

## What is an estimated tax payment?

If you are earning taxable income outside of a W-2 job, then the IRS expects you to submit tax payments throughout the year as you earn that income.

## How do I know if I need to make quarterly payments?

### 1) I receive a W-2 from my employer

If your W-2 wages are the only regular income you earn, then typically you will not need to make any estimated tax payments.

Your employer will withhold the proper amount of tax. You should still check on your tax withholding occasionally to ensure the correct amount is being withheld. Also, be sure to update your W-4 with your employer if you have life events such as marriage, births, adoptions, or divorce.

### 2) I'm self-employed

You should make estimated payments on your income to avoid an IRS underpayment penalty.

### 3) I'm retired but I have investment income, retirement account distributions, or social security income and don't have taxes withheld.

You may need to make estimated tax payments.

## How much should I pay?

To avoid a penalty for underpayment of estimated tax, the total of your estimated tax payments and withholdings must equal at least 90% of the current year's tax liability or 100% of the prior year's tax liability (110% if prior year Adjusted Gross Income (AGI) was > \$150,000).

This "safe harbor" minimum ensures that you will not receive an underpayment penalty at the end of the year, but it does not mean that you won't have any tax due on your return.

Your prior year tax return may include estimated tax payment vouchers (1040-ES) with payment amounts based on your prior year taxable income.

## How do I pay?

You can make your tax payments electronically via IRS Direct Pay or the IRS2Go app. You will receive a confirmation of payment when paying electronically. You don't have to log into your account, just click "Pay Your Taxes Now".

If you prefer to mail a check, the payment voucher includes the IRS mailing address and instructions.

NOTE: If you file a state tax return, you may also need to make estimated state tax payments.

## 2024 Estimated Tax Payment Due Dates

Apr 15, 2024

Sep 16, 2024

Jun 17, 2024

Jan 15, 2025

## Do I have to pay estimated tax?

