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paycheck, or you earn income from contract work, you need to file estimated taxes.

Isaac M. O'Bannon • Jun. 06, 2019

Tear off here							
1040-ES Department of the Treasury Internal Revenue Service		2019 Estimated Tax		Payment Voucher 4 OMB No. 1545-0074			
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to "United States Treasury." Write your social security number and "2019 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.			Calendar year—Due Jan. 15, 2020				
			Amount of estimated tax you are paying by check or money order.		<table border="1"><tr><td>Dollars</td><td>Cents</td></tr></table>	Dollars	Cents
Dollars	Cents						
Pay online at www.irs.gov/efpay Simple. Fast. Secure.	Print or type	Your first name and initial		Your last name			
		Your social security number					
		If joint payment, complete for spouse					
		Spouse's first name and initial		Spouse's last name			
		Spouse's social security number					
		Address (number, street, and apt. no.)					
City, state, and ZIP code. (If a foreign address, enter city, also complete spaces below.)							
Foreign country name		Foreign province/county		Foreign postal code			
For Privacy Act and Paperwork Reduction Act Notice, see instructions.							
Form 1040-ES (2019)							

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Attention taxpayers who pay estimated taxes: The deadline for the second quarter's estimated tax payment is Monday, June 17.

Examples of those who often need to pay quarterly estimated taxes are self-employed individuals, retirees, investors, and some individuals involved in the [sharing economy](#), among others. Here are a couple rules of thumb: If you owed more than \$1,000 when you filed your last taxes, you probably are required to pay. And, in general, if your employer doesn't withhold taxes from your paycheck, or you earn income from contract work, you need to file estimated taxes.

The Tax Cuts and Jobs Act (TCJA), enacted in December 2017, changed the way tax is calculated for most taxpayers, including those with substantial income not subject to

withholding. Most TCJA changes took effect in 2018. As a result, many taxpayers

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A companion publication, [Publication 505](#), Tax Withholding and Estimated Tax, has additional details, including worksheets and examples, which can help taxpayers determine whether they should pay estimated tax. This includes those who have dividend or capital gain income, owe alternative minimum tax or have other special situations.

Who needs to pay quarterly?

Most often, self-employed people, including some individuals involved in the [sharing economy](#), need to pay quarterly installments of estimated tax. Similarly, investors, retirees and others – a substantial portion of whose income is not subject to withholding – often need to make these payments as well. Other income generally not subject to withholding includes interest, dividends, capital gains, rental income and some alimony.

Because the U.S. tax system operates on a pay-as-you-go basis, taxpayers are required by law to pay most of their tax liability during the year. For 2019, this means that an estimated tax penalty will normally apply to any party that pays too little tax, usually less than 90 percent, during the year through withholding, estimated tax payments or a combination of the two.

Exceptions to the penalty and special rules apply to some groups of taxpayers, such as farmers, fishermen, casualty and disaster victims, those who recently became disabled, recent retirees, and those who receive income unevenly during the year. In addition, there's an exception to the penalty for those who base their payments of estimated tax on last year's tax. Generally, taxpayers won't have an estimated tax penalty if they make payments equal to the lesser of 90 percent of the tax to be shown on their 2019 return or 100 percent of the tax shown on their 2018 return (110

percent if their income was more than \$150,000). See [Form 2210](#) and its instructions

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employer. Alternatively, they can ask their employer to withhold an additional flat-dollar amount each pay period on their Form W-4.

Perform a Paycheck Checkup

With many key tax changes now in their second year, the IRS urges all employees, including those with other sources of income, to perform a Paycheck Checkup now. Doing so now will help avoid an unexpected year-end tax bill and possibly a penalty. The easiest way to do this is to use the [Withholding Calculator](#) available on IRS.gov.

To use the [Withholding Calculator](#) most effectively, users should have a copy of last year's tax return and recent paystub. After filling out the Withholding Calculator, the tool will recommend the number of allowances the employee should claim on their Form W-4.

Though primarily designed for employees who receive wages, the Withholding Calculator can also be helpful to some recipients of pension and annuity income.

If the Withholding Calculator suggests a change, the employee should fill out a new [Form W-4](#) and submit it to their employer as soon as possible. Similarly, recipients of pensions and annuities can make a change by filling out [Form W-4P](#) and giving it to their payer.

Employees who expect to receive long term capital gains or qualified dividends, or employees who owe self-employment tax, alternative minimum tax, or tax on unearned income of minors should use the instructions in [Publication 505](#) to check whether they should change their withholding or pay estimated tax.

How and when to pay

The IRS provides two free electronic payment options, where taxpayers can schedule their estimated and other federal tax payments up to 30 days in advance, with Direct

Pay (bank account) or up to 365 days in advance, with the Electronic Federal Tax

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Taxpayers due a refund on their 2018 federal income tax return may be able to reduce or even skip one or more of these payments by choosing to apply their 2018 refund to their 2019 estimated tax. See [Form 1040](#) and its instructions for more information.

Taxpayers in presidentially-declared disaster areas may have more time to make these payments without penalty. Visit the [Tax Relief in Disaster Situations](#) page for details.

More information about tax withholding and estimated tax can be found on the agency's [Pay As You Go](#) web page, as well as in [Publication 505](#).

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