

The remaining amount of withholding tax is the amount due with the return. If the return is filed after the due date, complete Form 502, Page 2 to calculate any penalty and interest due with the return.

Penalties

Extension Penalty

The pass-through entity must pay at least 90% of the withholding tax due by the return due date to avoid a penalty. If the return is filed within the 6-month extension and less than 90% of the tax was paid by the original return due date, then the pass-through entity owes an extension penalty. The penalty is 2% per month of the tax due with the return from the filing due date through the date of payment, up to a maximum of 12%.

Late Filing Penalty

If the return is filed after the extended due date, the extension is not valid, and the entity is subject to the late filing penalty of 30% of the tax due or \$1,200, whichever is greater.

Late Payment Penalty

If the return is filed within the extended period and full payment is not included with the return, the entity is subject to the late payment penalty of 6% per month from the date the return is filed through the date of payment, up to a maximum of 30%.

Interest

Interest is due on any unpaid tax at the underpayment rate under IRC § 6621, plus 2%, from the due date until the tax is paid.