

# 2020

# Form 1040-ES



Department of the Treasury  
Internal Revenue Service

## Estimated Tax for Individuals

### Purpose of This Package

Use Form 1040-ES to figure and pay your estimated tax for 2020.

Estimated tax is the method used to pay tax on income that isn't subject to withholding (for example, earnings from self-employment, interest, dividends, rents, alimony, etc.). In addition, if you don't elect voluntary withholding, you should make estimated tax payments on other taxable income, such as unemployment compensation and the taxable part of your social security benefits.

**Change of address.** If your address has changed, file Form 8822, to update your record.

**Future developments.** For the latest information about developments related to Form 1040-ES and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1040ES](https://www.irs.gov/Form1040ES).

### Who Must Make Estimated Tax Payments

The estimated tax rules apply to:

- U.S. citizens and resident aliens;
- Residents of Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa; and
- Nonresident aliens (use Form 1040-ES (NR)).

### General Rule

In most cases, you must pay estimated tax for 2020 if both of the following apply.

1. You expect to owe at least \$1,000 in tax for 2020, after subtracting your withholding and refundable credits.
2. You expect your withholding and refundable credits to be less than the smaller of:
  - a. 90% of the tax to be shown on your 2020 tax return, or
  - b. 100% of the tax shown on your 2019 tax return.Your 2019 tax return must cover all 12 months.

**Note.** These percentages may be different if you are a farmer, fisherman, or higher income taxpayer. See *Special Rules*, later.

**Exception.** You don't have to pay estimated tax for 2020 if you were a U.S. citizen or resident alien for all of 2019 and you had no tax liability for the full 12-month 2019 tax year. You had no tax liability for 2019 if your total tax was zero or you didn't have to file an income tax return.

### Special Rules

There are special rules for farmers, fishermen, certain household employers, and certain higher income taxpayers.

**Farmers and fishermen.** If at least two-thirds of your gross income for 2019 or 2020 is from farming or fishing, substitute 66 $\frac{2}{3}$ % for 90% in (2a) under *General Rule*.

**Household employers.** When estimating the tax on your 2020 tax return, include your household employment taxes if either of the following applies.

- You will have federal income tax withheld from wages, pensions, annuities, gambling winnings, or other income.
- You would be required to make estimated tax payments to avoid a penalty even if you didn't include household employment taxes when figuring your estimated tax.

**Higher income taxpayers.** If your adjusted gross income (AGI) for 2019 was more than \$150,000 (\$75,000 if your filing status for 2020 is married filing separately), substitute 110% for 100% in (2b) under *General Rule*, earlier. This rule doesn't apply to farmers or fishermen.

### Increase Your Withholding

If you also receive salaries and wages, you may be able to avoid having to make estimated tax payments on your other income by asking your employer to take more tax out of your earnings. To do this, file a new Form W-4, Employee's Withholding Certificate, with your employer.

Generally, if you receive a pension or annuity you can use Form W-4P, Withholding Certificate for Pension or Annuity Payments, to start or change your withholding from these payments.

You also can choose to have federal income tax withheld from certain government payments. For details, see Form W-4V, Voluntary Withholding Request.



You can use the Tax Withholding Estimator at [IRS.gov/W4App](https://www.irs.gov/W4App) to determine whether you need to have your withholding increased or decreased.

### Additional Information You May Need

You can find most of the information you will need in Pub. 505, Tax Withholding and Estimated Tax, and in the instructions for the 2019 Form 1040 and 1040-SR.

For details on how to get forms and publications, see the 2019 Instructions for Form 1040 and 1040-SR.

### What's New

In figuring your 2020 estimated tax, be sure to consider the following.

**Extended tax provisions.** Recent legislation extended certain tax benefits that had expired at the end of 2017 through 2020. These tax benefits include the following.

- Tuition and fees deduction.
- Deduction for mortgage insurance premiums.
- Nonbusiness energy property credit.
- Alternative fuel vehicle refueling credit.



- Indian employment credit.

**Standard deduction amount increased.** For 2020, the standard deduction amount has been increased for all filers. If you don't itemize your deductions, you can take the 2020 standard deduction listed in the following chart for your filing status.

IF your 2020 filing status is...	THEN your standard deduction is...
Married filing jointly or Qualifying widow(er)	\$24,800
Head of household	\$18,650
Single or Married filing separately	\$12,400

However, if you can be claimed as a dependent on another person's 2020 return, your standard deduction is the greater of:

- \$1,100, or
- Your earned income plus \$350 (up to the standard deduction amount).

Your standard deduction is increased by the following amount if, at the end of 2020, you are:

- An unmarried individual (single or head of household) and are:

65 or older or blind	\$1,650
65 or older and blind	\$3,300

- A married individual (filing jointly or separately) or a qualifying widow(er) and are:

65 or older or blind	\$1,300
65 or older and blind	\$2,600
Both spouses 65 or older	\$2,600*
Both spouses 65 or older and blind	\$5,200*

\*Only if married filing jointly. If married filing separately, these amounts do not apply.



**CAUTION** Your standard deduction is zero if (a) your spouse itemizes on a separate return, or (b) you were a dual-status alien and you do not elect to be taxed as a resident alien for 2020.

**Social security tax.** For 2020, the maximum amount of earned income (wages and net earnings from self-employment) subject to the social security tax is \$137,700.

**Adoption credit or exclusion.** For 2020, the maximum adoption credit or exclusion for employer-provided adoption benefits has increased to \$14,300. In order to claim either the credit or exclusion, your modified adjusted gross income must be less than \$254,520.

## Reminders

**Individual taxpayer identification number (ITIN) renewal.** If you were assigned an ITIN before January 1, 2013, or if you have an ITIN that you haven't included on a tax return in the last 3 consecutive years, you may need to

renew it. For more information, see the Instructions for Form W-7.

**Advance payments of the premium tax credit.** If you buy health care insurance through the Health Insurance Marketplace, you may be eligible for advance payments of the premium tax credit to help pay for your insurance coverage. Receiving too little or too much in advance will affect your refund or balance due. Promptly report changes in your income or family size to your Marketplace. See Form 8962 and its Instructions for more information.

## How To Figure Your Estimated Tax

You will need:

- The 2020 Estimated Tax Worksheet,
- The *Instructions for the 2020 Estimated Tax Worksheet*,
- The 2020 Tax Rate Schedules, and
- Your 2019 tax return and instructions to use as a guide to figuring your income, deductions, and credits (but be sure to consider the items listed under *What's New*, earlier).

**Matching estimated tax payments to income.** If you receive your income unevenly throughout the year (for example, because you operate your business on a seasonal basis or you have a large capital gain late in the year), you may be able to lower or eliminate the amount of your required estimated tax payment for one or more periods by using the annualized income installment method. See chapter 2 of Pub. 505 for details.

**Changing your estimated tax.** To amend or correct your estimated tax, see *How To Amend Estimated Tax Payments*, later.



**CAUTION** You can't make joint estimated tax payments if you or your spouse is a nonresident alien, you are separated under a decree of divorce or separate maintenance, or you and your spouse have different tax years.

Additionally, individuals who are in registered domestic partnerships, civil unions, or other similar formal relationships that aren't marriages under state law cannot make joint estimated tax payments. These individuals can take credit only for the estimated tax payments that he or she made.

## Payment Due Dates

You can pay all of your estimated tax by April 15, 2020, or in four equal amounts by the dates shown below.

1st payment	April 15, 2020
2nd payment	June 15, 2020
3rd payment	Sept. 15, 2020
4th payment	Jan. 15, 2021*

\* You don't have to make the payment due January 15, 2021, if you file your 2020 tax return by February 1, 2021, and pay the entire balance due with your return.

If you mail your payment and it is postmarked by the due date, the date of the U.S. postmark is considered the date of payment. If your payments are late or you didn't pay enough, you may be charged a penalty for