



**Individual Partners, Members, or Shareholders Underpayment Penalty Calculation**

**Part I—Required Annual Payment**

- 1 Current year estimated individual nonresident income tax withholding on distributive share income (INDNRWH).....
- 2 Nonrefundable Credits.....
- 3 Current year INDNRWH after Credits. Subtract line 2 from line 1. This is the total of your required INDNRWH Estimated Installments Due .....


**Part II—Figuring the Underpayment**

- 4 **Installment Due Dates (see instructions)** .....
- 5 **Required INDNRWH Installments**—Enter 25% (.25) of line 3 in each column.....
- 6 Estimated INDNRWH tax paid or credited for each period. For column A only, enter the amount from line 6 on line 10.....

	A	B	C	D

**Complete lines 7 through 13 of one column before going to next column.**

- 7 Enter amount, if any, from line 13 of the preceding column.....
- 8 Add lines 6 and 7 in each column .....
- 9 Enter the amounts from lines 11 and 12 of the preceding column.....
- 10 Subtract line 9 from line 8. If zero or less, enter zero. For column A only, enter the amount from line 6....
- 11 If the amount on line 10 is zero, subtract line 8 from line 9. Otherwise, enter zero.....
- 12 **INDNRWH Underpayment.** If line 10 is less than or equal to line 5, subtract line 10 from line 5. Then, go to line 7 of the next column. Otherwise, go to line 13 .....
- 13 **INDNRWH Overpayment.** If line 5 is less than line 10, subtract line 5 from line 10. Then, go to line 7 of the next column.....




**Part III – Figuring the INDNRWH Underpayment Penalty**

	A	B	C	D
<b>14</b> Enter the date when the specific INDNRWH installment is paid in full or the 15th day of the 4th month after the close of the tax year, whichever date is earlier, in each column.....				
<b>15</b> Number of days from the due date of the installment on line 4 to the date shown on line 14 in each column.....				
<b>16</b> Number of days on line 15 after 07/15/2021 and before 01/01/2022 in each column.....				
<b>17</b> Line 12 $\times \left( \frac{\text{Line 16}}{365} \right) \times 7\%$				
<b>18</b> Number of days on line 15 after 12/31/2021 and before the day after the due date of the return or 01/01/2023, whichever date is earlier, in each column.....				
<b>19</b> Line 12 $\times \left( \frac{\text{Line 18}}{365} \right) \times 5\%$				
<b>20</b> Number of days on line 15 after 12/31/2022 and before 03/16/2023 or the day after the due date of the return, whichever date is earlier, in each column.....				
<b>21</b> Line 12 $\times \left( \frac{\text{Line 20}}{365} \right) \times \text{2023 Tax Due Penalty Rate}$				
<b>22</b> Add lines 17, 19, and 21 in each column .....				
<b>23 INDNRWH Penalty.</b> Add columns A through D of line 22. Enter the total in column D and add to Form 740NP-WH line as specified in the instructions.....				



**Corporate Partners or Members Underpayment Penalty Calculation**

**Part IV—Required Annual Payment**

- 1 Current year estimated corporate nonresident income tax withholding on distributive share income (CPNRWH) .....
- 2 Nonrefundable Credits.....
- 3 Current year CPNRWH after Credits. Subtract line 2 from line 1. This is the total of your required CPNRWH Estimated Installments Due .....


**Part V—Figuring the Underpayment**

- 4 **Installment Due Dates (see instructions)** .....
- 5 **Required CPNRWH Installments**—Enter 25% (.25) of line 3 in each column .....
- 6 Estimated CPNRWH tax paid or credited for each period. For column A only, enter the amount from line 6 on line 10.....

	A	B	C	D

**Complete lines 7 through 13 of one column before going to next column.**

- 7 Enter amount, if any, from line 13 of the preceding column.....
- 8 Add lines 6 and 7 in each column .....
- 9 Enter the amounts from lines 11 and 12 of the preceding column.....
- 10 Subtract line 9 from line 8. If zero or less, enter zero. For column A only, enter the amount from line 6....
- 11 If the amount on line 10 is zero, subtract line 8 from line 9. Otherwise, enter zero.....
- 12 **CPNRWH Underpayment.** If line 10 is less than or equal to line 5, subtract line 10 from line 5. Then, go to line 7 of the next column. Otherwise, go to line 13 .....
- 13 **CPNRWH Overpayment.** If line 5 is less than line 10, subtract line 5 from line 10. Then, go to line 7 of the next column .....




**Part VI—Figuring the CPNRWH Underpayment Penalty**

	A	B	C	D
<b>14</b> Enter the date when the specific CPNRWH installment is paid in full or the 15th day of the 4th month after the close of the tax year, whichever date is earlier, in each column.....				
<b>15</b> Number of days from the due date of the installment on line 4 to the date shown on line 14 in each column.....				
<b>16</b> Number of days on line 15 after 07/15/2021 and before 01/01/2022 in each column.....				
<b>17</b> Line 12 $\times \left( \frac{\text{Line 16}}{365} \right) \times 7\%$				
<b>18</b> Number of days on line 15 after 12/31/2021 and before the day after the due date of the return or 01/01/2023, whichever date is earlier, in each column.....				
<b>19</b> Line 12 $\times \left( \frac{\text{Line 18}}{365} \right) \times 5\%$				
<b>20</b> Number of days on line 15 after 12/31/2022 and before 03/16/2023 or the day after the due date of the return, whichever date is earlier, in each column.....				
<b>21</b> Line 12 $\times \left( \frac{\text{Line 20}}{365} \right) \times \text{2023 Tax Due Penalty Rate}$				
<b>22</b> Add lines 17, 19, and 21 in each column.....				
<b>23 CPNRWH Penalty.</b> Add columns A through D of line 22. Enter the total in column D and add to Form 740NP-WH line as specified in the instructions.....				

## Specific Line-by-Line Instructions for Individual Nonresident Income Tax Withholding (INDNRWH) Underpayment Penalty Calculation

### Individual Partners, Members, or Shareholders

#### Part I—Required Annual Payment

**Line 1**—Enter the current year estimated individual nonresident income tax withholding on distributive share income (INDNRWH).

**Line 2**—Enter nonrefundable credits.

**Line 3**—Subtract Line 2 from Line 1. This is the total of your required INDNRWH estimated installments due.

#### Part II—Figuring the Underpayment

**Line 4**—Enter the installment due dates based on your tax year and the criteria provided below:

Enter the 15th day of the 4th, 6th, and 9th months of the tax year and the 15th day of the month following the close of the tax year.

**Line 5**—Enter 25% (.25) of Line 3 in each column.

**Line 6**—Enter estimated INDNRWH tax paid or credited for each period. For column A only, enter the amount from Line 6 on Line 10.

**Complete Lines 7 through 13 of one column before going to the next column**

**Line 7**—Enter amount, if any, from Line 13 of the preceding column.

**Line 8**—Add Lines 6 and 7 in each column.

**Line 9**—Add amounts from Lines 11 and 12 of the preceding column.

**Line 10**—Subtract Line 9 from Line 8. If zero or less, enter zero. For column A only, enter the amount from Line 6.

**Line 11**—If the amount on Line 10 is zero, subtract Line 8 from Line 9. Otherwise, enter zero.

**Line 12**—If Line 10 is less than or equal to Line 5, subtract Line 10 from Line 5. Then, go to Line 7 of the next column. Otherwise, go to Line 13. **This is your INDNRWH Underpayment.**

**Line 13**—If Line 5 is less than Line 10, subtract Line 5 from Line 10. Then, go to Line 7 of the next column. **This is your INDNRWH overpayment.**

#### Part III—Figuring the INDNRWH Underpayment Penalty

**Line 14**—Enter the date when the specific INDNRWH installment is paid in full or the 15th day of the 4th month after the close of the tax year, whichever date is earlier, in each column.

**Line 15**—Enter the number of days from the due date of installment on Line 4 to the date shown on Line 14 in each column.

**Line 16**—Enter the number of days on Line 15 after 07/15/2021 and before 01/01/2022 in each column.

$$\text{Line 17—} \quad \text{Line 12} \times \left( \frac{\text{Line 16}}{365} \right) \times 7\%$$

**Line 18**—Enter the number of days on Line 15 after 12/31/2021 and before the day after the due date of the return or 01/01/2023, whichever date is earlier, in each column.

$$\text{Line 19—} \quad \text{Line 12} \times \left( \frac{\text{Line 18}}{365} \right) \times 5\%$$

**Line 20**—For September through November 2021 fiscal year end taxpayers, enter the number of days on Line 15 after 12/31/2022 and before 03/16/2023 or the day after the due date of the return, whichever date is earlier, in each column.

$$\text{Line 21—} \quad \text{Line 12} \times \left( \frac{\text{Line 20}}{365} \right) \times \begin{matrix} 2023 \text{ Tax} \\ \text{Due Penalty} \\ \text{Rate} \end{matrix}$$

**NOTE:** The tax due penalty rate is the same as the year's tax due interest rate. The 2023 tax due interest rate will be made public in early October 2022.

**Line 22**—Add Lines 17, 19, and 21 in each column.

**Line 23**—Add Columns A through D, Line 22. Enter the total in Column D. If there is an income tax overpayment on Line 17 of Form 740NP-WH, add this amount to Form 740NP-WH, Line 19. If there is an income tax due after 740NP-WH, line 8 less lines 9 through 14, add this amount to Form 740NP-WH, Line 15.

## Specific Line-by-Line Instructions for Corporate Nonresident Income Tax Withholding (CPNRWH) Underpayment Penalty Calculation

### Corporate Partners or Members

#### Part IV—Required Annual Payment

**Line 1**—Enter the current year estimated corporate nonresident income tax withholding on distributive share income (CPNRWH).

**Line 2**—Enter nonrefundable credits.

**Line 3**—Subtract Line 2 from Line 1. This is the total of your required CPNRWH estimated installments due.

#### Part V—Figuring the Underpayment

**Line 4**—Enter the installment due dates based on your tax year and the criteria provided below:

Enter the 15th day of the 4th, 6th, 9th, and 12th months of the tax year.

**Line 5**—Enter 25% (.25) of Line 3 in each column.

**Line 6**—Enter estimated CPNRWH tax paid or credited for each period. For column A only, enter the amount from Line 6 on Line 10.

**Complete Lines 7 through 13 of one column before going to the next column**

**Line 7**—Enter amount, if any, from Line 13 of the preceding column.

**Line 8**—Add Lines 6 and 7 in each column.

**Line 9**—Add amounts from Lines 11 and 12 of the preceding column.

**Line 10**—Subtract Line 9 from Line 8. If zero or less, enter zero. For column A only, enter the amount from Line 6.

**Line 11**—If the amount on Line 10 is zero, subtract Line 8 from Line 9. Otherwise, enter zero.

**Line 12**—If Line 10 is less than or equal to Line 5, subtract Line 10 from Line 5. Then, go to Line 7 of the next column. Otherwise, go to Line 13. **This is your CPNRWH Underpayment.**

**Line 13**—If Line 5 is less than Line 10, subtract Line 5 from Line 10. Then, go to Line 7 of the next column. **This is your CPNRWH overpayment.**

#### Part VI—Figuring the CPNRWH Underpayment Penalty

**Line 14**—Enter the date when the specific CPNRWH installment is paid in full or the 15th day of the 4th month after the close of the tax year, whichever date is earlier, in each column.

**Line 15**—Enter the number of days from the due date of installment on Line 4 to the date shown on Line 14 in each column.

**Line 16**—Enter the number of days on Line 15 after 07/15/2021 and before 01/01/2022 in each column.

$$\text{Line 17— Line 12} \times \left( \frac{\text{Line 16}}{365} \right) \times 7\%$$

**Line 18**—Enter the number of days on Line 15 after 12/31/2021 and before the day after the due date of the return or 01/01/2023, whichever date is earlier, in each column.

$$\text{Line 19— Line 12} \times \left( \frac{\text{Line 18}}{365} \right) \times 5\%$$

**Line 20**—For September through November 2021 fiscal year end taxpayers, enter the number of days on Line 15 after 12/31/2022 and before 03/16/2023 or the day after the due date of the return, whichever date is earlier, in each column.

$$\text{Line 21— Line 12} \times \left( \frac{\text{Line 20}}{365} \right) \times \text{2023 Tax Due Penalty Rate}$$

**NOTE:** The tax due penalty rate is the same as the year's tax due interest rate. The 2023 tax due interest rate will be made public in early October 2022.

**Line 22**—Add Lines 17, 19, and 21 in each column.

**Line 23**—Add Columns A through D, Line 22. Enter the total in Column D. If there is an income tax overpayment on Line 17 of Form 740NP-WH, add this amount to Form 740NP-WH, Line 19. If there is an income tax due after 740NP-WH, line 8 less lines 9 through 14, add this amount to Form 740NP-WH, Line 15.