NCDOR NORTH CAROLINA DEPARTMENT OF REVENUE

Instructions for Handwritten Forms

Guidelines

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

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

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Printing

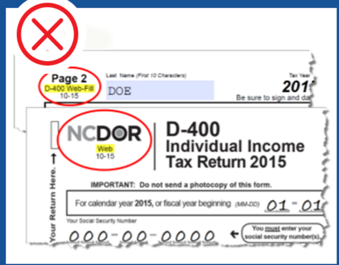
Set page scaling to "none." The Auto-Rotate and Center checkbox should be unchecked.

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



NC-40 PTE
Taxed Partnership Estimated Income Tax

NCDOR
Web
7-25

DOR Use Only

GENERAL INSTRUCTIONS

Who Must File Form NC-40 PTE: (1) A Taxed Partnership that is required to make estimated income tax payments for a tax year. (2) A partnership that voluntarily makes prepayments of income tax for a tax year.

Generally, a Taxed Partnership that can reasonably expect to have a North Carolina income tax liability of at least five hundred dollars ($500) must pay estimated income tax. The term "North Carolina income tax liability" means the amount of income tax the Taxed Partnership expects to owe for the tax year after subtracting any tax credits. The term "taxable year" means the calendar or fiscal year in which the Taxed Partnership expects to earn the income upon which the estimated tax is based.

When to File Form NC-40 PTE: A Taxed Partnership required to pay estimated income tax generally must make the payments in four equal installments. The installments are generally due on or before the 15th day of the fourth, sixth, ninth, and twelfth months of the taxable year (for calendar year filers, April 15, June 15, September 15, and December 15).

If the due date of the payment falls on a federal or State holiday or a weekend, a payment postmarked by the day following that holiday or weekend is considered on time. A schedule for determining when a Taxed Partnership must pay its estimated income tax is located on page 2.

Interest on Underpayment of Estimated Tax: A Taxed Partnership may be subject to interest on the underpayment of estimated income tax if it does not pay enough tax by the installment due date. This is true even if the Taxed Partnership is due a refund when it files its return. Interest is calculated separately for each installment. For more information, see Form NC-429B PTE, "Underpayment of Estimated Tax by Taxed Pass-Through Entities," available on the Department's website.

SPECIFIC INSTRUCTIONS

Complete the worksheet below to determine the estimated income tax of the Taxed Partnership for the tax year. If the Taxed Partnership is required to pay estimated income tax (or if the partnership voluntarily prepays income tax), enter the amount of payment. **Submit this form in its entirety.**

Worksheet for Computation of Estimated North Carolina Income Tax

Use this worksheet to determine if estimated income tax is due. This worksheet is for your convenience and is not required to be completed. If you complete this worksheet, do not include income (loss) allocated to the following partners: (1) North Carolina corporations, (2) North Carolina partnerships, (3) Non-North Carolina corporations if you plan to file Form NC-NPA on behalf of the corporation, or (4) Non-North Carolina partnerships if you plan to file Form NC-NPA on behalf of the partnership.

1. Estimated Income (Loss) to be Reported on Federal Form 1065, Schedule K	1.
2. Estimated North Carolina Additions to Income (Loss)	2.
3. Estimated North Carolina Deductions from Income (Loss)	3.
4. Estimated Income (Loss) After North Carolina Adjustments *(Combine Lines 1 through 3)*	4.
5. Estimated Nonapportionable Income (Loss)	5.
6. Estimated Apportionable Income (Loss) *(Line 4 minus Line 5)*	6.
7. Amount of Line 6 Estimated to be Apportioned to North Carolina	7.
8. Amount of Line 5 Estimated to be Directly Allocated to North Carolina	8.
9. Estimated Income Attributable to North Carolina *(Combine Lines 7 and 8)*	9.
10. Estimated North Carolina Income Tax *(Multiply Line 9 by 3.99%)*	10.
11. Estimated Tax Credits	11.
12. Estimated North Carolina Net Tax Due *(Line 10 minus Line 11)* *If $500 or more, see the schedule on Page 2 to determine the amount and due date of each installment. If $500 or less, no payment is required at this time.*	12.

Submit Page 1 in its entirety. **DO NOT** submit Page 2.

Taxed Partnership Estimated Income Tax

North Carolina Department of Revenue

Beginning Tax Year *(MM-DD-YY)* __ __ - __ __ - __ __

Ending Tax Year *(MM-DD-YY)* __ __ - __ __ - __ __

Federal Employer ID Number

N.C. Secretary of State ID Number *(If applicable)*

Legal Name *(First 35 Characters)* *USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS*

Address

City **State** **Zip Code**

AMOUNT OF THIS PAYMENT

$ ___,___,___ .00

If your address has changed since the filing of your last tax return, report the correct address on Form NC-AC, Address Correction Notification.

Mail this form with your check or money order in U.S. currency from a domestic bank to:
N.C. Department of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0650.
Do not tape or staple the check to the form. Do not send cash.

Schedule of When to Pay Estimated Income Tax

Determine the amount and the due date of each installment to be paid in accordance with the following table:

If the estimated income tax of the Taxed Partnership reduced by tax credits is $500 or more, it meets the requirement for making payments. If this requirement is first met:	The number of installments to be paid is:	The following percentage of the estimated tax must be paid on or before the 15th day of the:			
		4th month	6th month	9th month	12th month
Before the 1st day of the 4th month of the taxable year	4	25	25	25	25
After the last day of the 3rd month and before the 1st day of the 6th month of the taxable year	3		33 1/3	33 1/3	33 1/3
After the last day of the 5th month and before the 1st day of the 9th month of the taxable year	2			50	50
After the last day of the 8th month and before the 1st day of the 12th month of the taxable year	1				100

Failure to Pay Estimated Tax

Failure to pay the required amount of estimated income tax may subject the Taxed Partnership to interest on the underpayment of estimated income tax provided in Article 4C of Chapter 105 of the General Statutes. It is important to estimate the North Carolina income tax of the Taxed Partnership carefully to avoid interest on the underpayment of estimated income tax.