**IRS reminder:** **Approaching June 15 deadline for second quarter estimated tax payments**

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WASHINGTON — The Internal Revenue Service reminds taxpayers who pay [estimated taxes](https://www.irs.gov/businesses/small-businesses-self-employed/estimated-taxes) that they have until June 15 to pay their estimated tax payment for the second quarter of tax year 2021 without penalty.

Estimated tax is the method used to pay tax on income that isn’t subject to withholding. This includes income from self-employment, interest, dividends, rent, gains from the sale of assets,

prizes and awards. You may also have to pay estimated tax if the amount of income tax being

withheld from your salary, pension or other income isn’t enough.

**Who must pay estimated tax?**

Individuals, including sole proprietors, partners, and S corporation shareholders, generally have to make estimated tax payments if they expect to owe tax of $1,000 or more when they file their return.

Individual taxpayers can use the [IRS Interactive Tax Assistant](https://www.irs.gov/help/ita/am-i-required-to-make-estimated-tax-payments) online to see if they are required to pay estimated taxes. They can also see the worksheet in [Form 1040-ES, Estimated Tax for Individuals](https://www.irs.gov/forms-pubs/about-form-1040-es) for more details on who must pay estimated tax.

Corporations generally have to make estimated tax payments if they expect to owe tax of $500 or more when they file their return. Corporations can see [Form 1120-W, Estimated Tax for Corporations](https://www.irs.gov/forms-pubs/about-form-1120-w) for more information.

Special rules apply to some groups of taxpayers, such as farmers, fishermen, certain higher income taxpayers, casualty and disaster victims, those who recently became disabled, recent retirees and those who receive income unevenly during the year.

[Publication 505, Tax Withholding and Estimated Tax](https://www.irs.gov/forms-pubs/about-publication-505), has additional details, including worksheets and examples, that can be especially helpful to those who have dividend or capital gain income, owe alternative minimum tax or self-employment tax, or have other special situations.

**Taxes are pay-as-you-go**

This means taxpayers need to pay most of their taxes owed during the year as income is received. There are two ways to do that:

* Withholding from pay, pension or certain government payments such as Social Security
* Making quarterly estimated tax payments during the year.

Taxpayers can avoid an [underpayment penalty](https://www.irs.gov/taxtopics/tc306) by owing less than $1,000 at tax time or by paying most of their taxes during the year. Generally, for 2021 that means making payments of at least 90% of the tax expected on their 2021 return. Most taxpayers who pay at least 100 percent of the tax shown on their return for tax year 2020 may also avoid the penalty. There are special rules for farmers and fishermen, certain household employers and certain higher income taxpayers. For more information, refer to [Form 1040-ES](https://www.irs.gov/forms-pubs/about-form-1040-es).

Generally, taxpayers should make estimated tax payments in four equal amounts to avoid a penalty. However, if they receive income unevenly during the year, they may be able to vary the amounts of the payments to avoid or lower the penalty by using the annualized installment method. Taxpayers can use [Form 2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts](https://www.irs.gov/forms-pubs/about-form-2210) to see if they owe a penalty for underpaying their estimated tax.

Third quarter payments are due September 15 and the final estimated tax payment for tax year 2021 is due on January 17, 2022.

**Tax Withholding Estimator**

If a taxpayer receives salaries and wages, they can avoid having to pay estimated tax by asking their employer to withhold more tax from their earnings. To do this, they would submit a new [Form W-4](https://www.irs.gov/forms-pubs/about-form-w-4) to their employer.

If a taxpayer receives a paycheck, the [Tax Withholding Estimator](https://www.irs.gov/individuals/tax-withholding-estimator) can help them make sure they have the right amount of tax withheld from their pay.

The Tax Withholding Estimator offers workers, as well as retirees, self-employed individuals and other taxpayers a clear, step-by-step method for effectively checking their withholding to protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.

**How to pay estimated taxes**

[Form 1040-ES, Estimated Tax for Individuals](https://www.irs.gov/forms-pubs/about-form-1040-es), includes instructions to help taxpayers figure their estimated taxes.

The fastest and easiest ways for individuals to make an estimated tax payment is electronically by using IRS [Direct Pay](https://www.irs.gov/payments/direct-pay) from their checking or savings account or [pay using a debit or credit card](https://www.irs.gov/payments/pay-your-taxes-by-debit-or-credit-card). Taxpayers should note that the payment processor, not the IRS, charges a fee for debit and credit card payments. Both Direct Pay and the pay by debit or credit card options are available online at IRS.gov and through the [IRS2Go app](https://www.irs.gov/newsroom/irs2goapp).

Taxpayers can also use the Electronic Federal Tax Payment System ([EFTPS](https://www.irs.gov/payments/eftps-the-electronic-federal-tax-payment-system)) to make an estimated tax payment.

[Corporations](https://www.irs.gov/instructions/i1120w) must use electronic funds transfer to make all federal tax deposits (such as deposits of employment, excise, and corporate income tax). This includes installment payments of estimated tax. Generally, electronic funds transfer is made using the Electronic Federal Tax Payment System (EFTPS). However, if the corporation does not want to use EFTPS, it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make electronic deposits on its behalf.

If taxpayers opt to [mail a check or money order,](https://www.irs.gov/payments/pay-by-check-or-money-order) they should make them payable to the "United States Treasury."

For information on all payment options, visit [IRS.gov/payments](https://www.irs.gov/payments).

**IRS.gov assistance 24/7**

Tax help is available 24/7 on IRS.gov. The IRS website offers a variety of online tools to help taxpayers answer common tax questions. For example, taxpayers can search the [Interactive Tax Assistant](https://www.irs.gov/help/ita), [Tax Topics](https://www.irs.gov/taxtopics) and [Frequently Asked Questions](https://www.irs.gov/faqs) to get answers to common questions.

The IRS is continuing to expand ways to communicate to taxpayers who prefer to get information in other languages. The IRS has posted translated tax resources in 20 other languages on IRS.gov. For more information, see [We Speak Your Language](https://www.irs.gov/help/languages).

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