



Contact:

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Q. Who must pay estimated tax payments?

A. Individuals generally must make estimated tax payments if they expect to owe tax of \$1,000 or more when their return is filed.

Q. What is the “safe harbor rule”?

A. Safe harbor is the minimum required amount of your tax liability you must pay without incurring any penalties. You are required to pay in the lesser of 100% (if your adjusted gross income for the year is over \$150,000 then it is 110%) of your tax liability for the previous year or 90% of your actual tax liability for the current year.

Q. Can I skip estimated tax payments and pay my tax liability when my return is filed?

A. If you do not pay enough tax throughout the year to satisfy the safe harbor rule, either through withholding or estimated tax payments, you may incur a penalty for underpayment of estimated tax. The penalty fluctuates but is currently 5% of the amount owed for each month of nonpayment.

Q. I am a W-2 employee, do I need to pay estimated tax payments?

A. If you are not withholding the appropriate amount, you will need to pay estimated tax payments for the shortfall. However, we first recommend that you adjust your withholding to eliminate the need for estimated tax payments. This can be done on Form W-4.

Q. When are estimated tax payments due for individuals?

A. Quarter 1 - April 15th

Quarter 2 - June 15th

Quarter 3 - September 15th

Quarter 4 - January 15th