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Many taxpayers are required to make quarterly estimated tax payments during the year, and others do so voluntarily to stay current on their taxes.

Isaac M. O'Bannon • Jan. 11, 2023



Fourth quarter 2022 estimated tax payments are due on or before January 17, 2023. Many taxpayers, especially the self-employed, are required to make quarterly [estimated tax payments](#) during the year, and others do so voluntarily to stay current on their taxes.

Quarterly payments are generally due by the 15th of January, April, June and

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Taxpayers who earn or receive income that is not subject to [tax withholding](#) such as self-employed people or independent contractors should pay their taxes quarterly to the IRS.

In addition, people who owed tax when they filed their current year tax return often find themselves in the same situation again when they file the next year. Taxpayers in this situation normally include:

- Those who itemized in the past but are now taking the standard deduction,
- Two wage-earner households,
- Employees with non-wage sources of income such as dividends,
- Those with complex tax situations and/or
- Those who failed to increase their tax withholding.

What's taxable?

The IRS reminds people that most income is taxable. This includes unemployment income, refund interest and income from the [gig economy](#) and [digital assets](#). When estimating quarterly tax payments, taxpayers should include all forms of earned income, including from part-time work, side jobs or the sale of goods.

Also, various financial transactions, especially late in the year, can often have an unexpected tax impact. Examples include year-end and holiday bonuses, stock dividends, capital gain distributions from mutual funds, and stocks, bonds, virtual currency, real estate or other property sold at a profit.

Delay in requirement for Forms 1099-K

On December 23, 2022, the IRS announced that calendar year 2022 will be treated as

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Compensation; etc.).

How to make an estimated tax payment

The fastest and easiest way to make an estimated tax payment is to do so electronically using IRS [Direct Pay](#). Taxpayers can schedule a payment in advance of the January deadline.

Taxpayers can now also make a payment through their [IRS Online Account](#). There they can see their payment history, any pending or recent payments and other useful tax information. The [Electronic Filing Tax Payment System](#), or EFTPS, is an excellent choice as well.

The IRS does not charge a fee for these services. Plus, using these or other electronic payment options ensures that a payment gets credited promptly. More information on other payment options is available at [Pay Online](#).

Act now to avoid a penalty

Either payment method—withholding or estimated tax payments—or a combination of the two, can help avoid a surprise tax bill at tax time and the [accompanying penalty](#) that often applies.

If a taxpayer failed to make required quarterly estimated tax payments earlier in the year, making a payment soon to cover these missed payments will usually lessen and may even eliminate any possible penalty.

Stay current using the Withholding Estimator

The [Tax Withholding Estimator](#), available on IRS.gov, can often help people

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