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federal income tax returns but did not claim the waiver. The IRS will apply this waiver

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Aug. 14, 2019



IRS

Department of the Treasury Internal Revenue Service

The Internal Revenue Service says it will automatically waive the estimated tax penalty for the more than 400,000 eligible taxpayers who already filed their 2018 federal income tax returns but did not claim the waiver. The IRS will apply this waiver to tax accounts of all eligible taxpayers, so there is no need to contact the IRS to apply for or request the waiver.

Earlier this year, the IRS lowered the usual 90% penalty threshold to 80% to help taxpayers whose withholding and estimated tax payments fell short of their total 2018 tax liability. The agency also removed the requirement that estimated tax

payments be made in four equal installments, as long as they were all made by Jan.

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Rettig. "This waiver is designed to provide relief to any person who filed too early to take advantage of the waiver or was unaware of it when they filed."

Refunds planned for eligible taxpayers who paid penalty Over the next few months, the IRS will mail copies of notices CP 21 granting this relief to affected taxpayers. Any eligible taxpayer who already paid the penalty will also receive a refund check about three weeks after their CP21 notice regardless if they requested [penalty relief](#). The agency emphasized that eligible taxpayers who have already filed a 2018 return do not need to request penalty relief, contact the IRS or take any other action to receive this relief.

For those yet to file, the IRS urges every eligible taxpayer to claim the waiver on their return. This includes those with tax-filing extensions due to run out on Oct. 15, 2019. The quickest and easiest way is to file electronically and take advantage of the waiver computation built into their tax software package. Those who choose to file on paper can fill out [Form 2210](#) and attach it to their 2018 return. See the instructions to Form 2210 for details.

Because the U.S. tax system is pay-as-you-go, taxpayers are required by law to pay most of their tax obligation during the year, rather than at the end of the year. This can be done by having tax withheld from paychecks, pension payments or Social Security benefits, making estimated tax payments or a combination of these methods. Like last year, the IRS urges everyone to do a "[Paycheck Checkup](#)" and review their withholding for 2019. This is especially important for anyone who faced an unexpected tax bill or a penalty when they filed this year. It's also an important step for those who made withholding adjustments in 2018 or had a major life change. Those most at risk of having too little tax withheld include those who itemized in the past but now take the increased standard deduction, as well as two wage earner households, employees with nonwage sources of income and those with complex tax situations.

To get started, check out the new [Tax Withholding Estimator](#), available on IRS.gov.

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