

Revenue Information Bulletin No. 26-006**January 13, 2026****Corporation Income Tax****Notice Regarding Enforcement of the
Underpayment of Estimated Tax Penalty**

This bulletin is to provide notice to taxpayers and practitioners that the penalty for underpayment of estimated corporation income taxes ("UET Penalty") will now be enforced. In the past, the UET penalty was not assessed because corporation income and franchise taxes were reported together on Form CIT-620. Because the corporate franchise tax is repealed and no longer effective as of January 1, 2026, the UET penalty will be assessed against all entities which are taxed as a corporation beginning with the 2026 Form CIT-620 and all future returns.

Estimated Payments

Corporations that expect to owe \$1,000 or more in income taxes for the year are required to make estimated tax payments. "Estimated tax" is the amount the taxpayer expects to owe for the taxable period after subtracting any allowable credits. S corporations and other pass-through entities approved for the Pass-through Entity Election under La. R.S. 287.732.2 must also make estimated tax payments, using the tax rate provided within that statute to compute their estimated payment.

Corporations may calculate their estimated income tax by completing the worksheet found on Form CIT-620ESi. Estimated taxes are generally due on or before the fifteenth day of the fourth, sixth, ninth, and twelfth month of the taxable year and must be paid in equal installments based upon when the corporation first becomes liable for a declaration of estimated tax. The table on the following page summarizes the due dates and amounts of installment payments.

Time and Amount of Installments					
The due date and the amount of the installment payments shall be determined as follows:					
If a corporation's estimated tax is \$1,000 or more, it meets the requirements for paying installments. If the requirement is first met:	Number of installments to make	The following percentages of the estimated tax shall be paid on or before the 15 th day of the:			
		4 th Month	6 th Month	9 th Month	12 th Month
Before the first day of the 4 th month of the taxable year	4	25%	25%	25%	25%
After the last day of the 3 rd month and before the first day of the 6 th month of the taxable year	3		33 ¹ / ₃ %	33 ¹ / ₃ %	33 ¹ / ₃ %
After the last day of the 5 th month and before the first day of the 9 th month of the taxable year	2			50%	50%
After the last day of the 8 th month and before the first day of the 12 th month of the taxable year	1				100%

For specific installment dates determined by a corporation's year-end, see Form CIT-620ESI.

Pursuant to La. R.S. 47:287.655, a corporation that does not pay the minimum amount of estimated tax required must pay a UET penalty equal to 12% per year on the amount of the underpayment. The underpayment is the difference between the installment amount that *should have been paid*—based on 80% of the corporation's actual tax for the year—and what was actually paid by the installment due date. The UET penalty applies from the installment due date until the earlier of: (1) the 15th day of the fourth month after the end of the tax year, or (2) the date the underpaid amount is paid. If a corporation pays more than the required installment by the due date, the extra amount is applied to any earlier underpayments effective the date of payment.

No UET penalty will be imposed provided that each quarterly installment equals or exceeds the portion calculated under one of the following safe harbors:

- the prior year's tax liability for a full 12-month period;
- tax based on the prior year's income using current-year rates; or
- 80% of the current-year tax liability based on the corporation's annualized income at the time payment is due.

For purposes of applying the annualized-income safe harbor, the corporation must compute its current-year tax using income from specified portions of the year, which vary by installment. The applicable annualization periods are as follows:

- Installment due in the fourth month:
Income for the first three months of the taxable year.
- Installment due in the sixth month:
Income for either the first three months or the first five months.
- Installment due in the ninth month:
Income for either the first six months or the first eight months.

4. Installment due in the twelfth month:
Income for either the first nine months or the first eleven months.

Payment of estimated taxes may be made using any one of the following:

1. Electronically through your Louisiana Taxpayer Access Portal (LaTap) account.
2. Electronically by debit or credit card using the [Make A Payment](#) option on the LaTap homepage .
3. Electronically through participating third-party software vendors.
4. By mail using Form CIT-620ES, *Estimated Tax Declaration for Corporation*.

For questions concerning a taxpayer's return, please contact the Customer Contact Center at (855) 307-3893.

Jarrod J. Coniglio
Secretary