

PART-160

NJ Division of Taxation
(01-15)

Underpayment of Estimated N.J. Partnership Tax

Attach to your tax return (Form PART-100)

PARTNERSHIP NAME	FEDERAL EMPLOYER I.D. NUMBER
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PART I How to Compute Your Underpayment

Note: If you meet any of the exceptions that avoid the underpayment charge for ANY quarter, complete PART II

	(a)			
1. Amount of 2014 Tax - Refer to line 1 instruction on reverse side.				
2. 90% of Line 1.				
3. Prior year's tax - Enter the total of lines 3 and 4 from the 2013 PART-100.				
4. Enter the lesser of Lines 2 or 3.				
	(a)	(b)	(c)	(d)
5. Enter in columns (a) through (d) the installment dates that correspond to the 15th day of the 4th, 6th and 9th months of your tax period and the 15th day of the 1st month succeeding the close of your tax period.				
6. Enter 25% of Line 4 in columns (a) through (d).				
7. (a) Amount paid or credited for each period.				
(b) Overpayment of previous installment (enter any overpayment shown on line 9 that is more than the total of all prior underpayments as a credit against the next installment).				
8. Add lines 7(a) and 7(b).				
9. Underpayment (subtract line 8 from line 6) or overpayment (subtract line 6 from line 8).				

PART II Exceptions (See Instructions)

10. Total amount paid or credited from the beginning of the tax year through the installment dates that correspond to the 15th day of the 4th, 6th and 9th months of your tax period and the 15th day of the 1st month succeeding the close of your tax period.				
11. Exception 1, tax based on the facts shown on the prior year's return but using current year's rates. Refer to instructions on reverse side regarding the taxable periods of less than one year.	25% of tax	50% of tax	75% of tax	100% of tax
12. Exception 2, tax based on annualized tax.	22.5% of tax	45% of tax	67.5% of tax	90% of tax

PART III Installment Interest Due (See Instructions)

13. Amount of underpayment from line 9.				
14. Enter same installment dates used above at line 5.				
15. Enter the date of payment or the 15th day of the 4th month after the close of the tax year, whichever is earlier.				
16. Number of months from the date on line 14 to the date on line 15. (A part of a month is deemed to be a full month.)				
17. Interest.				
18. Installment interest due - Add columns (a), (b), (c), and (d) of line 17. Enter the total here and include in Line 6 of Form PART-100.				

INSTRUCTIONS

Purpose of Form

This Form PART-160 is used by partnerships to determine whether they paid enough estimated tax, whether they are subject to an interest charge for underpayment of estimated tax, and if so, the amount of interest.

How to Use This Form

Complete Part I of Form PART-160 to find out if you have an underpayment for any of the four payment periods. If you have an underpayment on Line 9 (Column a, b, c or d), go to Part II, Exceptions. If you cannot meet either of the exceptions for a payment period, go to Part III, Installment Interest Due. If you are using Form PART-160 either to compute the interest on underpayment of estimated tax or to show that you qualify for any exception, attach Form PART-160 to your tax return, Form PART-100.

Part I - How to Compute Your Underpayment

Complete Lines 1 through 9 in Part I. The instructions for most of these lines are on the form itself. Follow the instructions below for the lines indicated.

- Line 1 - Enter in Column (a) the total of lines 3 and 4 from Form PART-100.
- Line 7(b) - Enter any overpayment shown on Line 9 that is more than the total of all earlier underpayments.
- Line 9 - If Line 9 shows an underpayment, complete Part II to see if either of the exceptions apply.

Part II - Exceptions

You will not have to pay interest if all of your tax payments (Part II, Line 10) were made on time and are equal to or more than either of the amounts computed as explained by the exceptions (Lines 11 and 12) for the same payment period (Column a, b, c or d).

Exception I - Tax Based on Prior Year's Return Using Current Year's Rates

This exception applies if the amount the partnership paid is equal to or more than the tax computed by using the current year's rates but based on the facts shown on the prior year's return and the law that applies to the prior year. If the prior year return covered a period of less than a year, the prior return must be annualized by dividing the taxable net income by the number of whole months covered by the short period return and multiplying by 12.

Exception II - Tax Based on Annualized Tax

This exception applies if the estimated tax paid was equal to or more than 90% of the amount the partnership would owe if its estimated tax was based on a tax computed from annualizing tax for the months preceding an installment date.

A partnership may annualize its tax as follows:

- a. For the first 3 months if the installment was required to be paid in the 4th month.
- b. For the first 3 months or for the first 5 months if the installment was required to be paid in the 6th month.
- c. For the first 6 months or for the first 8 months if the installment was required to be paid in the 9th month.
- d. For the first 9 months or for the first 12 months if the installment was required to be paid in the 1st month succeeding the close of your tax period.

Part III - Installment Interest Due

If no exception applies, complete Lines 13 through 18.

A payment of estimated tax on or before any installment date is considered a payment of any previous underpayment only to the extent the payment is more than the amount of the current installment as figured on Line 6. If the partnership made more than one payment for an installment, attach a separate computation for that installment.

Interest is computed on the amount of the underpayment from the installment due date to the date of payment or the original due date of the final tax return, whichever is earlier. The annual interest rate is 3% above the average predominant prime rate and is imposed each month or fraction thereof the underpayment exists. Changes in the average predominant prime rate must be reflected in the interest calculation. The interest rates assessed by the Division of Taxation are published in the quarterly issues of the *New Jersey State Tax News*.

The average predominant prime rate is the rate as determined by the Board of Governors of the Federal Reserve System, quoted by commercial banks to large businesses on December 1st of the calendar year immediately preceding the calendar year in which payment was due or as redetermined by the Director in accordance with N.J.S.A. 54:48-2.