

**17 NCAC 06D .0207 UNDERPAYMENTS**

(a) An underpayment is the excess of the required installment (or, if lower, the annualized income installment) for a payment period over the portion of the amount paid by the due date that is not applied to an underpayment for an earlier payment period.

(b) Payments include income tax withheld and are considered payments of estimated tax in equal installments on the required installment dates (usual four), unless the individual can prove otherwise. A payment of estimated tax is credited against unpaid installments in the order in which the installments are required to be paid.

*History Note:* Authority G.S. 105-163.15; 105-262;  
Eff. June 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. July 26, 2015.