

# INTRO TO ESTIMATED TAXES

- ✓ Who has to pay estimated taxes?
- ✓ When are the payments due?
- ✓ How do I find out how much I owe?
- ✓ What happens if I miss a payment?



## Q. Who has to pay estimated taxes?

If you expect to owe \$1,000 or more in taxes you will generally need to pay estimated taxes. This applies to individuals, sole proprietors, partners, and S corporation shareholders

Corporations generally have to make estimated tax payments if they expect to owe tax of \$500 or more when their return is filed.

## Q. Who doesn't have to pay estimated taxes?

Most salaried employees will have their quarterly tax obligations met by the amount their employer withholds. Your withholding amount should be adjusted for any major life changes (changing your filing status or adding a dependent) using Form W-4.

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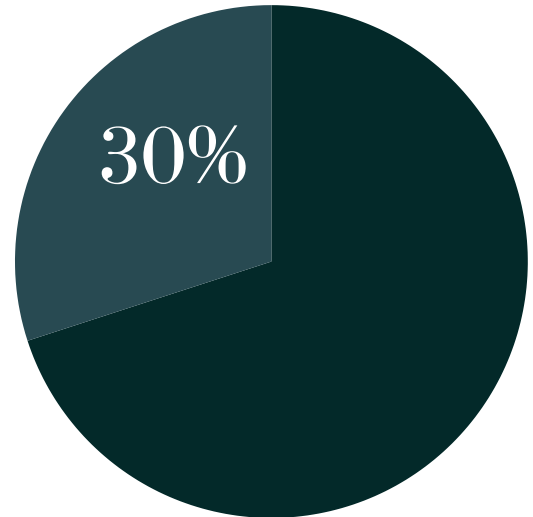
## Q. When are payments due?

<b>APR 15</b>	<b>JUN 17</b>	<b>SEPT 16</b>	<b>JAN 15</b>
January 1 to March 31	April 1 to May 31	June 1 to August 31	September 1 to December 31

## Q. How do I find out how much I owe?

Consult with your tax accountant to determine your exact estimated tax payment.

A good rule of thumb is to set aside 30% of your taxable income as savings for your estimated tax payments.



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## **Q. How do I pay my estimated taxes?**

Use Form 1040-ES to determine the amount owed in estimated taxes. Payment can be submitted by mail, online, or using the IRS2Go mobile app.

## **Q. What happens if I miss the estimated taxes deadline?**

You'll receive the following notice from the IRS: Underpayment of Estimated Tax by Individuals Penalty.

Your options are to pay the penalty, determine whether you are eligible for a penalty reduction, dispute the penalty, or apply for a payment plan.

## **To sum it all up...**

Please consult with a tax professional before making any estimated tax payments to protect yourself and your business.

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