

Instructions for Handwritten Forms

Guidelines



Do not use red ink.
Use blue or black ink.



Do not use dollar
signs, commas, or
other punctuation marks.



Printing



Set page scaling to
“none.” The Auto-Rotate
and Center checkbox
should be unchecked.



Do not select “print on
both sides of paper.”



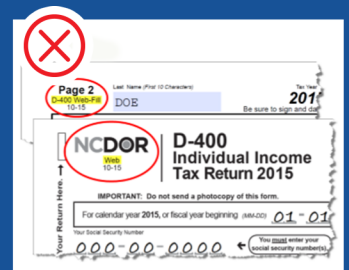
Before You Send



Do not submit
photocopies of returns.
Submit originals only.



Do not mix form types



D-422

2025 Underpayment of Estimated Tax by Individuals

Name(s) shown on tax return

Social Security Number

GENERAL INSTRUCTIONS

Purpose of Form. Use this form to see if you owe interest for underpaying your estimated tax and, if you do, to determine the amount of interest you owe.

Who Must Pay Underpayment Interest. In general, you may owe underpayment interest if the total of your North Carolina income tax withheld and timely estimated tax payments do not equal at least the smaller of:

- 90% of your 2025 tax, or
- 100% of your 2024 tax. (Your 2024 tax return must cover a 12-month period)

Exceptions. You do not have to pay interest on the underpayment of estimated income if any of the following exceptions apply:

- The total tax shown due on your 2025 tax return minus the amount of tax credits and North Carolina tax withheld is less than \$1,000. To determine whether the total tax is less than \$1,000, complete Part I, Lines 1 through 6.
- You did not have any individual income tax liability for 2024. For purposes of this exception, an individual income tax liability means the amount of tax shown due on the return less any tax credits.
- If you are a farmer or commercial fisherman and your gross income from farming (including oyster farming) or fishing is at least two-thirds of your gross income from all sources for 2024 or 2025 **and** you file your 2025 North Carolina income tax return (Form D-400) and pay the entire amount of tax shown due by March 1, 2026, you do not owe interest for underpaying estimated tax. **Important:** If this exception applies, you must enter the letter **E** in the exception box located next to Line 26e of Form D-400 to avoid receiving an assessment for underpayment of estimated tax.

SPECIFIC INSTRUCTIONS

Part I. – Required Annual Payment. All taxpayers required to file this form must complete Lines 1 through 8 to determine your required annual payment. (For a definition of required annual payment, see [G.S. 105-163.15\(d\)](#)).

Line 7. If you filed a [2024 Form D-400](#), subtract the amount of tax credits entered on Line 16 from the tax due entered on Line 15. If you were required to file a return for 2024 but did not, or if your 2024 tax year was less than 12 months, don't complete Line 7. Instead, enter the amount from Line 4 on Line 8.

Part II. – Short Method. If you can use the short method, complete Lines 9 through 15 to determine the amount of interest on the underpayment of estimated tax. You can use the short method if:

- You made no estimated tax payments for 2025 (or your only estimated tax payments were withheld North Carolina income tax), **or**

- You paid the same amount of estimated tax on each of the four payment due dates.

Part III. – Regular Method. If you are not eligible to use the short method, complete Lines 16 through 27 to determine the amount of interest on the underpayment of estimated tax.

Section A – Figure Your Underpayment.

Line 16. Enter on Line 16, columns (a) through (d), the amount of your required installment for the due date shown in each column heading. For most taxpayers, this is one-fourth of the required annual payment shown in Part I, Line 8. However, if your income varies during the year, it may be to your benefit to determine your required installments by using the annualized income installment method. (See [Form D-422A, 2025 Annualized Income Installment Worksheet](#). For details, visit [ncdor.gov](#).) **Note:** If you annualize your income for any payment period, you must annualize it for all periods.

Line 17. Enter on Columns (a) through (d), the amount of estimated tax paid and the North Carolina income tax withheld for each payment period. For North Carolina tax withheld, you are considered to have paid one-fourth of these amounts on each payment due date unless you can show otherwise. Include in Column (a) any overpayment from your 2024 tax return that you elected to apply to your 2025 estimated tax. If you file your 2025 return and pay the tax due by January 31, 2026, include on Column (d) the amount of tax you paid with your return.

Line 23. If Line 23 is zero for all payment periods, you do not owe interest for underpaying estimated tax.

Section B – Figure the Interest on Underpayment.

Line 25. Determine the number of days after the due date of an installment through the date the estimated tax was paid, or through April 15, 2026, whichever is earlier (regardless of which installment the payment was for). Your payments are applied in the order made first to any underpayment balance in an earlier column until that underpayment is fully paid. For example: If Column (a), Line 23 shows an underpayment, any later payment of estimated tax is considered to have been applied to the amount shown in Column (a), Line 23 to the extent there is an underpayment. If April 15, 2026 is earlier, enter **365, 304, 212, and 90** respectively in columns (a), (b), (c), and (d).

Part I. Required Annual Payment

1. North Carolina income tax (From 2025 Form D-400, Line 15)	1.	<input type="text"/>
2. Tax credits (From 2025 Form D-400, Line 16)	2.	<input type="text"/>
3. Line 1 minus Line 2	3.	<input type="text"/>
4. Multiply Line 3 by 90% (.90) or 66 2/3% (.6667) for farmers and commercial fishermen	4.	<input type="text"/>
5. North Carolina income tax withheld (From 2025 Form D-400, Lines 20a plus 20b)	5.	<input type="text"/>
6. Line 3 minus Line 5. If less than \$1,000, stop ; do not complete this form. You do not owe interest.	6.	<input type="text"/>
7. 2024 North Carolina income tax (From 2024 Form D-400, Line 15 minus Line 16)	7.	<input type="text"/>
8. Required annual payment. Enter the smaller of Line 4 or Line 7.	8.	<input type="text"/>

Note: If Line 5 is equal to or more than Line 8, **stop**. You do not owe interest.

Last Name (First 10 Characters)

Your Social Security Number

Part II. Short Method - Read the instructions before completing Lines 9 through 15. The Short Method cannot be used in all circumstances.

9. Enter the amount, if any, from Part I, Line 5	9.	<input type="text"/>	<input type="text"/>												
10. Enter the total amount, if any, of estimated tax payments you made	10.	<input type="text"/>	<input type="text"/>												
11. Add Lines 9 and 10	11.	<input type="text"/>	<input type="text"/>												
12. Total underpayment for year. Line 8 minus Line 11. (If zero or less, stop ; you do not owe interest.)	12.	<input type="text"/>	<input type="text"/>												
13. Multiply Line 12 by .04655 ; enter the result	13.	<input type="text"/>	<input type="text"/>												
14. <ul style="list-style-type: none"> If the amount on Line 12 was paid on or after 4/15/26, enter -0-. If paid before 4/15/26, make the following computation to find the amount to enter on Line 14. <table border="0"> <tr> <td>Amount</td> <td>X</td> <td>Number of days paid before</td> <td>X</td> <td>.00019</td> <td></td> </tr> <tr> <td>on Line 12</td> <td></td> <td>4/15/26</td> <td></td> <td></td> <td></td> </tr> </table>	Amount	X	Number of days paid before	X	.00019		on Line 12		4/15/26				14.	<input type="text"/>	<input type="text"/>
Amount	X	Number of days paid before	X	.00019											
on Line 12		4/15/26													
15. Interest on the underpayment (Line 13 minus Line 14. Enter the result here and on Form D-400, Line 26e.)	15.	<input type="text"/>	<input type="text"/>												

Part III. Regular Method**Section A - Figure Your Underpayment****Payment Due Dates**

(If the payment due date falls on a Saturday, Sunday or holiday, the payment is due on or before the next business day.)

(a) 4/15/25 (b) 6/15/25 (c) 9/15/25 (d) 1/15/26

16. Divide Line 8 by 4 and enter the result in each column. Exception: If you use the annualized income installment method, complete Form D-422A, 2025 Annualized Income Installment Worksheet, and check this box. → <input type="checkbox"/>	16.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
17. Estimated tax paid and North Carolina income tax withheld. For Column (a) only, enter the amount from Line 17 on Line 21. (If Line 17 is equal to or more than Line 16 for each payment period, stop ; you do not owe interest.) Complete Lines 18 through 24 of one column before going to the next column.	17.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18. Enter amount, if any, from Line 24 of previous column	18.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19. Add Lines 17 and 18	19.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. Add amounts on Lines 22 and 23 of the previous column and enter the result	20.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
21. Subtract Line 20 from Line 19 and enter the result. If zero or less, enter zero. (For Column (a) only, enter the amount from Line 17.)	21.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
22. Remaining underpayment from previous period. If the amount on Line 21 is -0-, subtract Line 19 from Line 20 and enter the result. Otherwise, enter -0-.	22.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
23. Underpayment. If Line 16 is larger than or equal to Line 21, subtract Line 21 from Line 16 and enter the result. Enter -0- on Line 18 of the next column and go to Line 19. Otherwise, go to Line 24.	23.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
24. Overpayment. If Line 21 is larger than Line 16, subtract Line 16 from Line 21 and enter the result. Then go to Line 18 of next column.	24.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Section B - Figure the Interest on Underpayment (Complete Lines 25 and 26 of one column before going to the next column.)

April 15, 2025 - April 15, 2026		4/15/25	6/15/25	9/15/25	1/15/26
25. Number of days after the date shown above Line 25 through the date the amount on Line 23 was paid or 4/15/26, whichever is earlier.	25.	Days: <input type="text"/>	Days: <input type="text"/>	Days: <input type="text"/>	Days: <input type="text"/>
26. Underpayment on Line 23 (see instructions) X $\frac{\text{Number of days on Line 25}}{365}$ X .07	26.	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
27. Interest on the underpayment (Add the amounts on Line 26 for each column. Enter the result here and on Form D-400, Line 26e.)	27.	\$ <input type="text"/>			