GUIDE

Form 1120, the C-Corp tax return

Form 1120 is the yearly federal income tax return for C-Corporations, and for LLCs that elected to be taxed as one. The corporation pays a flat 21% on its taxable income. For calendar-year companies the return is due April 15, or October 15 with an extension on Form 7004. Owners pay tax again on dividends.

QUICK FACTS

- **Rate.** A flat 21% federal tax on corporate taxable income
- **Due date.** The 15th day of the 4th month after year end, April 15 for calendar years
- **Extension.** Six more months to file, to October 15, but not to pay

Who files Form 1120?

Every domestic C-Corporation, whether or not it made money, and every LLC that elected corporate tax status on Form 8832 without also electing S-Corp status. S-Corps file Form 1120-S instead. Foreign-owned single-member LLCs file a pro forma Form 1120 only to carry Form 5472, which is a different job.

What is on the return?

Income and deductions on page one, ending in taxable income and the 21% tax. Then the schedules:

- Schedule C for dividends the corporation received
- Schedule J for the tax and credits
- Schedule K, a set of yes or no questions about ownership, accounting method and more
- Schedule L (balance sheet), M-1 and M-2, which reconcile book income to the return

A corporation with total receipts and total assets both under $250,000 can skip Schedules L, M-1 and M-2. Larger corporations may need Schedule M-3 instead of M-1.

When is Form 1120 due?

The 15th day of the fourth month after the tax year ends: April 15, 2027 for a calendar 2026 year. Form 7004 extends the filing date six months, to October 15, but the tax is still due in April. Our Form 7004 guide covers extensions.

General information, not tax advice for your situation.

Does a C-Corp pay estimated tax?

Yes, if it expects to owe $500 or more for the year. Payments are due on the 15th day of the 4th, 6th, 9th and 12th months, so April 15, June 15, September 15 and December 15 for a calendar year. They're paid electronically through EFTPS. Underpayments are figured on Form 2220.

What is double taxation?

The corporation pays 21% on its profit. When it pays dividends, shareholders pay tax again, usually at 0%, 15% or 20%, plus the 3.8% net investment income tax for higher earners. Salaries paid to owner-employees are deductible to the corporation, but they're subject to payroll tax and have to be reasonable.

Is a C-Corp right for my business?

It can be, for a company keeping most of its profit in the business, raising venture money, or planning a qualified small business stock sale. For owners taking most of the profit out each year, an S-Corp or partnership usually costs less in total tax. Our C-Corp vs S-Corp guide compares them, and our business tax return service prepares Form 1120 and the state returns.

Common questions

What is the corporate tax rate for 2026?
A flat 21% of taxable income at the federal level. Most states add their own corporate income or franchise tax.

What is the penalty for filing Form 1120 late?
5% of the unpaid tax for each month or part of a month late, up to 25%, plus interest and a separate late-payment penalty.

Does a C-Corp with no income have to file?
Yes. A corporation files Form 1120 every year until it formally dissolves, even with no income.

Can I e-file Form 1120?
Yes, and corporations that file 10 or more returns of any type in a year are generally required to.

Want your business return done?

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