.

In addition, Alabama tax law provides for relief from the interest and penalty due on underpayments of estimated tax if the taxpayer computes their required quarterly installments using an approved federal method (annualized or seasonal). The Internal Revenue Service requires that a taxpayer use federal Form 2220 if the taxpayer seeks relief from the interest due on their underpayment of quarterly estimates. Alabama Form 2220AL closely mirrors federal Form 2220. Form 2220AL should be used by corporations when estimated taxes are computed and paid based on an allowable federal method which reduces the amount of estimated tax required to be paid to the State of Alabama below the amount that would be due using the regular method for computing quarterly installments. **Taxpayers that file a consolidated federal return must complete and submit consolidated federal Form 2220 and a proforma federal Form 2220 using separate company tax information along with Form 2220AL. Federal Form 2220 may not be due if the federal group does not have enough income for the federal estimated tax penalty to apply. However, Alabama requires a consolidated federal Form 2220 and proforma federal Form 2220 be remitted with Form 2220AL.**

Under the normal method prescribed in Section 40-18-80.1, taxpayers should remit 25% of the required annual payment per quarter. The first payment is due by the 15th day of the 4th month of the taxable year. The 2nd, 3rd and 4th quarter payments are due by the 15th day of the 6th, 9th and 12th months, respectively (see the table below).

Installment	Calendar Year The Due Date Is	Fiscal Year The Due Date Is
1st	April 15	15th day of the 4th month following the start of the tax year
2nd	June 15	15th day of the 6th month following the start of the tax year
3rd	September 15	15th day of the 9th month following the start of the tax year

4th	December 15	15th day of the 12th month following the start of the tax year
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Although taxpayers utilizing one of the allowable federal methods (either the Annualized Income Installment Method or the Seasonal Installment Method) may receive some relief in regards to reduced interest and penalty on the amount underpaid by quarter, the due dates for the quarterly installments will always be computed in accordance with the provisions in the table above.

If an installment is due on a Saturday, Sunday, or legal holiday, payments made on the next day that is not a Saturday, Sunday, or legal holiday are considered made on the due date to the extent the payment is applied against that required installment.

Check the box on the front of Form 20C or 20C-C and attach Form 2220AL along with a copy of the federal Form 2220, consolidated and proforma federal Form 2220. Attach the Form 2220AL; federal Form 2220; consolidated and proforma federal Form 2220, if applicable, directly following Schedule BC of the Form 20C or page 2 of the Form 20C-C. If the box is not checked to indicate the taxpayer used an alternate method for computing interest and penalty on their underpayment, or if the completed Form 2220AL along with a completed copy of the federal Form 2220 and consolidated and proforma federal Form 2220, if applicable, is not included with the Alabama corporate return when filed, relief will not be granted. Penalty and interest will be computed for underpayment of the taxpayer's quarterly installments based on 25% of the required annual payment per quarter.

Note: In these instructions, "return" refers to the corporation's original return.

To obtain Form 2220AL visit our website at www.revenue.alabama.gov.

Who Must File

Generally, a corporation does not have to file this form with its income tax return because the Department of Revenue will compute the amount of any interest or penalty and notify the corporation of any amount due. However, even if the corporation does not owe additional interest and penalty, complete and attach this form to the corporation's tax return if Part I, line 3 on page 1 is \$500 or more and any of the following apply. See "Specific Instructions", page 2 of these instructions.

1. The adjusted seasonal installment method is used.
2. The annualized income installment method is used.
3. Exception
 - Large Corporation – 1st quarter installment
 - K-1 Exception

Who Must Pay the Underpayment Interest and/or Penalty?

Generally, a corporation is subject to interest and penalty if the tax shown on its 2021 return is \$500 or more and it did not timely pay at least the smaller of:

1. The tax shown on its 2021 return or
2. The tax shown on its 2020 return (if it filed a 2020 return showing at least some amount of tax and the return was for a full 12 months). However, a large corporation may base only its first required installment on the prior year's tax.

The interest and penalty are figured separately for each installment due date. Therefore, the corporation may owe interest and penalty for an earlier due date even if it paid enough tax later to make up the underpayment. This is true even if the corporation is due a refund when its return is filed.

Exception to the Estimate Interest and Penalty

The corporation will not have to pay estimate interest or penalty if the tax shown on the corporation's 2021 return (Part I, line 3 amount) is less than \$500 and the tax has been paid by the original due date.

How To Use Form 2220AL

Complete lines 1 through 3 of Part I. If line 3 is \$500 or more, then go to Part II.

If the corporation checked a box in Part II, attach Form 2220AL along with the federal Form 2220; consolidated and proforma federal Form 2220, if applicable. Be sure to check the box on the corporate return to indicate that the Form 2220AL is attached.

Complete Schedule A if the corporation utilized the Annualized Income Installment Method and/or Schedule B for the Adjusted Seasonal Installment Method.

Complete Part III after completing Part VI to determine the underpayment of any of the required installment payments.

If there is an underpayment on line 15 of Part III [column (a), (b), (c), or (d)], complete Part IV to calculate any late payment estimate penalty. Complete Part V to compute any additional interest due.

Specific Instructions

Form 2220AL is not a required form unless a taxpayer chooses to utilize an alternative method (as provided for on 2220AL) to compute the interest and penalty due as a result of their underpayment of estimated tax. Form 2220AL, if utilized, along with a copy of the Federal Form 2220, should accompany Forms 20C, 20C-C, 20S and EPT. In addition, any interest or penalty due as computed using Form 2220AL should be totaled and entered on PART II, lines 4a and 4b, as well as reported on the appropriate line of Forms 20C, 20C-C, 20S and EPT.

If the entity elects to be an Electing Pass-Through Entity, substitute Electing Pass-Through Entity when Form 2220AL refers to Corporation.

Annualized Income Method. Check this box if the corporation used the annualized income installment method for federal purposes. Use the same method for Alabama and attach the Federal Form 2220; consolidated and proforma Federal Form 2220, if applicable.

Adjusted Seasonal Method. Check this box if the corporation used the adjusted seasonal installment method for federal purposes. Use the same method for Alabama and attach the Federal Form 2220; consolidated and proforma Federal Form 2220, if applicable.

Part I – Required Annual Payment

All taxpayers must complete Part I and Part II of the form before completing any other parts of Form 2220AL. Part I is used to compute the required annual payment that would be due to the Department of Revenue for the year under the regular method. Taxpayers utilizing the Annualized Income Installment Method should skip to Schedule A to compute the required installments after completing Part I and Part II of Form 2220AL. Taxpayers utilizing the Adjusted Seasonal Installment Method should skip to Schedule B after completing Part I and Part II of Form 2220AL.

Complete lines 1 through 3 to figure the corporation's required annual payment.

Line 1. Enter the corporation's 2021 tax liability from Form 20C, Page 1, line 15, Form 20C-C, Page 1, line 2c, Form 20S, Page 1, line 31, or Form EPT, Page 1, line 2.

Line 2. Enter the corporation's 2020 tax liability from Form 20C, Page 1, line 15, Form 20C-C, Page 1, line 2c or Form 20S, Page 1, line 31. If the corporation is considered a Large Corporation (see definition for Large Corporation in this section) or if the previous year's return did not have a tax liability, or if the previous tax year was for a period of less than 12 months the Required Annual Payment by default is 100% of the current year's tax. If the corporation's Required Annual Payment is by default 100% of the current year's tax, skip this line and enter the amount from line 1 on line 3.

Note: For the 2021 Form EPT, the required estimated quarterly payments will be 25% of the "required annual payment." The required annual payment generally, means the lessor of 100 percent of the tax shown on the return for the taxable year or 100 percent of the tax shown on the return for the preceding tax year. Except as noted below, the safe-harbor rule will apply to Electing PTEs making estimated payments using the following calculations for the required annual payment:

PTEs (other than S-Corporations): Calculate the total of lines 1 through 17 in the Alabama column on Schedule K from the PTEs 2020 Form 65; then multiply this total by 5%.

S-Corporations: Calculate the total of lines 1 through 17 in the Alabama column on Schedule K from the S-Corporation's 2020 Form 20S; then multiply this total by 5%.

Please Note: If an electing S-Corporation reported a loss on lines 1-17 in 2020, the safe-harbor rule will not apply.

Large Corporations are corporations that have Alabama Taxable Income of \$1,000,000 or more within a testing period. The testing period consists of the three year periods immediately preceding the current tax year. The Taxable Income test for a Large Corporation is Alabama taxable income without regard to any Net Operating Losses which may have been carried to one of the years in the testing period. Large Corporations are required to pay 100% of the current year tax in accordance with Section 40-18-80.1 of the *Code of Alabama 1975*. Large Corporations are allowed to base the first estimated tax installment on the previous year's tax. However, the tax must be recaptured by increasing the next required installment by the amount of the reduction to the first installment. Large Corporations, in addition to all other corporations, are allowed to use Form 2220AL in accordance with these instructions to compute their required installments if the alternative methods available reduce the amount of tax that would be owed using one of the alternative methods rather than using the regular method for computing estimated tax installments.

Line 3. Enter the amount from line 1 or line 2.

Part II – Reasons for Filing

Line 4a. Penalty – Enter the total amount of Late Payment Penalty – Estimate computed from Part IV, line 23.

Line 4b. Interest – Enter the total amount of Estimate Interest computed from Part V, line 42.

Line 5. Check this box if the corporation is a large taxpayer claiming the Large Corporation exception and calculated its first quarter installment based on the prior year tax. Any reduction in the 1st installment will be required to be recaptured by increasing the amount of the next required installment.

Line 6. Check this box if the corporation's main source of Alabama Taxable Income is the result of Schedule K-1 income generated from a Pass Through Entity. No other calculations are required if this box is checked.

Taxpayers utilizing the Annualized Income Installment Method should skip to Schedule A to compute the required installments after completing Part I and Part II of Form 2220AL. Taxpayers utilizing the Adjusted Seasonal Installment Method should skip to Schedule B after completing Parts I and II of Form 2220AL.

Part III – Computation of Underpayment/Overpayment by Quarter

Line 7. Enter the corporation's installment due dates for each quarter in columns (a) through (d). These dates should correspond with the 15th day of the 4th, 6th, 9th, and 12th months of its tax year.

If the taxpayer utilizes the annualized income installment method and/or the adjusted seasonal installment method or the box on line 5 is checked, enter the installment due dates that correspond with the attached Federal Form 2220.

Line 8. Enter 25% of line 3 in columns (a) through (d). "Large corporations" may make the first quarter estimated payment at 25% of line 3 or make the first quarter estimated payment based on the corporation's prior year tax liability and not be subject to the underpayment penalty; however, the corporation is required to make estimate payments based on the 2021 tax liability.

If the taxpayer utilizes the annualized income installment method and/or the adjusted seasonal installment method or the box on line 5 is checked, enter the amounts from page 3, Part VI, line 49.

Line 9. Enter the estimated tax payments made by the corporation for its tax year as indicated below. In column (a) only, include any overpayment from the corporation's 2020 tax return that was credited to the corporation's 2021 estimated tax and enter the amount on line 13.

Column (a). Enter payments made by the date on line 7, column (a). Include any overpayment from the corporation's 2020 tax return that was credited to the corporation's 2021 estimated tax.

Columns (b), (c), and (d). Enter payments made by the date on line 7 for that column and after the date on line 7 of the preceding column.

Note: Complete lines 10 through 16 of one column before going to the next column.

Lines 10 through 16. Complete line 15 or line 16 for column (a) before going to column (b). Complete lines 10 through 16 for column (b) before going to column (c); complete lines 10 through 16 for column (c) before going to column (d); complete lines 10 through 16.

Line 10. Columns (b), (c), and (d). Enter overpayment, if any, from line 16 from the preceding column.

Line 11. Columns (b), (c), and (d). Add lines 9 and 10. Enter the results.

Line 12. Column (b) add amount, if any, from line 15, column (a); column (c) add amounts on lines 14 and 15, if any, from column (b); column (d) add amounts on lines 14 and 15, if any, from column (c).

Line 13. In column (a) enter amount from line 9.

Columns (b), (c), and (d). Subtract line 12 from line 11. If zero or less, enter -0-.

Line 14. Columns (b), (c), and (d). If line 13 is zero, subtract line 11 from line 12. Otherwise, enter -0-.

Line 15. Columns (a), (b), (c), and (d). If line 13 is less than or equal to line 8, subtract line 13 from line 8. Go to line 10 of the next column. Otherwise, go to line 16.

Line 16. Columns (a), (b), (c), and (d). If line 8 is less than line 13, subtract line 8 from line 13. Go to line 10 of the next column.

If there are no entries on line 15, do not proceed to PART IV. No addition to tax is owed. If there are any underpayments on line 15, go to Part IV to calculate the penalty, then to Part V to compute the interest on the underpayment.

Part IV – Late Payment Penalty-Estimate

Complete lines 17 through 22 to determine the amount of the late payment penalty. The penalty is 10% of each quarterly underpayment.

Line 17. Columns (a), (b), (c), and (d). Enter the corporation's required installment amounts from page 1, Part III, line 8.

Line 18. Enter the estimated tax payments made by the corporation for its tax year as indicated below from Page 1, line 9. In column (a) only, include any overpayment from the corporation's 2020 tax return that was credited to the corporation's 2021 estimated tax. If an installment is due on a Saturday, Sunday, or state holiday, payments made on the next day that is not a Saturday, Sunday, or state holiday are considered made on the due date to the extent the payment is applied against that required installment.

Column (a). Enter payments made by the date on line 17, column (a). Include any overpayment from the corporation's 2020 tax return that was credited to the corporation's 2021 estimated tax.

Columns (b), (c), and (d). Enter payments made by the date on line 17 for that column and after the date on line 17 of the preceding column.

Note: Complete lines 19 through 22 of one column before going to the next column.

Lines 19 through 22. Complete lines 19 through 22 for column (a) before going to column (b). Complete lines 19 through 22 for column (b) before going to column (c); then complete lines 19 through 22 for column (c) before going to

column (d); then complete lines 19 through 22.

Line 19. Columns (a), (b), (c), and (d). Subtract the amount on line 18 from the amount on line 17. Enter the result in the appropriate column.

Line 20. Columns (b), (c), and (d). If line 19 or 21 from the preceding column is a negative value (less than zero), enter the amount as a positive value in columns (b), (c) and (d).

Line 21. Columns (a), (b), (c), and (d). Subtract the amount on line 20 from the amount on line 19. Enter the result in the appropriate column.

Line 22. Columns (a), (b), (c), and (d). Multiply the amount on line 21 by 10% (.10). Enter the result in the appropriate column. If line 21 reflects an overpayment, no penalty is due.

Line 23. Penalty – Add Column (a) through Column (d) of line 22. Enter the total here and on page 1, line 4a.

Part V – Computing the Addition to Tax-Interest

Complete lines 24 through 42 to determine the amount of interest due. The interest is computed for the period of underpayment using the underpayment rate determined under IRC Section 6621(a)(2). The period of underpayment runs from the installment due date to the earlier of the date the underpayment is actually paid or the 15th day of the fourth month after the close of the 2021 tax year. S Corporations and Electing Pass-Through Entities will use the 15th day of the 3rd month after the close of the 2021 tax year. For information on obtaining the interest rate on underpayments paid after September 30, 2021, see the footnote on page 1 of Form 2220AL.

A payment of estimated tax is applied against underpayments of required installments in the order that installments are required to be paid, regardless of the installment to which the payment pertains.

Example. A corporation underpaid the April 15 installment by \$1,000.

The June 15 installment requires a payment of \$2,500. On June 11, the corporation deposits \$2,500 to cover the June 15 installment. However, \$1,000 of this payment is applied against the April 15 installment. The penalty for the April 15 installment is figured to June 11 (56 days). The remaining \$1,500 is applied to the June 15 installment as if it were made on June 15.

If the corporation has made more than one payment for a required installment, attach a separate computation for each payment.

Part VI – Required Installments – Annualized Income and/or Seasonal Installment Method

Taxpayers using either the Annualized Income Installment Method or the Seasonal Installment Method should complete this section after first completing Schedule A, Schedule B, or both Schedules if using a combination of the two methods.

Line 43. Columns (a), (b), (c), and (d). Enter the amount from page 4, line 19 of Schedule A or page 5, line 23 of Schedule B in each column (a), (b), (c), and (d). If both Schedules A and B are completed, enter the lesser amount from each column (a), (b), (c), and (d) and check the box.

Note: Complete lines 44 through 49 of one column before going to the next column.

Lines 44 through 49. Complete lines 44 through 49 for column (a) before going to column (b). Complete lines 44 through 49 for column (b) before going to column (c); complete lines 44 through 49 for column (c) before going to column (d); complete lines 44 through 49.

Line 44. Columns (b), (c), and (d). Add the amounts in all preceding columns of line 49. Enter the result in the appropriate column.

Line 45. Columns (a), (b), (c), and (d). Subtract line 44 from line 43. If zero or less, enter -0-.

Line 46. Columns (a), (b), (c), and (d). Multiply the amount from page 1, line 3 in each column (a), (b), (c), and (d) by 25% (.25). Enter the result in the appropriate column.

Line 47. Columns (b), (c), and (d). Subtract line 49 of the preceding column from line 48 of the preceding column. Enter the result in the appropriate column.

Line 48. Columns (a), (b), (c), and (d). Add line 46 and line 47. Enter the result in the appropriate column.

Line 49. Columns (a), (b), (c), and (d). Enter the lesser of line 45 or line 48 amount from each column (a), (b), (c), and (d) and on page 1, line 8 in the appropriate column.

After completing Part VI of the Form 2220AL, Part III of the form should be completed.

Schedule A – Annualized Income Installment Method

Line 1. Columns (a), (b), (c), and (d). Enter the installment period that correspond with the attached federal Form 2220 in the appropriate column.

Enter the same periods in column (a), (b), (c), and (d) as used on the Annualized Income Installment Method from federal Form 2220.

NOTE: If the taxpayer elected to use federal Option 1 or 2, a signed copy of Form 8842 must be attached.

Line 2. Columns (a), (b), (c), and (d). Enter the amounts that correspond with the appropriate federal Form 2220 (page 4, Schedule A, line 23c) in the appropriate column.

Line 3. Columns (a), (b), (c), and (d). Enter the amount of any federal net operating loss (2020 Form 1120, line 29a) in the appropriate column.

Line 4. Columns (a), (b), (c), and (d). Enter the annualized reconciliation adjustments from Schedule A of Alabama Form 20C in the appropriate column. Negative amounts should be entered in parenthesis ().

Line 5. Columns (a), (b), (c), and (d). Enter the annualized amounts from Form 20C, Schedule C, line 2, column E in the appropriate column. Income should be entered as a negative () amount, losses should be entered as a positive value.

Line 6. Columns (a), (b), (c), and (d). Total lines 2, 3, 4 and 5. Enter the result in the appropriate column.

Line 7. Columns (a), (b), (c), and (d). For each period, enter the taxpayer's annualized Alabama apportionment factor in the appropriate column.

Line 8. Columns (a), (b), (c), and (d). Multiply the amount on line 6 by the percentage on line 7. Enter the result in the appropriate column.

Line 9. Columns (a), (b), (c), and (d). Enter the annualized amounts from Form 20C, Schedule C, line 2, column F in the appropriate column. Income should be entered as a positive amount, losses should be entered as a negative () amount.

Line 10. Columns (a), (b), (c), and (d). Enter the corporation's annualized federal income tax deduction from Form 20C, line 11a in the appropriate column. Negative amounts should be entered in parenthesis ().

Line 11. Columns (a), (b), (c), and (d). Enter the amount of the corporation's net operating loss (2021 Form 20C, line 13) in the appropriate column.

Line 12. Columns (a), (b), (c), and (d). Enter the amount of any annualized tax preference items not already accounted for in the appropriate column. Attach a statement with Form 2220AL describing the nature of any amounts entered on this line. **Additions to Alabama income should be entered as a negative () value, deductions from Alabama income should be entered as a positive value.**

Line 13. Columns (a), (b), (c), and (d). Enter the total of lines 9, 10, 11 and 12 in the appropriate column.

Line 14. Columns (a), (b), (c), and (d). Subtract the amount on line 13 from the amount on line 8. Enter the result in the appropriate column.

Line 15. Columns (a), (b), (c), and (d). Multiply the amount on line 14 by 6.5% (.065). Enter the result in the appropriate column. If the result is \$0.00, or less than \$0.00, no payment is due for the quarter.

Line 16. Columns (a), (b), (c), and (d). Enter the annualized tax credits from Alabama Form 20C, page 1, line 18, or the comparable line for other income tax returns, in the appropriate column. The total amount of credits utilized should be entered as a positive amount.

Line 17. Columns (a), (b), (c), and (d). Subtract line 16 from line 15. Enter the result in the appropriate column.

Line 19. Columns (a), (b), (c), and (d). Multiply line 17 by the percentage

on line 18. Enter the result in the appropriate column and on page 3, Part VI, line 43 in the appropriate column.

Lines 4, 5, 7, 9, 10, 12 and 16 must be annualized according to the income/expenses directly tied to the annualized taxable income (loss) period as indicated on line 2.

Schedule B – Adjusted Seasonal Installment Method

Since lines 1a – line 9 mirror the federal Form 2220, please enter the amounts on these lines of the Alabama form that are used on the federal Form 2220. Line by line instructions for the section of the form will begin with line 10 of the Form 2220AL.

Line 10. Columns (a), (b), (c), and (d). For each period, enter the taxpayer's Alabama apportionment factor in the appropriate column.

Line 11. Columns (a), (b), (c), and (d). Multiply the amount on line 9 by the amount on line 10. Enter the result in the appropriate column.

Line 12. Columns (a), (b), (c), and (d). Allocate the corporation's federal income tax deduction from Form 20C, line 11a to each period. The total claimed in columns (a) through (d) should sum to the amount claimed as a deduction on line 12, Form 20C. Negative amounts should be entered in parenthesis.

Line 13. Columns (a), (b), (c), and (d). Enter the amount of the corporation's net operating loss (2021 Form 20C, line 13) in the appropriate column. The sum of columns (a), (b), (c), and (d) should total the amount claimed on Form 20C, page 1, line 13.

Line 14. Columns (a), (b), (c), and (d). Enter the amount of any tax preference items not already accounted for in the appropriate column. Attach a statement along with Form 2220AL describing the nature of any amounts entered on this line. **Additions to Alabama income should be entered as a negative () value, deductions from Alabama income should be entered as a positive value.** The sum of the columns (a), (b), (c), and (d) should equal the total from Form 20C, page 2, Schedule A, line 26.

Line 15. Columns (a), (b), (c), and (d). Enter the total of lines 12, 13 & 14 in the appropriate column.

Line 16. Columns (a), (b), (c), and (d). Subtract the amount on line 15 from the amount on line 11. Enter the result in the appropriate column.

Line 17. Columns (a), (b), (c), and (d). Multiply the amount on line 16 by 6.5% (.065). Enter the result in the appropriate column. If the result is \$0.00, or less than \$0.00, no payment is due for the quarter.

Line 18a. Columns (a), (b), and (c). Divide the amount in column (a), (b) and (c) on line 3a by the amount in column (d) on line 3a. Enter the result in the appropriate column.

Line 18b. Columns (a), (b), and (c). Divide the amount in column (a), (b) and (c) on line 3b by the amount in column (d) on line 3b. Enter the result in the appropriate column.

Line 18c. Columns (a), (b), and (c). Divide the amount in column (a), (b) and (c) on line 3c by the amount in column (d) on line 3c. Enter the result in the appropriate column.

Line 19. Columns (a), (b), and (c). Add the amounts on line 18a, 18b and 18c. Enter the result in the appropriate column.

Line 20. Columns (a), (b), and (c). Divide the amount on line 19 by 3 (not line 3). Enter the result in the appropriate column.

Line 21. Columns (a), (b), and (c). Multiply the amount in column (a), (b) and (c) of line 17 by column (a), (b) and (c) of line 20.

Column (d). Enter the amount from line 17, column (d).

Line 22. Columns (a), (b), (c), and (d). Enter in each column the amount of any Alabama tax credits applicable to the income for each period.

Line 23. Columns (a), (b), (c), and (d). Subtract line 22 from line 21. A quarterly installment is not due if the amount on line 23 is \$0.00 or less. If line 23 is greater than \$0.00, enter the amount from line 23 on line 43, Part VI of this form.

After completing Part VI of the Form 2220AL, Part III of the form should be completed.