

**PTE-160  
2021**

**Underpayment of Estimated Pass-Through Business Alternative Income Tax**

Check the box at line 5, Form PTE-100, and include this form with your return.

Pass-Through Entity Name as shown on Form PTE-100	Federal Employer ID Number
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**Part I Calculating Your Underpayment**

1. Amount of 2021 tax from PTE-100, line 2 (if less than \$400, do <b>not</b> complete this form) .....	1.	
2. Multiply the amount on line 1 by .80 (80%) .....	2.	
3. Amount of 2020 tax from 2020 PTE-100, line 23 .....	3.	
4. Enter the lesser of line 2 or line 3 .....	4.	

	A	B	C	D
5. Enter in columns A through D the installment dates that correspond to the 15th day of the fourth, sixth, and ninth months of your tax period and the first month succeeding the close of your tax period .....	5.			
6. Enter 25% of line 4 in each column A through D .....	6.			
7. Estimated tax paid per period. If each column on line 7 is greater than the corresponding column on line 6, do not complete the rest of this form .....	7.			
8. Enter the overpayment (line 14) from the previous column. (Complete lines 8 through 14 for one column before completing the next column.) .....	8.			
9. Add line 7 and line 8 .....	9.			
10. Enter the total underpayment (add line 12 and line 13) from the previous column .....	10.			
11. Subtract line 10 from line 9. If zero or less, enter zero .....	11.			
12. Remaining underpayment from previous period. If line 11 is zero, subtract line 9 from line 10. Otherwise enter zero .....	12.			
13. <b>Underpayment</b> (If line 6 is greater than line 11, subtract line 11 from line 6) .....	13.			
14. <b>Overpayment</b> (If line 11 is greater than line 6, subtract line 6 from line 11) .....	14.			

**Part II Exceptions**

(See instructions. Complete worksheets for exceptions 2, 3, and 4 and enclose calculations for each exception claimed.)

**If you meet exception 1 at line 16, do not file this form.** These amounts will be verified by the Division of Taxation.

15. Total amount paid from the beginning of the tax year through the installment dates that correspond to the 15th day of the fourth, sixth, and ninth month of your tax period and the first month succeeding the close of your tax period .....	15.				
16. Exception 1 – Enter 2020 tax (2020 PTE-100, line 23) .....	16.	25% of 2020 Tax	50% of 2020 Tax	75% of 2020 Tax	100% of 2020 Tax
17. Exception 2 – Tax on 2020 Distributive Proceeds using 2021 tax rates .....	17.	25% of Tax	50% of Tax	75% of Tax	100% of Tax
18. Exception 3 – Tax on annualized 2021 Distributive Proceeds ..	18.	20% of Tax	40% of Tax	60% of Tax	
19. Exception 4 – Tax on 2021 Distributive Proceeds over 3, 5, and 8-month periods .....	19.	90% of Tax	90% of Tax	90% of Tax	

If the amount of any exception is equal to or less than the corresponding amount at line 15, interest will not be charged for that period

20. <b>Total Interest</b> (Include this amount on line 5, Form PTE-100) .....	\$	
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Worksheets

**Exception II Tax on 2020 Distributive Proceeds using 2021 tax rates**

1. Enter 2020 Distributive Proceeds (2020 PTE-100, line 22).....	1.	
2. Calculate tax on line 1 (2021 tax rates) Enter the applicable percentage of this amount on line 17, Part II.....	2.	

**Exception III Tax on Annualized 2021 Distributive Proceeds (attach calculations)**

		1/1/21 – 3/31/21	1/1/21 – 5/31/21	1/1/21 – 8/31/21
1. Enter the portion of Distributive Proceeds (line 1, PTE-100) that is applicable to each period shown.....	1.			
2. Annualization amounts.....	2.	4	2.4	1.5
3. Annualized Distributive Proceeds (Multiply line 1 by line 2).....	3.			
4. Calculate tax on line 3. Enter the applicable percentage of this amount on line 18, Part II.....	4.			

**Exception IV Tax on Actual 2021 Distributive Proceeds over 3, 5, and 8-month periods (attach calculations)**

		1/1/21 – 3/31/21	1/1/21 – 5/31/21	1/1/21 – 8/31/21
1. Enter the actual amount of Distributive Proceeds (line 1, PTE-100) that is applicable to each period shown.....	1.			
2. Calculate tax on line 1. Enter 90% of this amount on line 19, Part II.....	2.			

**Form PTE-160 Instructions**

Use Form PTE-160 to determine if you are subject to interest on the underpayment of estimated tax. Complete Part I to determine if you have an underpayment for any of the four payment periods. If you do, complete Part II to determine if an exception applies to any of the payment periods. If no exception applies, use the worksheet on the next page to calculate the interest for that period.

You may owe interest if you did not make estimated payments equal to at least 80% of your 2021 tax liability (line 2, Form PTE-100) or 100% of your 2020 tax liability, provided your 2020 PTE-100 covered a full 12-month period. If an underpayment does exist for any column in Part I, complete Part II and the appropriate worksheet on page 2, PTE-160 to determine if any of the exceptions in Part II apply. You **must** complete the appropriate worksheet for exceptions 2, 3, and 4 and attach all calculations for each exception claimed.

**Part I**

**Line 1** – If line 1 is \$400 or more, complete lines 2 through 14.

**Line 7** – Include the amount of any estimated tax payments in each of the columns in Part I. If each column on line 7 is greater than the corresponding column on line 6, do not complete the rest of this form.

**Line 8** – Complete lines 8 through 14 for one column before completing the next column.

**Line 13** – If line 13 is zero for all payment periods, you are not subject to the interest and do not need to file Form PTE-160. If you have an underpayment in any column on line 13, complete Part II.

**Part II**

You will not have to pay interest if (1) you have paid your 2021 tax payments (line 15) on time; and (2) the amount on line 15 is equal to or more than the tax calculated under any of the four exceptions for the same payment period.

**Line 15** – Based on the amounts indicated on line 7, enter the **total** amount of all estimated tax payments made by each of the payment due dates.

**Exceptions 1, 2, 3, and 4** – You must complete the appropriate worksheet for exemptions 2, 3, and 4 and attach all calculations for each of the exceptions claimed. If you meet exception 1 at line 16, do not file this form. These amounts will automatically be verified by the Division of Taxation.

**Exception 1** – Enter your prior year tax liability in the space provided at line 16. Exception 1 only applies if your prior year PTE-100 covered a full 12-month period and your current tax year payments (line 15) are at least equal to your prior year tax liability. Your prior year tax liability is zero if a return was not filed. Enter the applicable percentage of your prior year tax liability in each column at line 16, as indicated.

**Exception 2** – Exception 2 is calculated using your prior year distributive proceeds but current year tax rates. Enter the applicable percentage of line 2 of the worksheet in each column at line 17, as indicated. Exception 2 only applies if your current year tax payments (line 15) are at least equal to the amounts indicated at line 17.

**Exception 3** – Exception 3 is calculated by multiplying the actual portion of distributive proceeds that is applicable to each period shown by the annualization amounts at line 2 of the worksheet. Calculate tax on this amount and enter the applica-

ble percentage of each amount from line 4 of the worksheet in the corresponding column at line 18 as indicated. Exception 3 only applies if your current year tax payments (line 15) are at least equal to the amounts indicated at line 18.

**Exception 4** – Exception 4 is calculated using the tax on the actual amount of distributive proceeds that is applicable to each period shown. Enter 90% of each amount from line 2 of the worksheet in the corresponding column at line 19. Exception 4 only applies if your current year tax payments (line 15) are at least equal to the amounts indicated at line 19.

## Calculating the Interest

Use the table in Option 1 to calculate interest on the amount of the underpayment from page 1, PTE-160. If your estimated tax payments for Tax Year 2021 were not paid timely, interest must be calculated based on the Interest Rate Schedule in Option 2.

### Option 1

QUARTER	PERIOD	A	B	C	D	E	F	G
		Amount Due (Line 6, PTE-160)	Balance Due Previous Qtr. (Col. E)	Total Due (Col. A + B)	Total Paid (Line 7, PTE-160)	Balance (Col. C – D)	Multiplier	Interest (Col. E x F)
1.	4/15 – 6/15						.010	
2.	6/16 – 9/15						.016	
3.	9/16 – 1/15						.021	
4.	1/16 – 4/15						.016	
<b>Total Interest</b>								

Column A Enter the amount due per quarter (line 6, PTE-160).

Column B Enter the balance due (column E) from the previous quarter.

Column C Enter the total of column A plus column B.  
If column B is negative, subtract column B from column A.

Column D Enter the total estimated tax paid (line 7, PTE-160).

Column E Subtract column D from column C.

Column F The multiplier is based on the interest rates in effect during each quarter.

Column G Multiply column E by the multiplier in column F. If column E is negative, enter zero in column G.

**Total Interest** Add the interest for each quarter and enter this amount in the block marked Total Interest on line 20, PTE-160 and on line 5, PTE-100.

### Option 2

Calculate the interest on the amount of the underpayment on line 13 from the date the underpayment was incurred to the date the underpayment was satisfied or the original due date of the PTE-100, whichever is earlier. Interest is assessed at the annual rate of 3% above the average predominant prime rate and is imposed each month or part of a month the underpayment exists. The interest rate will be reviewed quarterly and will only change if there has been a cumulative change of more than 1% since it was last set.

Interest Rate Schedule	
Period	Interest Rate
4/15/21 – 4/15/22	6.25%