

79-1127. Estimated tax; manner of payment; penalties. (a) Every national banking association, bank, trust company, and savings and loan association subject to taxation under article 11 of chapter 79 of the Kansas Statutes Annotated whose tax liability can reasonably be expected to exceed \$500 shall pay estimated tax in the same manner as a corporation subject to the provisions of K.S.A. 79-32,101 *et seq.* Such payment shall be made in the manner provided in K.S.A. 79-32,103 and shall be allowed as a credit against the tax imposed by this act.

(b) A penalty at the same rate per annum prescribed by subsection (b) of K.S.A. 79-2968, and amendments thereto, for interest upon delinquent or unpaid taxes shall be applied and added to a taxpayer's amount of underpayment of estimated tax due from the date the estimated tax payment was due until the same is paid or until the 15th day of the fourth month following the close of the taxable year for which such estimated tax is a credit, whichever date is earlier, but such penalty shall not be added if the total amount thereof does not exceed \$5. For purposes of this subsection, the amount of underpayment of estimated tax shall be the excess of the amount of the installment which would be required to be paid if the estimated tax were equal to 90% of the tax shown on the return for the taxable year or, if no return was filed, 90% of the tax for such year, over the amount, if any, of the installment paid on or before the last date prescribed for payment.

(c) No penalty shall be imposed upon any taxpayer subject to the provisions hereof if the total amount of all payments of estimated tax made on or before the last date prescribed for payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the least:

(1) The tax shown on the return of the taxpayer for the preceding taxable year, if a return was filed by the taxpayer for the preceding taxable year and such preceding year was a taxable year of 12 months; or

(2)(A) an amount equal to 90% of the tax for the taxable year computed by placing on an annualized basis the taxable income: (i) For the first three months of the taxable year, in the case of the installment required to be paid in the fourth month; (ii) for the first three months or for the first five months of the taxable year, in the case of the installment required to be paid in the sixth month; (iii) for the first six months or for the first eight months of the taxable year in the case of the installment required to be paid in the ninth month; and (iv) for the first nine months or for the first 11 months of the taxable year, in the case of the installment required to be paid in the 12th month of the taxable year.

(B) For purposes of this subsection (2), the taxable income shall be placed on an annualized basis by (i) multiplying by 12 the taxable income referred to in subsection (2)(A), and (ii) dividing the resulting amount by the number of months in the taxable year (three, five, six, eight, nine, or 11, as the case may be) referred to in subsection (2)(A).

(d) The provisions of this section shall be applicable to all taxable years commencing after December 31, 1992.

History: L. 1992, ch. 295, § 4; May 28.