

# What are Estimated Taxes?

## 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 you know if you 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?

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

The IRS requires that your estimated payments be 90% of the prior year's tax liability, which is called the safe harbor tax payment. This 90% 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 April 15.

## How do I pay?

You can make your tax payments electronically via [IRS Direct Pay](#) or download the IRS2Go app on your phone or tablet. By paying electronically, you have a clear record of when the payment was received by the IRS. You don't have to log into your account, just click "Pay Your Taxes Now".

If you still want 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 during the year as well.

### Estimated Tax Payment Due Dues

April 15

June 15

September 15

January 15

