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This form, instruction, or publication is being revised to reflect legislation enacted December 20, 2019. The updated revision will be posted here as soon as possible. We apologize for the delay and inconvenience. The most recently issued final revision begins on the next page, but, again, is currently being updated.

Early release drafts of forms and instructions (and some pubs) are posted before the final release at www.irs.gov/DraftForms (note that they remain there after the final release is posted). The most recently issued final revision of forms, instructions, and publications is posted at www.irs.gov/LatestForms and at www.irs.gov/AllForms, which has revisions for all years each form, instruction, or pub has been issued.

Almost every form and publication has a page on IRS.gov with a friendly shortcut. For example, the Form 1040 page is at www.irs.gov/Form1040; the Pub. 501 page is at www.irs.gov/Pub501; the Form W-4 page is at www.irs.gov/W4; and the Schedule A (Form 1040 or 1040-SR) page is at www.irs.gov/ScheduleA. (If typing in a link above instead of clicking on it, be sure to type the link into the address bar of your browser, not a Search box.) Note that instructions and publications are available from these pages in PDF for printing, HTML for viewing online, and in many cases, in eBook format for mobile viewing (see www.irs.gov/eBook for more details).

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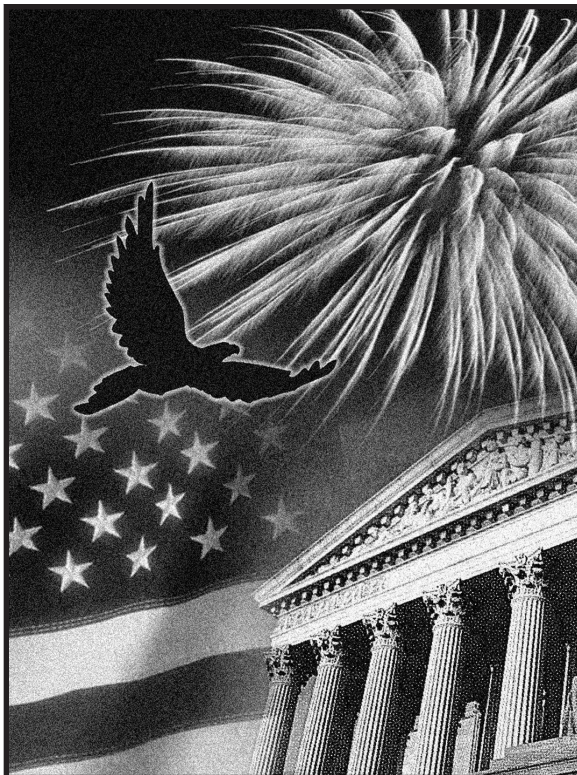
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Tax Withholding and Estimated Tax

For use in **2019**



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Introduction

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. There are two ways to pay as you go.

- **Withholding.** If you are an employee, your employer probably withholds income tax from your pay. In addition, tax may be withheld from certain other income, such as pensions, bonuses, commissions, and gambling winnings. The amount withheld is paid to the IRS in your name.
- **Estimated tax.** If you don't pay your tax through withholding, or don't pay enough

tax that way, you might have to pay estimated tax. People who are in business for themselves generally will have to pay their tax this way. You may have to pay estimated tax if you receive income such as dividends, interest, capital gains, rents, and royalties. Estimated tax is used to pay not only income tax, but other taxes such as self-employment tax and alternative minimum tax.

This publication explains both of these methods. It also explains how to take credit on your return for the tax that was withheld and for your estimated tax payments.

If you didn't pay enough tax during the year, either through withholding or by making estimated tax payments, you may have to pay a penalty. Generally, the IRS can figure this penalty for you.

Nonresident aliens. Before completing Form W-4, Employee's Withholding Allowance Certificate, nonresident alien employees should see the Instructions for Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. Also see chapter 8 of Pub. 519, U.S. Tax Guide for Aliens, for important information on withholding.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments).

Or you can write to:

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Tax Forms and Publications
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Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax products.

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Tax questions. If you have a tax question not answered by this publication, check [IRS.gov](https://www.irs.gov) and [How To Get Tax Help](https://www.irs.gov/HowToGetTaxHelp) at the end of this publication.

What's New for 2019

Use your 2018 tax return as a guide in figuring your 2019 estimated tax, but be sure to consider the following.

No longer a requirement to have minimum essential coverage. Beginning in 2019, you will no longer be required to either have minimum essential coverage, claim a coverage exemption, or report a shared responsibility payment on Form 1040.

Standard deduction amount increased. For 2019, the standard deduction amount has been

increased for all filers, and the amounts are as follows.

- Single or Married Filing Separately—\$12,200.
- Married Filing Jointly or Qualifying Widow(er)—\$24,400.
- Head of Household—\$18,350.

Due to the increase in the standard deduction and reduced usage of itemized deductions, you may want to consider filing a new Form W-4.

Lifetime learning credit income limits. In order to claim a lifetime learning credit, your modified adjusted gross income (MAGI) must be less than \$58,000 (\$116,000 if married filing jointly).

Retirement savings contribution credit income limits increased. In order to claim this credit for 2019, your MAGI must be less than \$32,000 (\$64,000 if married filing jointly; \$48,000 if head of household).

Adoption credit or exclusion. The maximum adoption credit or exclusion for employer-provided adoption benefits has increased to \$14,080. In order to claim either the credit or exclusion, your MAGI must be less than \$251,160.

Earned income credit (EIC). You may be able to take the EIC in 2019 if:

- Three or more children lived with you and you earned less than \$50,162 (\$55,952 if married filing jointly),
- Two children lived with you and you earned less than \$46,703 (\$52,493 if married filing jointly),
- One child lived with you and you earned less than \$41,094 (\$46,884 if married filing jointly), or
- A child didn't live with you and you earned less than \$15,570 (\$21,370 if married filing jointly).

Also, the maximum MAGI you can have and still get the credit has increased. You may be able to take the credit if your MAGI is less than the amount in the above list that applies to you. The maximum investment income you can have and get the credit is \$3,600 for 2019.

Reminders

Future developments. The IRS has created a page on [IRS.gov](https://www.irs.gov) for information about Pub. 505 at [IRS.gov/Pub505](https://www.irs.gov/Pub505). Information about any future developments affecting Pub. 505 (such as legislation enacted after we release it) will be posted on that page.

Social security tax. Generally, each employer for whom you work during the tax year must withhold social security tax up to the annual limit. The annual limit is \$132,900 in 2019.

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 insurance through the

Health Insurance Marketplace, you may be eligible to have advance payments of the premium tax credit paid on your behalf to the insurance company. 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.

Additional Medicare Tax. Generally, a 0.9% Additional Medicare Tax applies to Medicare wages, Railroad Retirement Tax Act compensation, and self-employment income, over \$200,000 if you are filing as single, head of household, or qualifying widow(er), over \$250,000, if you are married filing jointly, and over \$125,000 if you are married filing separately. You may need to include this amount when figuring your estimated tax. You also may request that your employer deduct and withhold an additional amount of income tax withholding from your wages on Form W-4.

Net Investment Income Tax (NIIT). You may be subject to NIIT. NIIT is a 3.8% tax on the lesser of net investment income or the excess of your MAGI over \$200,000 (\$250,000 if married filing jointly or qualifying widow(er); \$125,000 if married filing separately). NIIT may need to be included when figuring estimated tax. You also may request that your employer deduct and withhold an additional amount of income tax withholding from your wages on Form W-4.

Photographs of missing children. The IRS is a proud partner with the [National Center for Missing & Exploited Children® \(NCMEC\)](https://www.nccmec.org). Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

1.

Tax Withholding for 2019

Introduction

This chapter discusses income tax withholding on:

- Salaries and wages,
- Tips,
- Taxable fringe benefits,
- Sick pay,
- Pensions and annuities,
- Gambling winnings,
- Unemployment compensation, and
- Certain federal payments.

This chapter explains in detail the rules for withholding tax from each of these types of income. The discussion of salaries and wages includes an explanation of how to complete Form W-4.

This chapter also covers backup withholding on interest, dividends, and other payments.

Useful Items

You may want to see:

Form (and Instructions)

- W-4** Employee's Withholding Allowance Certificate
- W-4P** Withholding Certificate for Pension or Annuity Payments
- W-4S** Request for Federal Income Tax Withholding From Sick Pay
- W-4V** Voluntary Withholding Request

See [How To Get Tax Help](#) at the end of this publication for information about getting these publications and forms.

Salaries and Wages

Income tax is withheld from the pay of most employees. Your pay includes your regular pay, bonuses, commissions, and vacation allowances. It also includes reimbursements and other expense allowances paid under a nonaccountable plan. See [Supplemental Wages](#), later, for definitions of accountable and nonaccountable plans.

If your income is low enough that you won't have to pay income tax for the year, you may be exempt from withholding. This is explained under [Exemption From Withholding](#), later.

You can ask your employer to withhold income tax from noncash wages and other wages not subject to withholding. If your employer does not agree to withhold tax, or if not enough is withheld, you may have to pay estimated tax, as discussed in [chapter 2](#).

Military retirees. Military retirement pay is treated in the same manner as regular pay for income tax withholding purposes, even though it is treated as a pension or annuity for other tax purposes.

Household workers. If you are a household worker, you can ask your employer to withhold income tax from your pay. A household worker is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

Tax is withheld only if you want it withheld and your employer agrees to withhold it. If you don't have enough income tax withheld, you may have to pay estimated tax, as discussed in [chapter 2](#).

Farmworkers. Generally, income tax is withheld from your cash wages for work on a farm unless your employer both:

- Pays you cash wages of less than \$150 during the year, and
- Has expenditures for agricultural labor totaling less than \$2,500 during the year.

Differential wage payments. When employees are on leave from employment for military duty, some employers make up the difference between the military pay and civilian pay. Pay-

ments to an employee who is on active duty for a period of more than 30 days will be subject to income tax withholding, but not subject to social security or Medicare taxes. The wages and withholding will be reported on Form W-2, Wage and Tax Statement.

Determining Amount of Tax Withheld Using Form W-4

The amount of income tax your employer withholds from your regular pay depends on three things.

- The amount you earn in each payroll period.
- Your payroll period.
- The information you give your employer on Form W-4.

Form W-4 includes four types of information that your employer will use to figure your withholding.

- Whether to withhold at the single rate or at the lower married rate.
- How many withholding allowances you claim (each allowance reduces the amount withheld).
- Whether you want an additional amount withheld.
- Whether you are claiming an exemption from withholding in 2019. See [Exemption From Withholding](#), later.

Note. You must specify a filing status and a number of withholding allowances on Form W-4. You can't specify only a dollar amount of withholding.

New Job

When you start a new job, you must fill out a Form W-4 and give it to your employer. Your employer should have copies of the form. If you need to change the information later, you must fill out a new form.

If you work only part of the year (for example, you start working after the beginning of the year), too much tax may be withheld. You may be able to avoid overwithholding if your employer agrees to use the part-year method. See [Part-Year Method](#), later, for more information.

Employee also receiving pension income. If you receive pension or annuity income and begin a new job, you will need to file Form W-4 with your new employer. However, you can choose to split your withholding allowances between your pension and job in any manner.

Changing Your Withholding

During the year, changes may occur to your marital status, adjustments, deductions, or credits you expect to claim on your tax return. When this happens, you may need to give your employer a new Form W-4 to change your withholding status or number of allowances.

If a change in personal circumstances reduces the withholding allowances you are entitled to claim, you are required to give your employer a new Form W-4 by 10 days after the

change occurs reducing your withholding allowances. See [Marital Status](#) (line 3 of Form W-4) and [Withholding Allowances](#) (line 5 of Form W-4), later.

Otherwise, if you want to change your withholding allowances for any other reason, you can generally do that whenever you wish. See [Table 1-1](#) for examples of personal and financial changes you should consider.

Table 1-1. Personal and Financial Changes

Factor	Examples
Lifestyle change	Marriage Divorce Birth or adoption of child Purchase of a new home Retirement Filing chapter 11 bankruptcy
Wage income	You or your spouse start or stop working, or start or stop a second job
Change in the amount of taxable income not subject to withholding	Interest income Dividends Capital gains Self-employment income IRA (including certain Roth IRA) distributions
Change in the amount of adjustments to income	IRA deduction Student loan interest deduction Alimony expense
Change in the amount of itemized deductions or tax credits	Medical expenses Taxes Interest expense Gifts to charity Dependent care expenses Education credit Child tax credit Earned income credit

If you change the number of your withholding allowances, you can request that your employer withhold using the [Cumulative Wage Method](#), later.

Checking Your Withholding

After you have given your employer a Form W-4, you can check to see whether the amount of tax withheld from your pay is too much or too little. If too much or too little tax is being withheld, you should give your employer a new Form W-4 to change your withholding. You can get a blank Form W-4 from your employer or print the form from IRS.gov.

TIP You can use the *IRS Withholding Calculator* at [IRS.gov/W4App](https://www.irs.gov/W4App) instead of the worksheets in this publication or included with Form W-4 or W-4P to determine whether you need to have your withholding increased or decreased.

You should try to have your withholding match your actual tax liability. If not enough tax is withheld, you will owe tax at the end of the year and may have to pay interest and a penalty. If too much tax is withheld, you will lose the

use of that money until you get your refund. Always check your withholding if there are personal or financial changes in your life or changes in the law that might change your tax liability. See [Table 1-1](#) for examples.

Note. You can't give your employer a payment to cover federal income tax withholding on salaries and wages for past pay periods or a payment for estimated tax.

When Should You Check Your Withholding?

The earlier in the year you check your withholding, the easier it is to get the right amount of tax withheld.

You should check your withholding when any of the following situations occur.

1. You receive a paycheck stub (statement) covering a full pay period in 2019, showing tax withheld based on 2019 tax rates.
2. You prepare your 2018 tax return and get a:
 - a. Big refund, or
 - b. Balance due that is:
 - i. More than you can comfortably pay, or
 - ii. Subject to a penalty.
3. There are changes in your life or financial situation that affect your tax liability. See [Table 1-1](#)
4. There are changes in the tax law that affect your tax liability.

How Do You Check Your Withholding?

You can use the worksheets and tables in this publication to see if you are having the right amount of tax withheld. You can also use the IRS Withholding Calculator at [IRS.gov/W4App](https://www.irs.gov/W4App). If you use the worksheets and tables in this publication, follow these steps.

1. Fill out Worksheet 1-3 to project your total federal income tax liability for 2019.
2. Fill out Worksheet 1-5 to project your total federal withholding for 2019 and compare that with your projected tax liability from Worksheet 1-3.

If you are not having enough tax withheld, line 6 of Worksheet 1-5 will show you how much more to have withheld each payday. For ways to increase the amount of tax withheld, see *How Do You Increase Your Withholding*, later.

If line 5 of Worksheet 1-5 shows that you are having more tax withheld than necessary, see *How Do You Decrease Your Withholding*, later, for ways to decrease the amount of tax you have withheld each payday.

How Do You Increase Your Withholding?

There are two ways to increase your withholding. You can:

- Decrease the number of allowances you claim on Form W-4, or
- Enter an additional amount that you want withheld from each paycheck on Form W-4.

Requesting an additional amount be withheld. You can request that an additional amount be withheld from each paycheck by entering the additional amount on line 6 of Form W-4. To see if you should request an additional amount be withheld, complete Worksheets 1-3 and 1-5. Complete a new Form W-4 if the amount on Worksheet 1-5, line 5:

1. Is more than you want to pay with your tax return or in estimated tax payments throughout the year, or
2. Would cause you to pay a penalty when you file your tax return for 2019.

Example. Early in 2019, Steve Miller used Worksheets 1-3, 1-4, and 1-5 to project his 2019 tax liability (\$4,316) and his withholding for the year (\$3,516). Steve will be underwithheld by \$800 (\$4,316 – \$3,516). His choices are to pay this amount when he files his 2019 tax return, make estimated tax payments, or increase his withholding now. Steve gets a new Form W-4 from his employer, who tells him that there are 50 paydays remaining in 2019. Steve completes the new Form W-4 as before, entering the same number of withholding allowances as before, but, in addition, entering \$16 (\$800 ÷ 50) on the form as the additional amount to be withheld from his pay each payday. He gives the completed form to his employer.

What if I have more than one job or my spouse also has a job? You are more likely to need to increase your withholding if you have more than one job or if you are married filing jointly and your spouse also works. If this is the case, you can increase your withholding for one or more of the jobs.

You can apply the amount on Worksheet 1-5, line 5, to only one job or divide it between the jobs any way you wish. For each job, determine the extra amount that you want to apply to that job and divide that amount by the number of paydays remaining in 2019 for that job. This will give you the additional amount to enter on the Form W-4 you will file for that job. You need to give your employer a new Form W-4 for each job for which you are changing your withholding.


Example. Meg Green works in a store and earns \$46,000 a year. Her husband, John, works in a factory, earns \$68,000 a year and has 49 pay periods left. In 2019, they also will have \$184 in taxable interest and \$1,000 of other taxable income. They expect to file a joint income tax return. Meg and John complete Worksheets 1-3, 1-4, and 1-5. Line 5 of Worksheet 1-5 shows that they will owe an additional \$4,459 after subtracting their withholding for the year. They can divide the \$4,459 any way they want. They can enter an additional amount on

either of their Forms W-4, or divide it between them. They decide to have the additional amount withheld from John's wages, so they enter \$91 (\$4,459 ÷ 49 remaining paydays) on his Form W-4. Both claim the same number of allowances as before.

How Do You Decrease Your Withholding?

If your completed Worksheets 1-3 and 1-5 show that you may have more tax withheld than your projected tax liability for 2019, you may be able to decrease your withholding. There are two ways to do this. You can:

- Decrease any additional amount you are having withheld, or
- Increase the number of allowances you claim on Form W-4.

 *You can claim only the number of allowances to which you are entitled. To see if you can decrease your withholding by increasing your allowances, see the Form W-4 instructions and the rest of this publication.*

Increasing the number of allowances. Figure and increase the number of withholding allowances you can claim as follows.

1. On a new Form W-4, complete the Personal Allowances Worksheet.
2. If you plan to itemize deductions, claim adjustments to income, or claim tax credits, complete a new Deductions, Adjustments, and Additional Income Worksheet. If you plan to claim tax credits, see *Converting Credits to Withholding Allowances* below.
3. If you meet the criteria below line H of the Form W-4 Personal Allowances Worksheet, complete a new Two-Earners/Multiple Jobs Worksheet.
4. If the number of allowances you can claim on Form W-4 is different from the number you already are claiming, give the newly completed Form W-4 to your employer.

Converting Credits to Withholding Allowances

[Table 1-2](#) shows many of the tax credits you may be able to use to decrease your withholding. For a complete list of credits you may be able to claim, see the 2018 Form 1040 instructions.

The Form W-4 Personal Allowances Worksheet provides only rough adjustments for the child tax credit and the credit for other dependents. Complete Worksheet 1-6 to figure these credits more accurately and also take other credits into account.


 *If you take the child tax credit into account on Worksheet 1-6, enter “-0-” on line E of the Personal Allowances Worksheet. If you take the credit for other dependents into account on Worksheet 1-6, enter “-0-” on line F of the Personal Allowances Worksheet.*

Table 1-2. Tax Credits for 2019

For more information about the...	See...
Adoption credit	Instructions for Form 8839
Credit for child and dependent care expenses	Pub. 503, Child and Dependent Care Expenses
Child tax credit (including the additional child tax credit)	2018 Instructions for Form 1040
Credit for other dependents	2018 Instructions for Form 1040
Earned income credit	Pub. 596, Earned Income Credit (EIC)
Education credits	Pub. 970, Tax Benefits for Education
Credit for the elderly or the disabled	Pub. 524, Credit for the Elderly or the Disabled
Foreign tax credit (except any credit that applies to wages not subject to U.S. income tax withholding because they are subject to income tax withholding by a foreign country)	Pub. 514, Foreign Tax Credit for Individuals
General business credit	Form 3800, General Business Credit
Health coverage tax credit	Instructions for Form 8885
Mortgage interest credit	Pub. 530, Tax Information for Homeowners
Qualified electric vehicle credit	Form 8834
Credit for prior year minimum tax (if you paid alternative minimum tax in an earlier year)	Instructions for Form 8801
Retirement savings contributions credit (saver's credit)	Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs)
Credit to holders of tax credit bonds	Instructions for Form 8912
Premium tax credit	Pub. 974, Premium Tax Credit (PTC)

Enter the amount from line 16 of Worksheet 1-6 in this publication on line G of the Personal Allowances Worksheet on Form W-4. Then complete the Personal Allowances Worksheet, and if needed, other worksheets on the Form W-4, and then complete the first page of Form W-4.

Example. Brett and Alyssa Davis are married and expect to file a joint return for 2019. Their expected taxable income from all sources is \$68,000. They plan on taking the standard deduction. Their projected tax credits include a child and dependent care credit of \$960 and an adoption credit of \$1,500.

The Davises complete Worksheet 1-6, as follows, to see whether they can convert their tax credits into additional withholding allowances.

- Line 3, expected child and dependent care credit—\$960.
- Line 6, expected adoption credit—\$1,500.
- Line 13, total estimated tax credits—\$2,460.
- Line 14. Their combined total income from all sources, \$68,000, falls between \$43,801 and \$103,350 on the table for married filing jointly or qualifying widow(er). The number to the right of this range is 8.3.
- Line 15, multiply line 13 by the multiplication factor from line 14 (8.3)—\$20,418.
- Line 16, divide line 15 by \$4,200 and drop the fraction—4.

Then the Davises complete the Form W-4 worksheets. They take the result on line 16 of Worksheet 1-6, enter it on line G of the Form W-4 Personal Allowances Worksheet, and complete the Form W-4 worksheets.

When Will Your New Form W-4 Go Into Effect?

If the change is for the current year, your employer must put your new Form W-4 into effect no later than the start of the first payroll period ending on or after the 30th day after the day on which you give your employer your revised Form W-4.

If the change is for next year, your new Form W-4 won't take effect until next year.

Retirees Returning to the Workforce

When you first began receiving your pension, you told the payer how much tax to withhold, if any, by completing Form W-4P, Withholding Certificate for Pension or Annuity Payments (or similar form). However, if your retirement pay is from the military or certain deferred compensation plans, you completed Form W-4 instead of Form W-4P. You completed either form based on your projected income at that time. Now that you are returning to the workforce, your new Form W-4 (given to your employer) and your Form W-4 or W-4P (on file with your pension plan) must work together to determine the correct amount of withholding for your new amount of income.

The worksheets that come with Forms W-4 and W-4P are basically the same, so you can use either set of worksheets to figure out how many withholding allowances you are entitled to claim. Start off with the Personal Allowances Worksheet. Then, if you will be itemizing your deductions, claiming adjustments to income, or have additional income (such as interest or dividends), complete the Deductions, Adjustments, and Additional Income Worksheet.

The third worksheet is the most important for this situation. Form W-4 calls it the Two-Earners/Multiple Jobs Worksheet, and Form W-4P calls it the Multiple Pensions/More-Than-One-Income Worksheet—both are the same. If you have more than one source of income, in order to have enough withholding to cover the tax on your higher income, you may need to claim fewer withholding allowances or request that your employer withhold an additional amount from each paycheck.

Once you have figured out how many allowances you are entitled to claim, look at the income from both your pension and your new job, and how often you receive payments. It is your decision how to divide up your withholding allowances between these sources of income. For example, you may want to “take home” most of your weekly paycheck to use as spending money and use your monthly pension to “pay the bills.” In that case, change your Form W-4P to zero allowances and claim all that you are entitled to on your Form W-4.

There are a couple of ways you can get a better idea of how much tax will be withheld when claiming a certain number of allowances.

- Use the withholding tables in Pub. 15 (Circular E), Employer's Tax Guide.
- Contact your pension provider and your employer's payroll department.

And remember, this isn't a final decision. If you don't get the correct amount of withholding with the first Forms W-4 and W-4P you submit, you should refigure your allowances (or divide them differently) using the information and worksheets in this publication, or the resources mentioned above.

You should go through this same process each time your life situation changes, whether it

be for personal or financial reasons. You may need more tax withheld, or you may need less.

Completing Form W-4 and Worksheets

When reading the following discussion, you may find it helpful to refer to Form W-4.

Marital Status

There is a lower withholding rate for people who qualify to check the “Married” box on line 3 of Form W-4. Everyone else must have tax withheld at the higher single rate.

Single. You must check the “Single” box if any of the following applies.

- You are single. If you are divorced, or separated from your spouse under a court decree of separate maintenance, you are considered single.
- You are married, but neither you nor your spouse is a citizen or resident of the United States.
- You are married, either you or your spouse is a nonresident alien, and you haven’t chosen to have that person treated as a resident alien for tax purposes. For more information, see *Nonresident Spouse Treated as a Resident* in chapter 1 of Pub. 519.

Married. You qualify to check the “Married” box if any of the following applies.

- You are married and neither you nor your spouse is a nonresident alien. You are considered married for the whole year even if your spouse died during the year.
- You are married and either you or your spouse is a nonresident alien who has chosen to be treated as a resident alien for tax purposes. For more information, see *Nonresident Spouse Treated as a Resident* in chapter 1 of Pub. 519.
- You expect to be able to file your return as a qualifying widow or widower. You usually can use this filing status if your spouse died within the previous 2 years and you provide more than half the cost of keeping up a home for the entire year that was the main home for you and your child whom you can claim as a dependent. However, you must file a new Form W-4 showing your filing status as single by December 1 of the last year you are eligible to file as a qualifying widow or widower. For more information on this filing status, see *Qualifying Widow(er)* under *Filing Status* in Pub. 501.

Married, but withhold at higher single rate. Some married people find that they don’t have enough tax withheld at the married rate. This can happen, for example, when both spouses work. To avoid this, you can check the “Married, but withhold at higher Single rate” box (even if you qualify for the married rate). Also, you may find that more tax is withheld if you fill out the [Two-Earners/Multiple Jobs Worksheet](#).

If your filing status is **married filing separately**, you should check the “Married, but withhold at higher Single rate” box.

Withholding Allowances

The more allowances you claim on Form W-4, the less income tax your employer will withhold. You will have the most tax withheld if you claim “0” allowances. The number of allowances you can claim depends on the following factors.

- Whether you will file as single, head of household, married filing jointly, or married filing separately.
- Whether you have income from more than one job.
- What credits you expect to claim for children and other dependents.
- What other credits you expect to claim for the year.
- What deductions, adjustments, and nonwage income (such as dividends or interest) you expect to have for the year.

If you are married (filing jointly), it also depends on whether your spouse also works and claims any allowances on his or her own Form W-4.

Form W-4 worksheets. Form W-4 has worksheets to help you figure how many withholding allowances you can claim. The worksheets are for your own records. Don’t give them to your employer.

Complete only one set of Form W-4 worksheets, no matter how many jobs you have. If you are married and will file a joint return, complete only one set of worksheets for you and your spouse, even if you both earn wages and each must give Form W-4 to your employers. Complete separate sets of worksheets only if you and your spouse will file separate returns.

If you are not exempt from withholding (see [Exemption From Withholding](#), later), complete the Personal Allowances Worksheet. Also, use the worksheets on Form W-4 to adjust the number of your withholding allowances for itemized deductions, adjustments to income, additional income (such as interest or dividends), and for two-earner or multiple-job situations.

Complete all worksheets that apply to your situation. The worksheets will help you figure the maximum number of withholding allowances you are entitled to claim so that the amount of income tax withheld from your wages will match, as closely as possible, the amount of income tax you will owe at the end of the year.

Multiple jobs. If you have income from more than one job at the same time, complete only one set of Form W-4 worksheets. Then split your allowances between the Forms W-4 for each job. You can’t claim the same allowances with more than one employer at the same time. You can claim all your allowances with one employer and none with the other(s), or divide them any other way.

Married individuals. If both you and your spouse are employed and expect to file a joint return, figure your withholding allowances using your combined income, adjustments, deductions, and credits. Use only one set of worksheets. You can divide your total allowances

any way, but you can’t claim an allowance that your spouse also claims.

If you and your spouse expect to file separate returns, figure your allowances using separate worksheets based on your own individual income, adjustments, deductions, and credits.

Alternative method of figuring withholding allowances. You don’t have to use the Form W-4 worksheets if you use a more accurate method of figuring the number of withholding allowances.

The method you use must be based on withholding schedules, the tax rate schedules, and the 2019 Estimated Tax Worksheet in chapter 2. It must take into account only the items of income, adjustments to income, deductions, and tax credits that are taken into account on Form W-4.

You can use the number of withholding allowances determined under an alternative method rather than the number determined using the Form W-4 worksheets. You still must give your employer a Form W-4 claiming your withholding allowances.

Employees who are not citizens or residents. If you are neither a citizen nor a resident of the United States, you usually can claim only one withholding allowance. However, this rule does not apply if you are a resident of Canada or Mexico, or if you are a U.S. national. It also does not apply if your spouse is a U.S. citizen or resident and you have chosen to be treated as a resident of the United States for tax purposes. Special rules apply to residents of South Korea and India. For more information, see *Withholding on Wages* in chapter 8 of Pub. 519.

Personal Allowances Worksheet

Use the Personal Allowances Worksheet on page 1 of Form W-4 to figure your withholding allowances based on all of the following that apply.

- Filing status.
- Number of jobs.
- Child tax credit.
- Credit for other dependents.
- Other credits.

Filing Status (worksheet lines A, B, and C).

Single or married but filing separately from your spouse. You can claim an allowance for yourself. If you expect to file as single or married filing separately on your 2019 tax return, enter “1” on line A of the worksheet.

Married filing jointly or qualifying widow(er). You can claim an allowance if you will file as married filing jointly or qualifying widow(er). If you expect to file as married filing jointly or qualifying widow(er) on your 2019 tax return, enter “1” on line B of the worksheet.

Head of household. Generally, you can file as head of household if you are unmarried and pay more than half the cost of keeping up a home that:

- Was the main home for all of 2019 of your parent whom you can claim as your dependent, or

- You lived in for more than half the year with your qualifying child or any other person whom you can claim as your dependent.

For more information, see Pub. 501.

If you expect to file as head of household on your 2019 tax return, enter "1" on line C of the worksheet. In addition, see line 12 of [Worksheet 1-6](#) for an additional amount to enter on line G of the Personal Allowances Worksheet.

Only one job (worksheet line D). You can claim an additional withholding allowance if any of the following apply for 2019.

- You are single and you have only one job at a time.
- You are married, you have only one job at a time, and your spouse doesn't work.
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.

If you qualify for this allowance, enter "1" on line D of the worksheet.

Child tax credit (worksheet line E). If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "4" on line E for each eligible child.

If your total income will be from \$71,201 to \$179,050 (\$103,351 and \$345,850 if married filing jointly), enter "2" on line E for each eligible child.

If your total income will be from \$179,051 to \$200,000 (\$345,851 and \$400,000 if married filing jointly), enter "1" on line E for each eligible child.

If your total income is higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-" on line E.

To see if your child is an eligible child for the child tax credit, see the instructions for Dependents in the Form 1040 instructions.

For more information about the child tax credit, see the instructions for Form 1040.

Instead of using line E, you can choose to take the child tax credit into account on line 1 of [Worksheet 1-6](#).

Credit for other dependents (worksheet line F). If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "1" on line F for each eligible dependent.

If your total income will be from \$71,201 to \$179,050 (\$103,351 and \$345,850 if married filing jointly), enter "1" on line F for every two dependents (for example, you would enter "-0-" for one dependent, "1" if you have two or three dependents, or "2" if you have four dependents).

If your total income will be higher than \$179,050 (\$345,850 if married filing jointly), enter "-0-" on line F.

Instead of using line F, you can choose to take the child tax credit into account on line 2 of [Worksheet 1-6](#).

To see who you can claim as a dependent for the credit for other dependents, see the instructions for Dependents in the Form 1040 instructions. A dependent for purposes of the credit for other dependents also includes an eligible child who had an ITIN but not an SSN by the due date of your 2019 return (including extensions).

Other credits (worksheet line G). Use [Worksheet 1-6](#) to figure the amount of other credits to enter on line G. In addition to the child tax credit and credit for other dependents, you can take your other credits into account when figuring additional withholding allowances for 2019. See [Table 1-2](#).

Head of household filers also can use [Worksheet 1-6](#) to further reduce withholding.

Example. You are married and expect to file a joint return for 2019. You have one child. Your combined estimated wages are \$68,000. Your estimated tax credits include a child tax credit of \$2,000, a child and dependent care credit of \$960, and an education credit of \$1,700 (total credits = \$4,660).

In Worksheet 1-6, the number corresponding to your combined estimated wages (\$43,801 – \$103,350) is 8.3. Multiply your total estimated credits of \$4,660 by 8.3 for a total of \$38,678. Divide \$38,678 by \$4,200 and drop any fraction. Enter the result, 9, on line G of the Personal Allowances Worksheet. Because you choose to account for your child tax credit on Worksheet 1-6, enter "-0-" on line E of the Personal Allowances Worksheet.

Total personal allowances (worksheet line H). Add lines A through G and enter the total on line H. If you don't use either of the worksheets on pages 3 and 4 of Form W-4, enter the number from line H on line 5 of Form W-4.

Deductions, Adjustments, and Additional Income Worksheet

Use the Form W-4 Deductions, Adjustments, and Additional Income Worksheet if you plan to itemize your deductions or claim adjustments to the income on your 2019 tax return and you want to reduce your withholding. Also, use this worksheet to figure out how much to increase the tax withheld from your paycheck if you have a large amount of nonwage income, such as interest or dividends. Complete this worksheet when you have changes to those items to see if you need to change your withholding.

Use the amount of each item you reasonably can expect to show on your return. However, don't use more than:

- The amount shown for that item on your 2018 return (or your 2017 return if you haven't yet filed your 2018 return), plus
- Any additional amount related to a transaction or occurrence (such as payments already made, the signing of an agreement, or the sale of property) that has happened or will happen during 2018 or 2019.

Don't include any amount shown on your last tax return that has been disallowed by the IRS.

Example. On June 30, 2018, you bought your first home. On your 2018 tax return, you claimed itemized deductions of \$3,500, the total mortgage interest and real estate tax you paid during the 6 months you owned your home. Based on your mortgage payment schedule and your real estate tax assessment, you reasonably can expect to claim deductions of \$8,000 for those items on your 2019 return. You

can use \$8,000 to figure the number of your withholding allowances for itemized deductions.

Not itemizing deductions. If you expect to claim the standard deduction on your tax return, skip lines 1 and 2, and enter "-0-" on line 3 of the worksheet.

Itemized deductions (worksheet line 1). Enter your estimated total itemized deductions on line 1 of the worksheet.

Listed below are some of the deductions you can take into account when figuring additional withholding allowances for 2019. You normally claim these deductions on Schedule A of Form 1040. For a full list of itemized deductions, see the Instructions for Schedule A (Form 1040 for 2018) and [What's New for 2019](#), earlier.

1. Medical and dental expenses that are more than 10% of your 2019 adjusted gross income (AGI) (defined under [Expected AGI](#), later).
2. State and local income or property taxes (up to \$10,000).
3. Deductible home mortgage interest.
4. Investment interest up to net investment income.
5. Charitable contributions.
6. Casualty and theft losses attributable to a federally declared disaster that are more than \$100 and 10% of your AGI.

Adjustments to income (worksheet line 4). Enter your estimated total adjustments to income on line 4 of the Deductions, Adjustments, and Additional Income Worksheet.

You can take the following adjustments to income into account when figuring additional withholding allowances for 2019.

- Net losses from Schedules C, D, E, and F of Form 1040 and from Part II of Form 4797, line 18b.
- Net operating loss carryovers.
- Certain business expenses of reservists, performing artists, and fee-based government officials.
- Health savings account or medical savings account deduction.
- Certain moving expenses for members of the Armed Forces on active duty.
- Deduction for self-employment tax.
- Deduction for contributions to self-employed SEP, and qualified SIMPLE plans.
- Self-employed health insurance deduction.
- Penalty on early withdrawal of savings.
- IRA deduction.
- Student loan interest deduction.
- Jury duty pay given to your employer.
- Reforestation amortization and expenses.
- Deductible expenses related to income reported on Schedule 1 (Form 1040), line 21, from the rental of personal property engaged in for profit.
- Repayment of certain supplemental unemployment benefits.
- Contributions to pension plans.
- Contributions by certain chaplains to plans.
- Attorney fees and court costs for certain unlawful discrimination claims.
- Attorney fees and court costs for certain whistleblower awards.

- Estimated amount of decrease in tax attributable to income averaging using Schedule J (Form 1040).
- Educator expenses.

Nonwage income (worksheet line 6). Enter on line 6 your estimated total nonwage income (other than tax-exempt income). Nonwage income includes interest, dividends, net rental income, unemployment compensation, gambling winnings, prizes and awards, hobby income, capital gains, royalties, and partnership income.

If line 6 is more than line 5, you may not have enough income tax withheld from your wages. See [Getting the Right Amount of Tax Withheld](#), later.

Net deductions and adjustments (worksheet line 8). Divide the amount on line 7 by \$4,200, drop any fraction, and enter the amount on line 8. If it's a negative amount, enter it in parentheses.

Example. If line 7 is \$5,200, $\$5,200 \div \$4,200 = 1.2$. Drop the fraction (0.2) and enter "1" on line 8.

Two-Earners/Multiple Jobs Worksheet

Complete the Two-Earners/Multiple Jobs Worksheet on page 4 of Form W-4 if you have more than one job or are married filing jointly and you and your spouse both work and the combined earnings from all jobs are more than \$53,000 (\$24,450 if married filing jointly).

Reducing your allowances (worksheet lines 1–3). On line 1 of the worksheet, enter the number from line H of the Personal Allowances Worksheet (or line 10 of the Deductions, Adjustments, and Additional Income Worksheet, if used). Using Table 1 in the Two-Earners/Multiple Jobs Worksheet, find the number listed beside the amount of your estimated wages for the year from your lowest paying job (or if lower and you are filing jointly, your spouse's job). Enter that number on line 2. If you (or you and your spouse if married) have more than two jobs, add up earnings for all jobs except the highest paying job when locating the relevant number in Table 1. However, if you are married filing jointly and estimated wages from the highest paying job are \$75,000 or less and the combined wages for you and your spouse are \$107,000 or less, don't enter more than "3."

Subtract line 2 from line 1 and enter the result (but not less than zero) on line 3 and on Form W-4, line 5. If line 1 is more than or equal to line 2, don't use the rest of the worksheet.

If line 1 is less than line 2, enter "-0-" on Form W-4, line 5. Then complete lines 4 through 9 of the worksheet to figure the additional withholding needed to avoid underwithholding.

Other amounts owed. If you expect to owe amounts other than income tax, such as self-employment tax, include them on line 8. The total is the additional withholding needed for the year.

Getting the Right Amount of Tax Withheld

In most situations, the tax withheld from your pay will be close to the tax you figure on your return if you follow these two rules.

- You accurately complete all the Form W-4 worksheets that apply to you.
- You give your employer a new Form W-4 when changes occur.

But because the worksheets and withholding methods don't account for all possible situations, you may not be getting the right amount withheld. This is most likely to happen in the following situations.

- You are married and both you and your spouse work.
- You have more than one job at a time.
- You have nonwage income, such as interest, dividends, alimony, or unemployment compensation.
- You will owe additional amounts with your return.
- Your withholding is based on obsolete Form W-4 information for a substantial part of the year.
- You work only part of the year.
- You change the number of your withholding allowances during the year.
- You are subject to Additional Medicare Tax or NIIT. If you anticipate liability for Additional Medicare Tax or NIIT, you may request that your employer withhold an additional amount of income tax withholding on Form W-4.

If any of these situations apply to you, you can use the IRS Withholding Calculator at [IRS.gov/W4App](#) to see if you need to change your withholding.

If you have self-employment income or owe self-employment tax, you should use the worksheets in this publication to determine if you should pay estimated tax.

Part-Year Method

If you work only part of the year and your employer agrees to use the part-year withholding method, less tax will be withheld from each wage payment than would be withheld if you worked all year. To be eligible for the part-year method, you must meet both of the following requirements.

- You must use the calendar year (the 12 months from January 1 through December 31) as your tax year. You can't use a fiscal year.
- You must not expect to be employed for more than 245 days during the year. To figure this limit, count all calendar days that you are employed (including weekends, vacations, and sick days) beginning with the first day you are on the job for pay and ending with your last day of work. If you are temporarily laid off for 30 days or less, count those days too. If you are laid off for more than 30 days, don't count those days. You won't meet this requirement if you begin working before May 1 and expect to work for the rest of the year.

How to apply for the part-year method. You must ask your employer in writing to use this method. The request must state all three of the following.

- The date of your last day of work for any prior employer during the current calendar year.
- That you don't expect to be employed more than 245 days during the current calendar year.
- That you use the calendar year as your tax year.

Cumulative Wage Method

If you change the number of your withholding allowances during the year, too much or too little tax may have been withheld for the period before you made the change. You may be able to compensate for this if your employer agrees to use the cumulative wage withholding method for the rest of the year. You must ask your employer in writing to use this method.

To be eligible, your payroll periods (weekly, biweekly, etc.) must have been the same since the beginning of the year.

Aids for Figuring Your Withholding

IRS Withholding Calculator. If you are concerned that you may be having too much or too little income tax withheld from your pay, the IRS provides a withholding calculator on its website. Go to [IRS.gov/W4App](#). It can help you determine the correct amount to be withheld any time during the year.

Rules Your Employer Must Follow

It may be helpful for you to know some of the withholding rules your employer must follow. These rules can affect how to fill out your Form W-4 and how to handle problems that may arise.

New Form W-4. When you start a new job, your employer should give you a Form W-4 to fill out. Beginning with your first payday, your employer will use the information you give on the form to figure your withholding.

If you later fill out a new Form W-4, your employer can put it into effect as soon as possible. The deadline for putting it into effect is the start of the first payroll period ending 30 or more days after you turn it in.

No Form W-4. If you don't give your employer a completed Form W-4, your employer must withhold at the highest rate, as if you were single and claimed no withholding allowances.

Repaying withheld tax. If you find you are having too much tax withheld because you didn't claim all the withholding allowances you are entitled to, you should give your employer a new Form W-4. Your employer can't repay any of the tax previously withheld. Instead, claim the full amount withheld when you file your tax return.

However, if your employer has withheld more than the correct amount of tax for the

Form W-4 you have in effect, you don't have to fill out a new Form W-4 to have your withholding lowered to the correct amount. Your employer can repay the amount that was withheld incorrectly. If you are not repaid, your Form W-2 will reflect the full amount actually withheld, which you would claim when you file your tax return.

IRS review of your withholding. Whether you are entitled to claim a certain number of allowances or a complete exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of the Form W-4 to the IRS. There is a penalty for supplying false information on Form W-4. See [Penalties](#), later.

If the IRS determines that you can't claim more than a specified number of withholding allowances or claim a complete exemption from withholding, the IRS will issue a notice of the maximum number of withholding allowances permitted (commonly referred to as a "lock-in letter") to both you and your employer.

The IRS will provide a period of time during which you can dispute the determination before your employer adjusts your withholding. If you believe that you are entitled to claim complete exemption from withholding or claim more withholding allowances than the maximum number specified by the IRS in the lock-in letter, you must submit a new Form W-4 and a written statement to support your claims to the IRS. Contact information (a toll-free number and an IRS office address) will be provided in the lock-in letter. At the end of this period, if you haven't responded or if your response isn't adequate, your employer will be required to withhold based on the original lock-in letter.

After the lock-in letter takes effect, your employer must withhold tax on the basis of the withholding rate (marital status) and maximum number of withholding allowances specified in that letter.

If you later believe that you are entitled to claim exemption from withholding or more allowances than the IRS determined, you can complete a new Form W-4 and a written statement to support the claims made on the Form W-4 and send them directly to the IRS address shown on the lock-in letter. Your employer must continue to figure your withholding on the basis of the number of allowances previously determined by the IRS until the IRS advises your employer otherwise.

At any time, either before or after the lock-in letter becomes effective, you may give your employer a new Form W-4 that does not claim complete exemption from withholding and results in more income tax withheld than specified in the lock-in letter. Your employer must then withhold tax based on this new Form W-4.

Additional information is available at [IRS.gov](https://www.irs.gov). Enter "[withholding compliance questions](#)" in the search box.

Exemption From Withholding

If you claim exemption from withholding, your employer won't withhold federal income tax from your wages. The exemption applies only to income tax, not to social security or Medicare tax.

You can claim exemption from withholding for 2019 only if both of the following situations apply.

- For 2018, you had a right to a refund of all federal income tax withheld because you had no tax liability.
- For 2019, you expect a refund of all federal income tax withheld because you expect to have no tax liability.

Use [Figure 1-A](#) to help you decide whether you can claim exemption from withholding. Don't use [Figure 1-A](#) if you:

- Are 65 or older,
- Are blind,
- Will itemize deductions on your 2019 return, or
- Will claim any tax credits on your 2019 return.

These situations are discussed later.

Students. If you are a student, you are not automatically exempt. If you work only part time or during the summer, you may qualify for exemption from withholding.

Example 1. You are a high school student and expect to earn \$2,500 from a summer job. You don't expect to have any other income during the year, and your parents will be able to claim you as a dependent on their tax return. You worked last summer and had \$375 federal income tax withheld from your pay. The entire \$375 was refunded when you filed your 2018 return. Using [Figure 1-A](#), you find that you can claim exemption from withholding.

Example 2. The facts are the same as in [Example 1](#), except that you also have a savings account and expect to have \$400 interest income during the year. Using [Figure 1-A](#), you find that you can't claim exemption from withholding because your unearned income will be more than \$350 and your total income will be more than \$1,100.



CAUTION You may have to file a tax return, even if you are exempt from withholding. See [Pub. 501](#) to see whether you must file a return.



Age 65 or older or blind. If you are 65 or older or blind, use [Worksheet 1-1](#) or [Worksheet 1-2](#) to help you decide whether you can claim exemption from withholding. Don't use either worksheet if you will itemize deductions or claim tax credits on your 2019 return. Instead, see [Itemizing deductions or claiming credits](#) next.

Itemizing deductions or claiming credits. If you had no tax liability for 2018, and you will:

- Itemize deductions, or
- Claim a tax credit,

use [Worksheet 2-1](#) (also see [chapter 2](#)) to figure your 2019 expected tax liability. You can claim exemption from withholding only if your total expected tax liability (line 11c of the worksheet) is zero.

Claiming exemption from withholding. To claim exemption, you must give your employer a Form W-4. Don't complete lines 5 and 6. Enter "Exempt" on line 7.

If you claim exemption, but later your situation changes so that you will have to pay income tax after all, you must file a new Form W-4 within 10 days after the change. If you claim exemption in 2019 but you expect to owe income tax for 2020, you must file a new Form W-4 by December 1, 2019.

Your claim of exempt status may be reviewed by the IRS. See [IRS review of your withholding](#), earlier.

An exemption is good for only 1 year. You must give your employer a new Form W-4 by February 15 each year to continue your exemption.

Supplemental Wages

Supplemental wages include bonuses, commissions, overtime pay, vacation allowances, certain sick pay, and expense allowances under certain plans. The payer can figure withholding on supplemental wages using the same method used for your regular wages. However, if these payments are identified separately from regular wages, your employer or other payer of supplemental wages can withhold income tax from these wages at a 22% flat rate under certain circumstances as explained in the section on supplemental wages in [Pub. 15](#).

Expense allowances. Reimbursements or other expense allowances paid by your employer under a nonaccountable plan are treated as supplemental wages. A nonaccountable plan is a reimbursement arrangement that does not require you to account for, or prove, your business expenses to your employer or does not require you to return your employer's payments that are more than your proven expenses.

Reimbursements or other expense allowances paid under an accountable plan that are more than your proven expenses are treated as paid under a nonaccountable plan if you don't return the excess payments within a reasonable period of time.

Accountable plan. To be an accountable plan, your employer's reimbursement or allowance arrangement must include all three of the following rules.

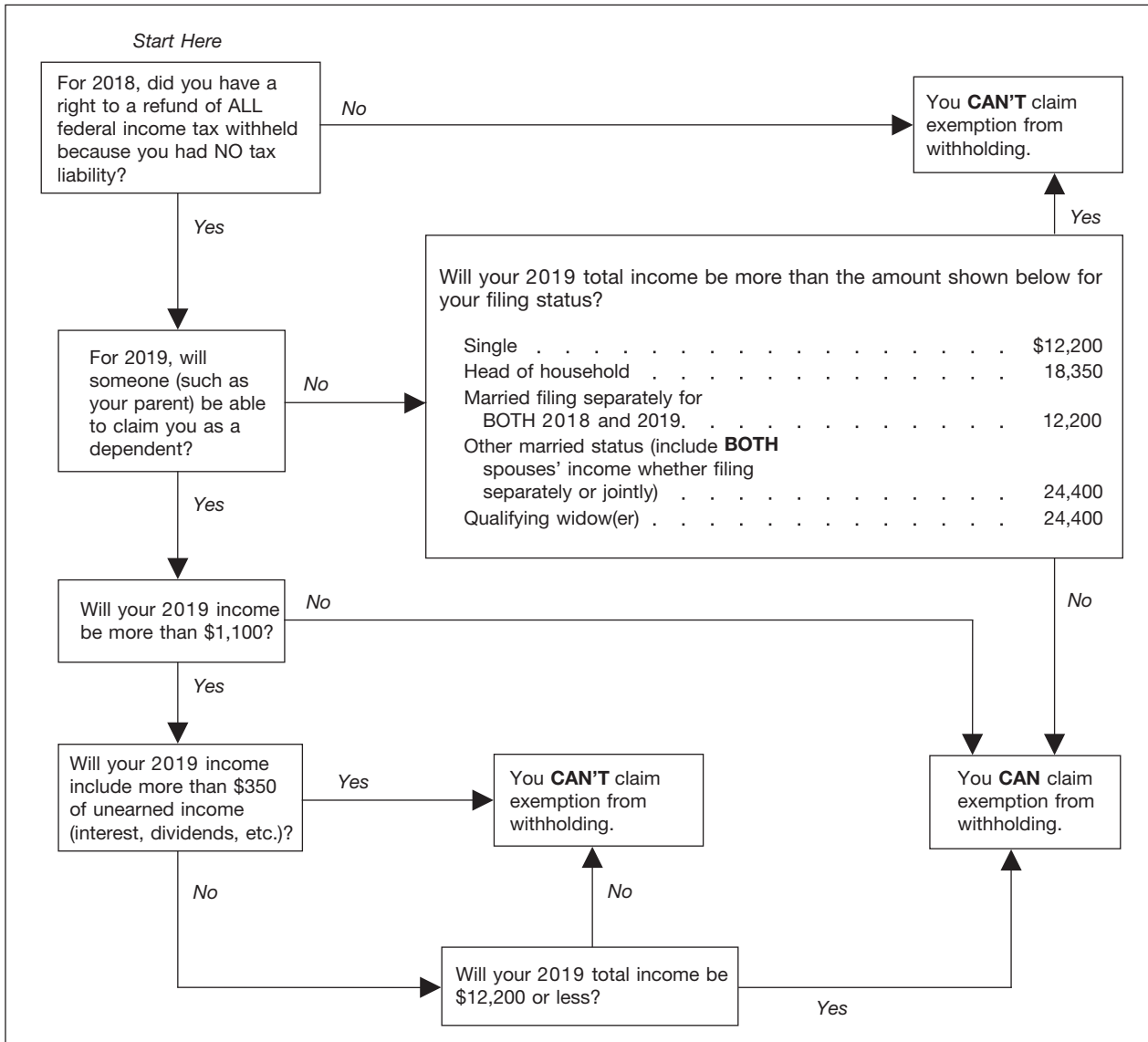
- Your expenses must have a business connection. That is, you must have paid or incurred deductible expenses while performing services as an employee of your employer.
- You must adequately account to your employer for these expenses within a reasonable period of time.
- You must return any excess reimbursement or allowance within a reasonable period of time.

An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses that you adequately accounted for to your employer.

The definition of reasonable period of time depends on the facts and circumstances of your situation. However, regardless of those facts and circumstances, actions that take place within the times specified in the following

Figure 1-A. Exemption From Withholding on Form W-4

Note. Don't use this chart if you are 65 or older or blind, or if you will itemize your deductions or claim tax credits. Instead, see the discussions in this chapter under *Exemption From Withholding*. If none of these situations apply to you, but you have adjustments to income, use the 2019 Estimated Tax Worksheet.



list will be treated as taking place within a reasonable period of time.

- You receive an advance within 30 days of the time you have an expense.
- You adequately account for your expenses within 60 days after they were paid or incurred.
- You return any excess reimbursement within 120 days after the expense was paid or incurred.
- You are given a periodic statement (at least quarterly) that asks you to either return or adequately account for outstanding advances and you comply within 120 days of the statement.

Nonaccountable plan. Any plan that does not meet the definition of an accountable plan is considered a nonaccountable plan.

For more information about accountable and nonaccountable plans, see chapter 6 of Pub. 463, Travel, Entertainment, Gift, and Car Expenses.

Penalties

You may have to pay a penalty of \$500 if both of the following apply.

- You make statements or claim withholding allowances on your Form W-4 that reduce the amount of tax withheld.

- You have no reasonable basis for those statements or allowances at the time you prepare your Form W-4.

There also is a criminal penalty for willfully supplying false or fraudulent information on your Form W-4 or for willfully failing to supply information that would increase the amount withheld. The penalty upon conviction can be either a fine of up to \$1,000 or imprisonment for up to 1 year, or both.

These penalties will apply if you deliberately and knowingly falsify your Form W-4 in an attempt to reduce or eliminate the proper withholding of taxes. A simple error or an honest mistake won't result in one of these penalties. For example, a person who has tried to figure the number of withholding allowances correctly,

but claims seven when the proper number is six, won't be charged a Form W-4 penalty.

Tips

The tips you receive while working on your job are considered part of your pay. You must include your tips on your tax return on the same line as your regular pay. However, tax isn't withheld directly from tip income, as it is from your regular pay. Nevertheless, your employer will take into account the tips you report when figuring how much to withhold from your regular pay.

Reporting tips to your employer. If you receive tips of \$20 or more in a month while working for any one employer, you must report to your employer the total amount of tips you receive on the job during the month. The report is due by the 10th day of the following month.

If you have more than one job, make a separate report to each employer. Report only the tips you received while working for that employer, and only if they total \$20 or more for the month.

How employer figures amount to withhold. The tips you report to your employer are counted as part of your income for the month you report them. Your employer can figure your withholding in either of two ways.

- By withholding at the regular rate on the sum of your pay plus your reported tips.
- By withholding at the regular rate on your pay plus a percentage of your reported tips.

Not enough pay to cover taxes. If your regular pay isn't enough for your employer to withhold all the tax (including income tax and social security and Medicare taxes (or the equivalent railroad retirement tax)) due on your pay plus your tips, you can give your employer money to cover the shortage.

If you don't give your employer money to cover the shortage, your employer first withholds as much Medicare tax and social security or railroad retirement tax as possible, up to the proper amount, and then withholds income tax up to the full amount of your pay. If not enough tax is withheld, you may have to pay estimated tax. When you file your return, you also may have to pay any Medicare and social security tax or railroad retirement tax your employer could not withhold.

Tips not reported to your employer. On your tax return, you must report all the tips you receive during the year, even tips you don't report to your employer (this includes the value of any noncash tips you received, such as tickets, passes, or other items of value). Make sure you are having enough tax withheld, or are paying enough estimated tax (see [chapter 2](#)), to cover all your tip income.

Allocated tips. If you work in a large food or beverage establishment, your employer may have to report an allocated amount of tips on your Form W-2.

Your employer should not withhold income tax, Medicare tax, and social security or railroad retirement tax on the allocated amount.

Withholding is based only on your pay plus your reported tips. Your employer should refund to you any incorrectly withheld tax.

More information. For more information on the reporting and withholding rules for tip income and on tip allocation, see Pub. 531, Reporting Tip Income.

Taxable Fringe Benefits

The value of certain noncash fringe benefits you receive from your employer is considered part of your pay. Your employer generally must withhold income tax on these benefits from your regular pay.

Although the value of your personal use of an employer-provided car, truck, or other highway motor vehicle is taxable, your employer can choose not to withhold income tax on that amount. Your employer must notify you if this choice is made.

When benefits are considered paid. Your employer can choose to treat a fringe benefit as paid by the pay period, by the quarter, or on some other basis as long as the benefit is considered paid at least once a year. Your employer can treat the benefit as being paid on one or more dates during the year, even if you get the entire benefit at one time.

Special rule. Your employer can choose to treat a benefit provided during November or December as paid in the next year. Your employer must notify you if this rule is used.

Example. Your employer considers the value of benefits paid from November 1, 2017, through October 31, 2018, as paid to you in 2018. To determine the total value of benefits paid to you in 2019, your employer will add the value of any benefits paid in November and December of 2018 to the value of any benefits paid in January through October of 2019.

Exceptions. Your employer can't choose when to withhold tax on the transfer of either real property or personal property of a kind normally held for investment (such as stock). Your employer must withhold tax on these benefits at the time of the transfer.

How withholding is figured. Your employer can either add the value of a fringe benefit to your regular pay and figure income tax withholding on the total or withhold a flat 22% of the benefit's value.

If the benefit's actual value can't be determined when it is paid or treated as paid, your employer can use a reasonable estimate. Your employer must determine the actual value of the benefit by January 31 of the next year. If the actual value is more than the estimate, your employer must pay the IRS any additional withholding tax required. Your employer has until April 1 of that next year to recover from you the additional income tax paid to the IRS for you.

How your employer reports your benefits. Your employer must report on Form W-2 the total of the taxable fringe benefits paid or treated as paid to you during the year and the tax with-

held for the benefits. These amounts can be shown either on the Form W-2 for your regular pay or on a separate Form W-2. If your employer provided you with a car, truck, or other motor vehicle and chose to treat all of your use of it as personal, its value must be either separately shown on Form W-2 or reported to you on a separate statement.

More information. For information on fringe benefits, see *Fringe Benefits* under *Employee Compensation* in Pub. 525, Taxable and Nontaxable Income.

Sick Pay

Sick pay is a payment to you to replace your regular wages while you are temporarily absent from work due to sickness or personal injury. To qualify as sick pay, it must be paid under a plan to which your employer is a party.

If you receive sick pay from your employer or an agent of your employer, income tax must be withheld. An agent who does not pay regular wages to you may choose to withhold income tax at a flat rate.

However, if you receive sick pay from a third party who isn't acting as an agent of your employer, income tax will be withheld only if you choose to have it withheld. See [Form W-4S](#), later.

If you receive payments under a plan in which your employer does not participate (such as an accident or health plan where you paid all the premiums), the payments are not sick pay and usually are not taxable.

Union agreements. If you receive sick pay under a collective bargaining agreement between your union and your employer, the agreement may determine the amount of income tax withholding. See your union representative or your employer for more information.

Form W-4S. If you choose to have income tax withheld from sick pay paid by a third party, such as an insurance company, you must fill out Form W-4S. Its instructions contain a worksheet you can use to figure the amount you want withheld. They also explain restrictions that may apply.

Give the completed form to the payer of your sick pay. The payer must withhold according to your directions on the form.

Form W-4S remains in effect until you change or cancel it, or stop receiving payments. You can change your withholding by giving a new Form W-4S or a written notice to the payer of your sick pay.

Estimated tax. If you don't request withholding on Form W-4S, or if you don't have enough tax withheld, you may have to pay estimated tax. If you don't pay enough tax, either through estimated tax or withholding, or a combination of both, you may have to pay a penalty. See [chapter 2](#).

Pensions and Annuities

Income tax usually will be withheld from your pension or annuity distributions unless you choose not to have it withheld. This rule applies to distributions from:

- An IRA;
- A life insurance company under an endowment, annuity, or life insurance contract;
- A pension, annuity, or profit-sharing plan;
- A stock bonus plan; and
- Any other plan that defers the time you receive compensation.

The amount withheld depends on whether you receive payments spread out over more than 1 year (periodic payments), within 1 year (nonperiodic payments), or as an eligible rollover distribution (ERD). Income tax withholding from an ERD is mandatory. ERDs are discussed under [Eligible Rollover Distributions](#), later.

Nontaxable part. The part of your pension or annuity that is a return of your investment in your retirement plan (the amount you paid into the plan or its cost to you) isn't taxable. Income tax won't be withheld from the part of your pension or annuity that isn't taxable. The tax withheld will be figured on, and can't be more than, the taxable part.

For information about figuring the part of your pension or annuity that isn't taxable, see Pub. 575, Pension and Annuity Income.

Periodic Payments

Withholding from periodic payments of a pension or annuity is figured in the same way as withholding from salaries and wages. To tell the payer of your pension or annuity how much you want withheld, fill out Form W-4P or a similar form provided by the payer. Follow the rules discussed under [Salaries and Wages](#), earlier, to fill out your Form W-4P.

Note. Use Form W-4, not Form W-4P, if you receive any of the following.

- Military retirement pay.
- Payments from certain nonqualified deferred compensation plans. These are employer plans that pay part of your compensation at a later time, but are not tax-qualified deferred compensation plans. See *Nonqualified Deferred Compensation and Section 457 Plans* in Pub. 957, *Reporting Back Pay and Special Wage Payments to the Social Security Administration*.

Withholding rules. The withholding rules for pensions and annuities differ from those for salaries and wages in the following ways.

- If you don't fill out a withholding certificate, tax will be withheld as if you were married and claiming three withholding allowances.
- You can choose not to have tax withheld, regardless of how much tax you owed last year or expect to owe this year. You don't have to qualify for exemption. See [Choosing Not To Have Income Tax Withheld](#), later.

- If you don't give the payer your SSN in the required manner or the IRS notifies the payer before any payment or distribution is made that you gave an incorrect SSN, tax will be withheld as if you were single and were claiming no withholding allowances.

Effective date of withholding certificate. If you give your withholding certificate (Form W-4P or a similar form) to the payer on or before the date your payments start, it will be put into effect by the first payment made more than 30 days after you submit the certificate.

If you give the payer your certificate after your payments start, it will be put into effect with the first payment which is at least 30 days after you submit it. However, the payer can elect to put it into effect earlier.

Nonperiodic Payments

Tax will be withheld at a flat 10% rate on any nonperiodic payments you receive, unless you tell the payer not to withhold.

Use Form W-4P, line 3, to specify that an additional dollar amount be withheld. You also can use Form W-4P, line 1, to choose not to have tax withheld. If you want to revoke a choice not to have tax withheld, see [Choosing Not To Have Income Tax Withheld](#), later.



You may need to use Form W-4P to ask for additional withholding. If you don't have enough tax withheld, you may need to pay estimated tax, as explained in [chapter 2](#).

Eligible Rollover Distributions

A distribution you receive that is eligible to be rolled over tax free into a qualified retirement or annuity plan is called an eligible rollover distribution (ERD). This is the taxable part of any distribution from a qualified pension plan or tax-sheltered annuity that isn't any of the following.

1. A required minimum distribution.
2. One of a series of substantially equal periodic pension or annuity payments made over:
 - a. Your life (or your life expectancy) or the joint lives of you and your beneficiary (or your life expectancies), or
 - b. A specified period of 10 or more years.
3. A hardship distribution.

The payer of a distribution must withhold at a flat 20% rate on any part of an ERD that is distributed rather than rolled over directly to another qualified plan. Withholding on these distributions is mandatory. However, no withholding is required on any part rolled over directly to another plan.

Choosing Not To Have Income Tax Withheld

For payments other than ERDs, you can choose not to have income tax withheld. The payer will tell you how to make this choice. If you use Form W-4P, check the box on line 1 to choose not to have withholding. This choice will remain in effect until you decide you want withholding and inform the payer. See [Revoking a choice not to have tax withheld](#), later.

The payer must withhold if either of the following applies.

- You don't give the payer your SSN in the required manner.
- The IRS notifies the payer, before any payment or distribution is made, that you gave it an incorrect SSN.

If you don't have any income tax withheld from your pension or annuity, or if you don't have enough withheld, you may have to pay estimated tax. See [chapter 2](#).

If you don't pay enough tax, either through estimated tax or withholding, or a combination of both, you may have to pay a penalty.

Payments delivered outside the United States. You generally must have tax withheld from pension or annuity benefits delivered outside the United States. However, if you are a U.S. citizen or resident alien, you can choose not to have tax withheld if you give the payer of the benefits a home address in the United States or in a U.S. possession. The payer must withhold tax if you provide a U.S. address for a nominee, trustee, or agent to whom the benefits are to be delivered, but don't provide your own home address in the United States or in a U.S. possession.

Notice required of payer. The payer of your pension or annuity must send you a notice telling you about your right to choose not to have tax withheld.

Generally, the payer won't send a notice to you if it is reasonable to believe that the entire amount you will be paid isn't taxable.

Revoking a choice not to have tax withheld.

The payer of your pension or annuity will tell you how to revoke your choice not to have income tax withheld from periodic or nonperiodic payments. If you use Form W-4P to revoke the choice, enter "Revoked" by the checkbox on line 1 of the form. This will instruct the payer to withhold as if you were married and claiming three allowances. However, you can tell the payer exactly how much to withhold by completing line 2 of the form for periodic payments or line 3 for nonperiodic payments.

Gambling Winnings

Income tax is withheld at a flat 24% rate from certain kinds of gambling winnings.

Gambling winnings of more than \$5,000 from the following sources are subject to income tax withholding.

- Any sweepstakes; wagering pool, including payments made to winners of poker tournaments; or lottery.

- Any other wager if the proceeds are at least 300 times the amount of the bet.

It does not matter whether your winnings are paid in cash, in property, or as an annuity. Winnings not paid in cash are taken into account at their fair market value.

Exception. Gambling winnings from bingo, keno, and slot machines generally are not subject to income tax withholding. However, you may need to provide the payer with an SSN to avoid withholding. See [Backup withholding on gambling winnings](#), later. If you receive gambling winnings not subject to withholding, you may need to pay estimated tax. See [chapter 2](#).

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty.

Form W-2G. If a payer withholds income tax from your gambling winnings, you should receive a Form W-2G, Certain Gambling Winnings, showing the amount you won and the amount withheld.

Report the tax withheld on your 2019 Form 1040, along with all other federal income tax withheld, as shown on Forms W-2 and 1099.

Information to give payer. If the payer asks, you must give the payer all the following information.

- Your name, address, and SSN.
- Whether you made identical wagers (explained below).
- Whether someone else is entitled to any part of the winnings subject to withholding. If so, you must complete Form 5754, Statement by Person(s) Receiving Gambling Winnings, and return it to the payer. The payer will use it to prepare a Form W-2G for each of the winners.

Identical wagers. You may have to give the payer a statement of the amount of your winnings, if any, from identical wagers. If this statement is required, the payer will ask you for it. You provide this statement by signing Form W-2G or, if required, Form 5754.

Identical wagers include two bets placed in a pari-mutuel pool on one horse to win a particular race. However, the bets are not identical if one bet is "to win" and one bet is "to place." In addition, they are not identical if the bets were placed in different pari-mutuel pools. For example, a bet in a pool conducted by the racetrack and a bet in a separate pool conducted by an offtrack betting establishment in which the bets are not pooled with those placed at the track are not identical wagers.

Backup withholding on gambling winnings. If you have any kind of gambling winnings and don't give the payer your SSN, the payer may have to withhold income tax at a flat 24% rate. This rule also applies to winnings of at least \$1,200 from bingo or slot machines or \$1,500 from keno, and to certain other gambling winnings of at least \$600.

Unemployment Compensation

You can choose to have income tax withheld from unemployment compensation. To make this choice, fill out Form W-4V (or a similar form provided by the payer) and give it to the payer.

All unemployment compensation is taxable. So, if you don't have income tax withheld, you may have to pay estimated tax. See [chapter 2](#).

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty.

Form 1099-G. If you receive \$10 or more in unemployment compensation, you will receive a Form 1099-G, Certain Government Payments. Box 1 will show the amount of unemployment compensation you got for the year. Box 4 will show the amount of federal income tax withheld, if any.

Federal Payments

You can choose to have income tax withheld from certain federal payments you receive. These payments are the following.

1. Social security benefits.
2. Tier 1 railroad retirement benefits.
3. Commodity credit corporation loans you choose to include in your gross income.
4. Payments under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as amended, or title II of the Disaster Assistance Act of 1988 that are treated as insurance proceeds and that you received because:
 - a. Your crops were destroyed or damaged by drought, flood, or any other natural disaster; or
 - b. You were unable to plant crops because of a natural disaster described in (a).
5. Dividends and other distributions from Alaska Native Corporations to its shareholders.
6. Any other payment under federal law as determined by the Secretary.

To make this choice, fill out Form W-4V (or a similar form provided by the payer) and give it to the payer.

If you don't choose to have income tax withheld, you may have to pay estimated tax. See [chapter 2](#).

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty.

More information. For more information about the tax treatment of social security and railroad retirement benefits, get Pub. 915, Social Security and Equivalent Railroad Retirement Benefits. Get Pub. 225, Farmer's Tax Guide, for information about the tax treatment of commodity credit corporation loans or crop disaster payments.

Payment to shareholders of Alaska Native Corporations (ANCs). If you are a shareholder of an ANC, you can request to have income tax withheld from dividends and other distributions you receive from the ANC. To make this request, fill out Form W-4V (or a similar form provided by the payer) and give it to the payer. A request for withholding isn't effective until the ANC indicates in writing that it accepts the request or begins withholding. Contact the payer if it isn't clear that the payer has accepted your Form W-4V.

If you don't choose to have income tax withheld, or the ANC doesn't accept your request, you may have to pay estimated tax. See [chapter 2](#).

If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty.

Backup Withholding

Banks or other businesses that pay you certain kinds of income must file an information return (Form 1099) with the IRS. The information return shows how much you were paid during the year. It also includes your name and taxpayer identification number (TIN). TINs are explained later in this discussion.

These payments generally are not subject to withholding. However, "backup" withholding is required in certain situations.

Payments subject to backup withholding. Backup withholding can apply to most kinds of payments that are reported on Form 1099. These include:

- Interest payments (Form 1099-INT);
- Government payments (Form 1099-G);
- Dividends (Form 1099-DIV);
- Patronage dividends, but only if at least half the payment is in money (Form 1099-PATR);
- Rents, profits, or other gains (Form 1099-MISC);
- Commissions, fees, or other payments for work you do as an independent contractor (Form 1099-MISC);
- Payments by brokers (Form 1099-B);
- Payments by fishing boat operators, but only the part that is in money and that represents a share of the proceeds of the catch (Form 1099-MISC); and
- Royalty payments (Form 1099-MISC).

Backup withholding also may apply to gambling winnings. See [Backup withholding on gambling winnings](#) under *Gambling Winnings*, earlier.

Payments not subject to backup withholding. Backup withholding does not apply to payments reported on Form 1099-MISC (other than payments by fishing boat operators and royalty payments) unless at least one of the following three situations applies.

- The amount you receive from any one payer is \$600 or more.
- The payer had to give you a Form 1099 last year.
- The payer made payments to you last year that were subject to backup withholding.

Form 1099 and backup withholding are generally not required for a payment of less than \$10.

Withholding rules. When you open a new account, make an investment, or begin to receive payments reported on Form 1099, the bank or other business will give you Form W-9, Request for Taxpayer Identification Number and Certification, or a similar form. You must enter your TIN on the form and, if your account or investment will earn interest or dividends, you also must certify (under penalties of perjury) that your TIN is correct and that you are not subject to backup withholding.

The payer must withhold at a flat 24% rate in the following situations.

- You don't give the payer your TIN in the required manner.
- The IRS notifies the payer that the TIN you gave is incorrect.
- You are required, but fail, to certify that you are not subject to backup withholding.
- The IRS notifies the payer to start withholding on interest or dividends because you have underreported interest or dividends on your income tax return. The IRS will do this only after it has mailed you four notices over at least a 210-day period.

Taxpayer identification number (TIN).

Your TIN is one of the following three numbers.

- An SSN.
- An employer identification number (EIN).
- An IRS individual taxpayer identification number (ITIN). Aliens who don't have an

SSN and are not eligible to get one should get an ITIN. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN.

An ITIN is for federal tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law. For more information on ITINs, get Pub. 1915, Understanding Your IRS Individual Taxpayer Identification Number.



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.

How to prevent or stop backup withholding.

If you have been notified by a payer that the TIN you gave is incorrect, you usually can prevent backup withholding from starting or stop backup withholding once it has begun by giving the payer your correct name and TIN. You must certify that the TIN you give is correct.

However, the payer will provide additional instructions if the TIN you gave needs to be validated by the Social Security Administration or by the IRS. This may happen if both the following conditions exist.

1. The IRS notifies the payer twice within 3 calendar years that a TIN you gave for the same account is incorrect.
2. The incorrect TIN is still being used on the account when the payer receives the second notice.

Underreported interest or dividends. If you have been notified that you underreported interest or dividends, you must request and receive a determination from the IRS to prevent backup withholding from starting or to stop backup withholding once it has begun. Your request must show that at least one of the following situations applies.

- No underreporting occurred.
- You have a bona fide dispute with the IRS about whether an underreporting occurred.
- Backup withholding will cause or is causing an undue hardship and it is unlikely that you will underreport interest and dividends in the future.
- You have corrected the underreporting by filing an original return if you didn't previously file one, or by filing an amended return, and by paying all taxes, penalties, and interest due for any underreported interest or dividend payments.

If the IRS determines that backup withholding should stop, it will provide you with certification and will notify the payers who were sent notices earlier.

Penalties. There are civil and criminal penalties for giving false information to avoid backup withholding. The civil penalty is \$500. The criminal penalty, upon conviction, is a fine of up to \$1,000 or imprisonment of up to 1 year, or both.

Worksheets for Chapter 1

Use the following worksheets to figure your correct withholding and adjustments.

Use...	To...
Worksheet 1-1 and Worksheet 1-2 Exemption From Withholding for Persons/Dependents Age 65 or Older or Blind	Figure your total expected income for 2019 to determine if you are exempt from withholding. Use Worksheet 1-1 if, in 2018 you had a right to a refund of all federal income tax withheld because of no tax liability. Use Worksheet 1-2, if you are a dependent for 2019 and, for 2018, you had a refund of all federal income tax withheld because of no tax liability.
Worksheet 1-3 Projected Tax for 2019	Project the taxable income you will have for 2019 and figure the amount of tax you will have to pay on that income.
Worksheet 1-4 Tax Computation Worksheets for 2019	Figure the amount of tax on your projected taxable income.
Worksheet 1-5 Projected Withholding for 2019	Project the amount of federal income tax that you will have withheld in 2019, compare your projected withholding with your projected tax, and determine whether the amount withheld each payday should be adjusted.
Worksheet 1-6 Converting Credits to Withholding Allowances for 2019 Form W-4	Figure the amount to enter on line G of the Personal Allowances Worksheet to account for your projected tax credits that are not otherwise taken into consideration.

Worksheet 1-1. Exemption From Withholding for Persons Age 65 or Older or Blind

Use this worksheet only if, for **2018**, you had a right to a refund of **all** federal income tax withheld because you had **no** tax liability.

Caution. This worksheet does not apply if you can be claimed as a dependent. See Worksheet 1-2 instead.

1. Check the boxes below that apply to you.

65 or older Blind

2. Check the boxes below that apply to your spouse's standard deduction.*

65 or older Blind

3. Add the number of boxes you checked in 1 and 2 above. Enter the result

You **can** claim exemption from withholding if:

Your filing status is:	and the number on line 3 above is:	and your 2019 total income will be no more than:
Single	1	\$13,850
	2	15,500
Head of household	1	\$20,000
	2	21,650
Married filing separately for both 2018 and 2019	1	\$13,500
	2	14,800
	3	16,100
	4	17,400
Other married status	1	\$25,700**
	2	27,000**
	3	28,300**
	4	29,600**
Qualifying widow(er)	1	\$25,700
	2	27,000

** Include both spouses' income whether you will file separately or jointly.

You **can't** claim exemption from withholding if your total income will be **more than** the amount shown for your filing status.

* You can check the appropriate boxes for your spouse if your filing status is married filing jointly. You can check the appropriate boxes for your spouse if your filing status is married filing separately and your spouse had no income, isn't filing a return, and can't be claimed as a dependent on another person's return.

Worksheet 1-2. Exemption From Withholding for Dependents Age 65 or Older or Blind

Use this worksheet only if, for **2019**, you are a dependent and if, for **2018**, you had a right to a refund of **all** federal income tax withheld because you had **no** tax liability.

1. Enter your expected earned income plus \$350

2. Minimum amount

3. Compare lines 1 and 2. Enter the **larger** amount

4. Limit

5. Compare lines 3 and 4. Enter the **smaller** amount

6. Enter the appropriate amount from the following table

Single	
Either 65 or older or blind	\$1,650
Both 65 or older and blind	3,300
Married filing separately	
Either 65 or older or blind	1,300
Both 65 or older and blind	2,600

7. Add lines 5 and 6. Enter the result

8. Enter your total expected income

You **can** claim exemption from withholding if line 7 is equal to or more than line 8. You **can't** claim exemption from withholding if line 8 is more than line 7.

Use this worksheet to figure your projected tax for 2019. Note. Enter combined amounts if married filing jointly.	
<p>1. Enter amount of adjusted gross income (AGI) you expect in 2019. (To determine this, you may want to start with the AGI on your last year's return, and add or subtract your expected changes. Also take into account items listed under <i>What's New for 2019</i>, earlier.)</p> <p>Note. If self-employed, first complete Worksheet 2-3 to figure your expected deduction for self-employment tax. Subtract the amount from Worksheet 2-3, line 11, to figure the line 1 entry</p>	1.
<p>2. If you:</p> <ul style="list-style-type: none"> • Don't plan to itemize deductions on Schedule A (Form 1040), use Worksheet 2-4 to figure your expected standard deduction and enter that amount here. • Plan to itemize deductions, enter the amount of your estimated itemized deductions. Itemized deductions for 2019 include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), medical expenses in excess of 10% of your adjusted gross income, and gambling losses and other miscellaneous deductions that aren't subject to the 2% floor. • Qualify for the deduction for qualified business income, enter the estimated amount of the deduction you are allowed on your qualified business income from a qualified trade or business. Add this amount to your expected standard deduction or estimated itemized deductions and enter the total here 	2.
<p>3. Expected taxable income. Subtract line 2 from line 1 (if zero or less, enter -0- here and on line 4, then go to line 5)</p>	3.
<p>4. If the amount on line 1:</p> <ul style="list-style-type: none"> • Doesn't include a net capital gain or qualified dividends and you didn't exclude foreign earned income or exclude or deduct foreign housing in arriving at the amount on line 1, use Worksheet 1-4 to figure the tax to enter here. • Includes a net capital gain or qualified dividends, use Worksheet 2-5 to figure the tax to enter here. • Was figured by excluding foreign earned income or excluding or deducting foreign housing, use Worksheet 2-6 to figure the tax to enter here 	4.
<p>5. Enter any expected additional taxes from an election to report your child's interest and dividends, lump-sum distributions (Form 4972), and alternative minimum tax</p>	5.
<p>6. Add lines 4 and 5</p>	6.
<p>7. Enter the amount of any expected tax credits. See Table 1-2</p>	7.
<p>8. Subtract line 7 from line 6 (if zero or less, enter -0-)</p>	8.
<p>9. Self-employment tax. Enter the amount from Worksheet 2-3, line 10. (If you expect to file jointly and both of you are self-employed, figure the self-employment tax for each of you separately and enter the total on line 9.)</p>	9.
<p>10. Enter the total of any other expected taxes*</p>	10.
<p>11. Projected tax for 2019. Add lines 8 through 10. Enter the total here and on Worksheet 1-5, line 1</p>	11.

* Use the instructions for the 2018 Form 1040 to determine if you expect to owe, for 2019, any of the taxes that would have been entered on your 2018 Schedule 4 (Form 1040), lines 58, 59, 60 (box a or b), and 62.



Note. If you are figuring the tax on an amount from Worksheet 2-5 (line 1 or 14), or Worksheet 2-6 (line 2 or 3), enter the amount from that worksheet in column (a) of the row that applies to that amount of income. Enter the result on the appropriate line of the worksheet you are completing.

a. Single. Use this worksheet to figure the amount to enter on Worksheet 1-3, line 4, if you expect your filing status for 2019 to be **Single**.

Expected Taxable Income		(a)	(b)	(c)	(d)	(e)
If Worksheet 1-3, line 3* is —		Enter amount from Worksheet 1-3, line 3*	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c). Enter the result here and on Worksheet 1-3, line 4*
<i>Over</i>	<i>But not over</i>					
\$0	\$9,700		× 10% (0.10)		\$0	
9,700	39,475		× 12% (0.12)		194.00	
39,475	84,200		× 22% (0.22)		4,141.50	
84,200	160,725		× 24% (0.24)		5,825.50	
160,725	204,100		× 32% (0.32)		18,683.50	
204,100	510,300		× 35% (0.35)		24,806.50	
510,300	-----		× 37% (0.37)		35,012.50	

* If you are using Worksheet 2-5, for column (a) above, use the amount from line 1 or line 14 and enter the result (from column (e)) on line 37 or line 39, as appropriate.
If you are using Worksheet 2-6, for column (a) above, use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

b. Head of Household. Use this worksheet to figure the amount to enter on Worksheet 1-3, line 4, if you expect your filing status for 2019 to be **Head of Household**.

Expected Taxable Income		(a)	(b)	(c)	(d)	(e)
If Worksheet 1-3, line 3* is —		Enter amount from Worksheet 1-3, line 3*	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c). Enter the result here and on Worksheet 1-3, line 4*
<i>Over</i>	<i>But not over</i>					
\$0	\$13,850		× 10% (0.10)		\$0	
13,850	52,850		× 12% (0.12)		277.00	
52,850	84,200		× 22% (0.22)		5,562.00	
84,200	160,700		× 24% (0.24)		7,246.00	
160,700	204,100		× 32% (0.32)		20,102.00	
204,100	510,300		× 35% (0.35)		26,225.00	
510,300	-----		× 37% (0.37)		36,431.00	

* If you are using Worksheet 2-5, for column (a) above, use the amount from line 1 or line 14 and enter the result (from column (e)) on line 37 or line 39, as appropriate.
If you are using Worksheet 2-6, for column (a) above, use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

Tax Computation Worksheet for 2019 (Continued)

c. Married Filing Jointly or Qualifying Widow(er). Use this worksheet to figure the amount to enter on Worksheet 1-3, line 4, if you expect your filing status for 2019 to be **Married Filing Jointly or Qualifying Widow(er)**.

Expected Taxable Income		(a)	(b)	(c)	(d)	(e)
If Worksheet 1-3, line 3* is —		Enter amount from Worksheet 1-3, line 3*	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c). Enter the result here and on Worksheet 1-3, line 4*
Over	But not over					
\$0	\$19,400		× 10% (0.10)		\$0	
19,400	78,950		× 12% (0.12)		388.00	
78,950	168,400		× 22% (0.22)		8,283.00	
168,400	321,450		× 24% (0.24)		11,651.00	
321,450	408,200		× 32% (0.32)		37,367.00	
408,200	612,350		× 35% (0.35)		49,613.00	
612,350	-----		× 37% (0.37)		61,860.00	

* If you are using Worksheet 2-5, for column (a) above, use the amount from line 1 or line 14 and enter the result (from column (e)) on line 37 or line 39, as appropriate.
 If you are using Worksheet 2-6, for column (a) above, use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

d. Married Filing Separately. Use this worksheet to figure the amount to enter on Worksheet 1-3, line 4, if you expect your filing status for 2019 to be **Married Filing Separately**.

Expected Taxable Income		(a)	(b)	(c)	(d)	(e)
If Worksheet 1-3, line 3* is —		Enter amount from Worksheet 1-3, line 3*	Multiplication amount	Multiply (a) by (b)	Subtraction amount	Subtract (d) from (c). Enter the result here and on Worksheet 1-3, line 4*
Over	But not over					
\$0	\$9,700		× 10% (0.10)		\$0	
9,700	39,475		× 12% (0.12)		194.00	
39,475	84,200		× 22% (0.22)		4,141.50	
84,200	160,725		× 24% (0.24)		5,825.50	
160,725	204,100		× 32% (0.32)		18,683.50	
204,100	306,175		× 35% (0.35)		24,806.50	
306,175	-----		× 37% (0.37)		30,930.00	

* If you are using Worksheet 2-5, for column (a) above, use the amount from line 1 or line 14 and enter the result (from column (e)) on line 37 or line 39, as appropriate.
 If you are using Worksheet 2-6, for column (a) above, use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.



Use this worksheet to figure the amount of your projected withholding for 2019, compare it to your projected tax for 2019, and, if necessary, figure an additional amount to have withheld each payday.

Note. If married filing jointly, enter combined amounts.

- | | | |
|--|-----|-------|
| 1. Enter your projected tax for 2019 from Worksheet 1-3, line 13 | 1. | _____ |
| 2. Enter your total federal income tax withheld to date in 2019 from all sources of income. (For wages, you should be able to find the withholding-to-date on your last pay slip or statement.) | 2. | _____ |
| 3. Enter the federal tax withholding you expect for the rest of 2019. | | |
| a. For each source of wages, multiply the amount of federal income tax now being withheld each payday by the number of paydays remaining in the year and enter the combined amount for all jobs | 3a. | _____ |
| b. For all other sources of recurring taxable income, multiply the withholding amount by the remaining number of times the income is expected. For example, if you have federal income tax withheld from your monthly pension and you will receive nine more payments this year, multiply your monthly withholding amount by 9 | 3b. | _____ |
| 4. Add lines 2, 3a, and 3b. This is your projected withholding for 2019 | 4. | _____ |
| 5. Compare the amounts on lines 1 and 4. | | |
| • If line 1 is more than line 4, subtract line 4 from line 1. Enter the result here and go to line 6 | 5. | _____ |
| • If line 4 is more than line 1, stop here and see How Do You Decrease Your Withholding , earlier. | | |
| 6. Divide line 5 by the number of paydays (or other withholding events) remaining in 2019 and enter the result. This is the additional amount you should have withheld from each remaining payment. Enter this amount on Form W-4, line 6 | 6. | _____ |

Use this worksheet to figure the amount to enter on line G of the Personal Allowances Worksheet. For more information on these credits, see [Converting Credits to Withholding Allowances](#), earlier.

Caution. If you enter an amount on line 1, enter -0- on line E of the Form W-4 Personal Allowances Worksheet. If you enter an amount on line 2, enter -0- on line F of the Form W-4 Personal Allowances Worksheet.

For lines 1 through 11, enter the projected amount for each credit you expect to take.

1. Child tax credit (including the additional child tax credit) (see *Caution* above)
2. Credit for other dependents (see *Caution* above)
3. Credit for the elderly or the disabled
4. Credit for child and dependent care expenses
5. Education credits
6. Adoption credit
7. Foreign tax credit
8. Retirement savings contributions credit
9. Earned income credit
10. Premium tax credit
11. Other credits (see [Table 1-2](#))
12. Head of household adjustment. If you are filing as head of household and your adjusted gross income is:
 - \$32,200 or less, enter \$185
 - \$32,201 to \$71,200, enter \$300
 - \$71,201 or higher, enter \$1,800
13. Add lines 1 through 12. This is your total estimated tax credits
14. Using the table below that matches your filing status, find the line in the table that matches your combined income from all sources. Then, enter on line 14 the multiplication factor shown next to your income.

Married Filing Jointly or Qualifying Widow(er)			
If your combined income from all sources is:			Multiply credits by:
\$0	–	\$43,800	10.0
43,801	–	103,350	8.3
103,351	–	192,800	4.5
192,801	–	345,850	4.2
345,851	–	432,600	3.1
432,601	–	636,750	2.9
636,751	and over		2.7

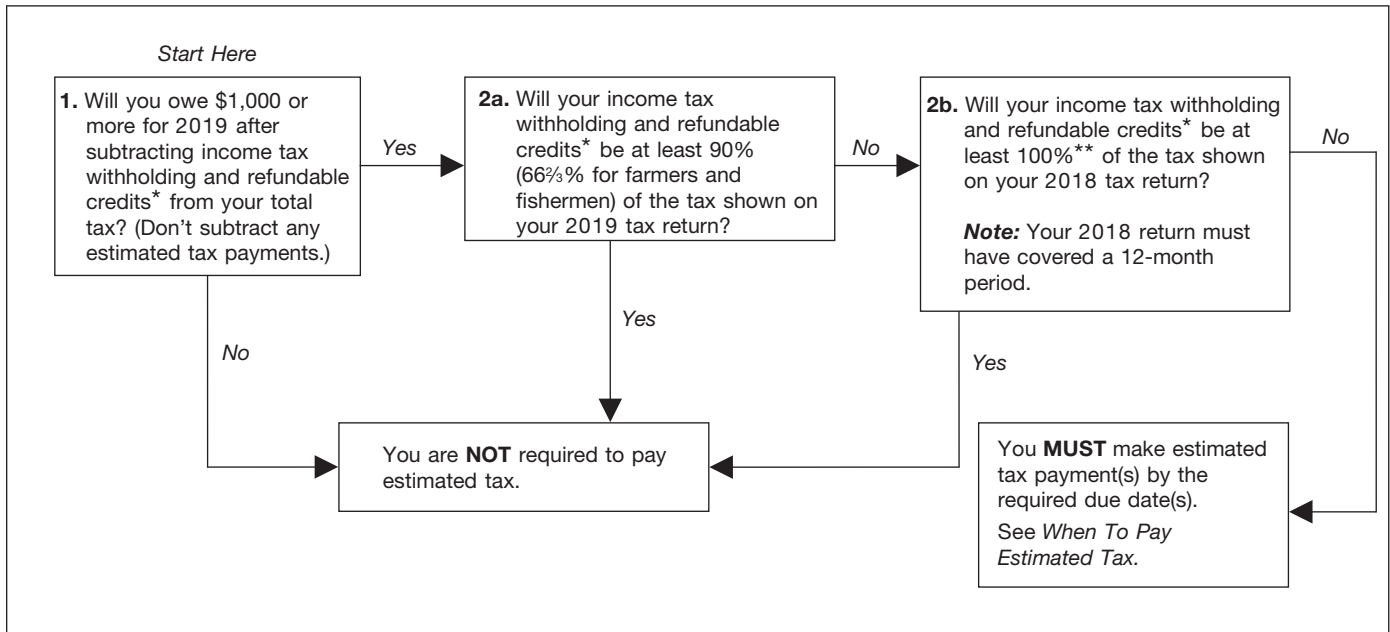
Head of Household			
If your combined income from all sources is:			Multiply credits by:
\$0	–	\$32,200	10.0
32,201	–	71,200	8.3
71,201	–	102,550	4.5
102,551	–	179,050	4.2
179,051	–	222,450	3.1
222,451	–	528,650	2.9
528,651	and over		2.7

Single			
If your combined income from all sources is:			Multiply credits by:
\$0	–	\$21,900	10.0
21,901	–	51,675	8.3
51,676	–	96,400	4.5
96,401	–	172,925	4.2
172,926	–	216,300	3.1
216,301	–	522,500	2.9
522,501	and over		2.7

Married Filing Separately			
If your combined income from all sources is:			Multiply credits by:
\$0	–	\$21,900	10.0
21,901	–	51,675	8.3
51,676	–	96,400	4.5
96,401	–	172,925	4.2
172,926	–	216,300	3.1
216,301	–	318,375	2.9
318,376	and over		2.7

15. Multiply line 13 by line 14
16. Divide line 15 by \$4,200. Drop any fraction. Enter the result here and on line G of the Personal Allowances Worksheet

Figure 2-A. Do You Have To Pay Estimated Tax?



* Use the refundable credits shown on the 2019 Estimated Tax Worksheet, line 11b.

** 110% if less than two-thirds of your gross income for 2018 and 2019 is from farming or fishing and your 2018 adjusted gross income was more than \$150,000 (\$75,000 if your filing status for 2019 is married filing a separate return).

2.

Estimated Tax for 2019

Introduction

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 also may have to pay estimated tax if the amount of income tax being withheld from your salary, pension, or other income isn't enough.

Estimated tax is used to pay both income tax and self-employment tax, as well as other taxes and amounts reported on your tax return. If you don't pay enough tax, either through withholding or estimated tax, or a combination of both, you may have to pay a penalty. If you don't pay enough by the due date of each payment period (see [When To Pay Estimated Tax](#), later), you may be charged a penalty even if you are due a refund when you file your tax return. For information on when the penalty applies, see [chapter 4](#).

TIP It would be helpful for you to have a copy of your 2018 tax return and an estimate of your 2019 income nearby while reading this chapter. Also keep in mind the items under [What's New for 2019](#), earlier.

Topics

This chapter discusses:

- Who must pay estimated tax,
- How to figure estimated tax (including illustrated examples),
- When to pay estimated tax,
- How to figure each payment, and
- How to pay estimated tax.

Useful Items

You may want to see:

Form (and Instructions)

- 1040-ES** Estimated Tax for Individuals

See [How To Get Tax Help](#) at the end of this publication for information about how to get this publication and form.

Worksheets. You may need to use several of the blank worksheets included in this chapter. See [Worksheets for Chapter 2](#) to locate what you need.

Who Does Not Have To Pay Estimated Tax

If you receive salaries and wages, you may be able to avoid paying estimated tax by asking your employer to take more tax out of your earnings. To do this, file a new Form W-4 with your employer. See [chapter 1](#).

Estimated tax not required. You don't have to pay estimated tax for 2019 if you meet all three of the following conditions.

- You had no tax liability for 2018.

- You were a U.S. citizen or resident alien for the whole year.
- Your 2018 tax year covered a 12-month period.

You had no tax liability for 2018 if your total tax (defined later under [Total tax for 2018—line 12b](#)) was zero or you didn't have to file an income tax return.

Who Must Pay Estimated Tax

If you owed additional tax for 2018, you may have to pay estimated tax for 2019.

You can use the following general rule as a guide during the year to see if you will have enough withholding, or should increase your withholding or make estimated tax payments.

General Rule

In most cases, you must pay estimated tax for 2019 if both of the following apply.

1. You expect to owe at least \$1,000 in tax for 2019, 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 2019 tax return, or
 - b. 100% of the tax shown on your 2018 tax return. Your 2018 tax return must cover all 12 months.

Note. The percentages in (2a) or (2b) just listed may be different if you are a farmer, fisherman,

or higher income taxpayer. See [Special Rules](#), later.



If the result from using the general rule above suggests that you won't have enough withholding, complete the 2019 Estimated Tax Worksheet for a more accurate calculation.

Figure 2-A takes you through the general rule. You may find this helpful in determining if you must pay estimated tax.



If all your income will be subject to income tax withholding, you probably don't need to pay estimated tax.

Example 1. Jane Smart uses Figure 2-A and the following information to figure whether she should pay estimated tax for 2019. She files as head of household, takes the standard deduction, and expects no refundable credits for 2019.

Expected adjusted gross income (AGI) for 2019	\$74,550
AGI for 2018	\$57,150
Total tax on 2018 return (Form 1040 line 15)	\$7,127
Total 2019 estimated tax (line 11c of the 2018 Estimated Tax Worksheet)	\$11,015
Tax expected to be withheld in 2019	\$10,000

Jane's answer to Figure 2-A, box 1, is YES; she expects to owe at least \$1,000 for 2019 after subtracting her withholding from her expected total tax (\$11,015 – \$10,000 = \$1,015). Her answer to box 2a is YES; she expects her income tax withholding (\$10,000) to be at least 90% of the tax to be shown on her 2019 return (\$11,015 × 90% (0.90) = \$9,913.50). Jane does not need to pay estimated tax.

Example 2. The facts are the same as in *Example 1*, except that Jane expects only \$7,000 tax to be withheld in 2019. Because that is less than \$9,913.50, her answer to box 2a is NO.

Jane's answer to box 2b is also NO; she does not expect her income tax withholding (\$7,000) to be at least 100% of the total tax shown on her 2018 return (\$7,127). Jane must increase her withholding or pay estimated tax for 2019.

Example 3. The facts are the same as in *Example 2*, except that the total tax shown on Jane's 2018 return was \$6,400. Because she expects to have more than \$6,400 withheld in 2019 (\$7,000), her answer to box 2b is YES. Jane does not need to pay estimated tax for 2019.

Married Taxpayers

If you qualify to make joint estimated tax payments, apply the rules discussed here to your joint estimated income.

You and your spouse can make joint estimated tax payments even if you are not living together.

However, you and your spouse can't make joint estimated tax payments if:

- You are legally separated under a decree of divorce or separate maintenance,
- You and your spouse have different tax years, or
- Either spouse is a nonresident alien (unless that spouse elected to be treated as a resident alien for tax purposes). See *Choosing Resident Alien Status* in Pub. 519.

Note. Individuals of the same sex and opposite sex who are in registered domestic partnerships, civil unions, or other similar formal relationships that are not marriages under state law can't make joint estimated tax payments. These individuals can take credit only for the estimated tax payments that he or she made.

If you and your spouse can't make joint estimated tax payments, apply these rules to your separate estimated income.

Making joint or separate estimated tax payments won't affect your choice of filing a joint tax return or separate returns for 2019.

2018 separate returns and 2019 joint return. If you plan to file a joint return with your spouse for 2019, but you filed separate returns for 2018, your 2018 tax is the total of the tax shown on your separate returns. You filed a separate return if you filed as single, head of household, or married filing separately.

2018 joint return and 2019 separate returns. If you plan to file a separate return for 2019, but you filed a joint return for 2018, your 2018 tax is your share of the tax on the joint return. You file a separate return if you file as single, head of household, or married filing separately.

To figure your share of the tax on a joint return, first figure the tax both you and your spouse would have paid had you filed separate returns for 2018 using the same filing status for 2019. Then multiply the tax on the joint return by the following fraction.

$$\frac{\text{The tax you would have paid had you filed a separate return}}{\text{The total tax you and your spouse would have paid had you filed separate returns}}$$

Example. Joe and Heather filed a joint return for 2018 showing taxable income of \$48,500 and a tax of \$5,442. Of the \$48,500 taxable income, \$40,100 was Joe's and the rest was Heather's. For 2019, they plan to file married filing separately. Joe figures his share of the tax on the 2018 joint return as follows.

Tax on \$40,100 based on separate return	\$4,767
Tax on \$8,400 based on separate return	843
Total	\$5,610
Joe's percentage of total (\$4,767 ÷ \$5,610)	85%
Joe's share of tax on joint return (\$5,442 × 85% (0.85))	\$4,626

Special Rules

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

Farmers and Fishermen

If at least two-thirds of your gross income for 2018 or 2019 is from farming or fishing, substitute 66²/₃% for 90% in (2a) under [General Rule](#), later.

Gross income. Your gross income is all income you receive in the form of money, goods, property, and services that isn't exempt from tax. To determine whether two-thirds of your gross income for 2018 was from farming or fishing, use as your gross income the total of the income (not loss) amounts.

Joint returns. On a joint return, you must add your spouse's gross income to your gross income to determine if at least two-thirds of your total gross income is from farming or fishing.

Gross income from farming. This is income from cultivating the soil or raising agricultural commodities. It includes the following amounts.

- Income from operating a stock, dairy, poultry, bee, fruit, or truck farm.
- Income from a plantation, ranch, nursery, range, orchard, or oyster bed.
- Crop shares for the use of your land.
- Gains from sales of draft, breeding, dairy, or sporting livestock.

For 2018, gross income from farming is the total of the following amounts.

- Schedule F (Form 1040), Profit or Loss From Farming, line 9.
- Form 4835, Farm Rental Income and Expenses, line 7.
- Your share of the gross farming income from a partnership, S corporation, estate or trust, from Schedule K-1 (Form 1065), Schedule K-1 (Form 1120S), or Schedule K-1 (Form 1041).
- Your gains from sales of draft, breeding, dairy, or sporting livestock shown on Form 4797, Sales of Business Property.

Wages you receive as a farm employee and wages you receive from a farm corporation are not gross income from farming.

Gross income from fishing. This is income from catching, taking, harvesting, cultivating, or farming any kind of fish, shellfish (for example, clams and mussels), crustaceans (for example, lobsters, crabs, and shrimp), sponges, seaweeds, or other aquatic forms of animal and vegetable life.

Gross income from fishing includes the following amounts.

- Schedule C (Form 1040), Profit or Loss From Business, line 7.
- Income for services as an officer or crew member of a vessel while the vessel is engaged in fishing.
- Your share of the gross fishing income from a partnership, S corporation, estate or trust, from Schedule K-1 (Form 1065), Schedule K-1 (Form 1120S), or Schedule K-1 (Form 1041).
- Certain taxable interest and punitive damage awards received in connection with the Exxon Valdez litigation.
- Income for services normally performed in connection with fishing.

Services normally performed in connection with fishing include:

- Shore service as an officer or crew member of a vessel engaged in fishing; and
- Services that are necessary for the immediate preservation of the catch, such as cleaning, icing, and packing the catch.

Higher Income Taxpayers

If your AGI for 2018 was more than \$150,000 (\$75,000 if your filing status for 2019 is married filing a separate return), substitute 110% for 100% in (2b) under [General Rule](#), later.

For 2018, AGI is the amount shown on Form 1040, line 7.

Note. This rule does not apply to farmers and fishermen.

Aliens

Resident and nonresident aliens also may have to pay estimated tax. Resident aliens should follow the rules in this publication, unless noted otherwise. Nonresident aliens should get Form 1040-ES (NR), U.S. Estimated Tax for Nonresident Alien Individuals.

You are an alien if you are not a citizen or national of the United States. You are a resident alien if you either have a green card or meet the substantial presence test.

For more information about withholding, the substantial presence test, and Form 1040-ES (NR), see Pub. 519.

Estates and Trusts

Estates and trusts also must pay estimated tax. However, estates (and certain grantor trusts that receive the residue of the decedent's estate under the decedent's will) are exempt from paying estimated tax for the first 2 years after the decedent's death.

Estates and trusts must use Form 1041-ES, Estimated Income Tax for Estates and Trusts, to figure and pay estimated tax.

How To Figure Estimated Tax

To figure your estimated tax, you must figure your expected AGI, taxable income, taxes, deductions, and credits for the year.

When figuring your 2019 estimated tax, it may be helpful to use your income, deductions, and credits for 2018 as a starting point. Use your 2018 federal tax return as a guide. You can use Form 1040-ES to figure your estimated tax. Nonresident aliens use Form 1040-ES (NR) to figure estimated tax.

You must make adjustments both for changes in your own situation and for recent changes in the tax law. Some of these changes are discussed earlier under [What's New for 2019](#). For information about these and other changes in the law, visit the IRS website at [IRS.gov](#).

The instructions for Form 1040-ES include a worksheet to help you figure your estimated tax. Keep the worksheet for your records.

2019 Estimated Tax Worksheet

Use [Worksheet 2-1](#) to help guide you through the information about completing the 2019 Estimated Tax Worksheet. You also can find a copy of the worksheet in the instructions for Form 1040-ES.

Expected AGI—Line 1

Your expected AGI for 2019 (line 1) is your expected total income minus your expected adjustments to income.

Total income. Include in your total income all the income you expect to receive during the year, even income that is subject to withholding. However, don't include income that is tax exempt.

Total income includes all income and loss for 2019 that, if you had received it in 2018, would have been included on your 2018 tax return in the total on line 6 of Form 1040.



Social security and railroad retirement benefits. If you expect to receive social security or tier 1 railroad retirement benefits during 2019, use [Worksheet 2-2](#) to figure the amount of expected taxable benefits you should include on line 1.

Adjustments to income. Be sure to subtract from your expected total income all of the adjustments you expect to take on your 2019 tax return.



Self-employed. If you expect to have income from self-employment, use [Worksheet 2-3](#) to figure your expected self-employment tax and your allowable deduction for self-employment tax. Include the amount from Worksheet 2-3 in your expected adjustments to income. If you file a joint return and both you and your spouse have net

earnings from self-employment, each of you must complete a separate worksheet.

Expected Taxable Income—Line 2

Reduce your expected AGI for 2019 (line 1) by either your expected itemized deductions or your standard deduction.

Itemized deductions—line 2a. If you expect to claim itemized deductions on your 2019 tax return, enter the estimated amount on line 2a.

Itemized deductions are the deductions that can be claimed on Schedule A (Form 1040).

Standard deduction—line 2a. If you expect to claim the standard deduction on your 2019 tax return, enter the amount on line 2a. Use [Worksheet 2-4](#) to figure your standard deduction.

No standard deduction. The standard deduction for some individuals is zero. Your standard deduction will be zero if you:

- File a separate return and your spouse itemizes deductions,
- Are a dual-status alien, or
- File a return for a period of less than 12 months because you change your accounting period.

Expected Taxes and Credits—Lines 4–11c

After you have figured your expected taxable income (line 3), follow the steps next to figure your expected taxes, credits, and total tax for 2019. Most people will have entries for only a few of these steps. However, you should check every step to be sure you don't overlook anything.

Step 1. Figure your expected income tax (line 4). Generally, you will use the [2019 Tax Rate Schedules](#) to figure your expected income tax.

However, see below for situations where you must use a different method to figure your estimated tax.

Tax on child's investment income. You must use a special method to figure tax on the income of the following children who have more than \$2,200 of investment income.

1. Children under age 18 at the end of 2019.
2. The following children if their earned income isn't more than half their support.
 - a. Children age 18 at the end of 2019.
 - b. Children who are full-time students at least age 19 but under age 24 at the end of 2019.

See Pub. 929, Tax Rules for Children and Dependents. Although the ages and dollar amounts in the publication may be different in the 2018 revision, this reference will give you basic information for figuring the tax.

Tax on net capital gain. The regular income tax rates for individuals don't apply to a

net capital gain. Instead, your net capital gain is taxed at a lower maximum rate.

The term “net capital gain” means the amount by which your net long-term capital gain for the year is more than your net short-term capital loss.



Tax on capital gain and qualified dividends. If the amount on line 1 includes a net capital gain or qualified dividends, use [Worksheet 2-5](#) to figure your tax.

Note. The tax rate on your capital gains and dividends will depend on your income.



Tax if excluding foreign earned income or excluding or deducting foreign housing. If you expect to claim the foreign earned income exclusion or the housing exclusion or deduction on Form 2555 or Form 2555-EZ, use [Worksheet 2-6](#) to figure your estimated tax.

Step 2. Total your expected taxes (line 6). Include on line 6 the sum of the following.

- Your tax on line 6.
- Your expected alternative minimum tax (AMT) from Form 6251.
- Your expected additional taxes from Form 8814, Parents' Election To Report Child's Interest and Dividends, and Form 4972, Tax on Lump-Sum Distributions.
- Any recapture of education credits.

Step 3. Subtract your expected credits (line 7). If you are using your 2018 return as a guide and filed Form 1040, your total credits for 2018 were shown on line 12.

If your credits on line 7 are more than your taxes on line 6, enter “-0-” on line 8 and go to Step 4.

Step 4. Add your expected self-employment tax (line 9). You already should have figured your self-employment tax (see [Self-employed](#) under *Expected AGI—Line 1*, earlier).

Step 5. Add your expected other taxes (line 10).

Other taxes include the following. The total of these taxes are entered on line 10.

- Additional tax on early distributions from:
 - An IRA or other qualified retirement plan,
 - A tax-sheltered annuity, or
 - A modified endowment contract entered into after June 20, 1988.
- Household employment taxes if:
 - You will have federal income tax withheld from wages, pensions, annuities, gambling winnings, or other income; or
 - You would be required to make estimated tax payments even if you didn't include household employment taxes when figuring your estimated tax.
- Amounts written on Form 1040 on the line for “other taxes” (Schedule 4 (Form 1040), line 62). But **don't include** recapture of a

federal mortgage subsidy; tax on excess golden parachute payments; look-back interest due under section 167(g) or 460(b) of the Internal Revenue Code; excise tax on insider stock compensation from an expatriated corporation; or uncollected social security and Medicare tax or RRTA tax on tips or group-term life insurance.

- Repayment of the first-time homebuyer credit. See Form 5405.
- Additional Medicare Tax. A 0.9% Additional Medicare Tax applies to your combined Medicare wages and self-employment income and/or your RRTA compensation that exceeds the amount listed in the following chart, based on your filing status.

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household	\$200,000
Qualifying Widow(er)	\$200,000

Medicare wages and self-employment income are combined to determine if your income exceeds the threshold. A self-employment loss should not be considered for purposes of this tax. RRTA compensation should be separately compared to the threshold. Your employer is responsible for withholding the 0.9% Additional Medicare Tax on Medicare wages or RRTA compensation it pays to you in excess of \$200,000 in 2019. You should consider this withholding, if applicable, in determining whether you need to make an estimated payment.

- Net Investment Income Tax (NIIT). The NIIT is 3.8% of the lesser of your net investment income or the excess of your MAGI over the amount listed in the following chart, based on your filing status.

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household	\$200,000
Qualifying Widow(er)	\$250,000

Step 6. Subtract your refundable credits (line 11c). These include the earned income credit, additional child tax credit, fuel tax credit, net premium tax credit, refundable American opportunity credit, and refundable amount from Form 8885.

To figure your expected fuel tax credit, don't include fuel tax for the first 3 quarters of the year that you expect to have refunded to you.

The result of Steps 1 through 6 is your total estimated tax for 2019 (line 11c).

Required Annual Payment—Line 12c

On lines 12a through 12c, figure the total amount you must pay for 2019, through withholding and estimated tax payments, to avoid paying a penalty.

General rule. The total amount you must pay is the smaller of:

- 90% of your total expected tax for 2019, or
- 100% of the total tax shown on your 2018 return. Your 2018 tax return must cover all 12 months.

Special rules. There are special rules for higher income taxpayers and for farmers and fishermen.

Higher income taxpayers. If your AGI for 2018 was more than \$150,000 (\$75,000 if your filing status for 2019 is married filing separately), substitute 110% for 100% in (2) above. This rule does not apply to farmers and fishermen.

For 2018, AGI is the amount shown on Form 1040, line 7.

Example. Jeremy Martin's total tax on his 2018 return was \$42,581, and his expected tax for 2019 is \$71,253. His 2018 AGI was \$180,000. Because Jeremy had more than \$150,000 of AGI in 2018, he figures his required annual payment as follows. He determines that 90% of his expected tax for 2019 is \$64,128 (90% (0.90) × \$71,253). Next, he determines that 110% of the tax shown on his 2018 return is \$46,839 (110% (1.10) × \$42,581). Finally, he determines that his required annual payment is \$46,839, the smaller of the two.

Farmers and fishermen. If at least two-thirds of your gross income for 2018 or 2019 is from farming or fishing, your required annual payment is the smaller of:

- 66²/₃% (0.6667) of your total tax for 2019, or
- 100% of the total tax shown on your 2018 return. (Your 2018 tax return must cover all 12 months.)

For definitions of “gross income from farming” and “gross income from fishing,” see [Farmers and Fishermen](#), earlier, under *Special Rules*.

Total tax for 2018—line 12b. Your 2018 total tax is the amount on line 15 **reduced by** the following.

- Unreported social security and Medicare tax or RRTA tax from Forms 4137 or 8919 Schedule 4 (Form 1040), line 58.
- The following amounts from Form 5329 included on Schedule 4 (Form 1040), line 59.
 - Any tax on excess contributions to an IRA, Archer MSA, Coverdell education savings account, health savings account, and ABL account.
 - Any tax on excess accumulations in qualified retirement plans.

3. The following write-ins on Schedule 4 (Form 1040), line 62.
 - a. Excise tax on excess golden parachute payments (identified as "EPP").
 - b. Excise tax on insider stock compensation from an expatriated corporation (identified as "ISC").
 - c. Look-back interest due under section 167(g) (identified as "From Form 8866").
 - d. Look-back interest due under section 460(b) (identified as "From Form 8697").
 - e. Recapture of federal mortgage subsidy (identified as "FMSR").
 - f. Uncollected social security and Medicare tax or RRTA tax on tips or group-term life insurance (identified as "UT").
4. Any shared responsibility payment on Schedule 4 (Form 1040), line 61.
5. Any refundable credit amounts on Form 1040, line 17a, b, or c, and Schedule 5 (Form 1040), line 70 and 73, and credit from Form 8885 included on line 74.

Total Estimated Tax Payments Needed—Line 14a

Use lines 13 and 14a to figure the total estimated tax you may be required to pay for 2019. Subtract your expected withholding from your required annual payment (line 12c). You usually must pay this difference in four equal installments. See [When To Pay Estimated Tax](#) and [How To Figure Each Payment](#), later.

You don't have to pay estimated tax if:

- Line 12c minus line 13 is zero or less, or
- Line 11c minus line 13 is less than \$1,000.

Withholding—line 13. Your expected withholding for 2019 (line 13) includes the income tax you expect to be withheld from all sources (wages, pensions and annuities, etc.). It includes excess social security and tier 1 railroad retirement tax you expect to be withheld from your wages and compensation. For this purpose, you will have excess social security or tier 1 railroad retirement tax withholding for 2019 only if your wages and compensation from two or more employers are more than \$132,900.

It also includes Additional Medicare Tax you expect to be withheld from your wages or compensation. Your employer is responsible for withholding the 0.9% Additional Medicare Tax on Medicare wages or RRTA compensation it pays to you in excess of \$200,000.

When To Pay Estimated Tax

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If you don't pay enough tax by the due date of each of the payment periods, you may be charged a penalty

even if you are due a refund when you file your income tax return.

If a payment is mailed, the date of the U.S. postmark is considered the date of payment. The general payment periods and due dates for estimated tax payments are shown next. For exceptions to the dates listed, see [Saturday, Sunday, holiday rule](#).

For the period:	Due date:
Jan. 1 ¹ – March 31	April 15
April 1 – May 31	June 17
June 1 – Aug. 31	Sept. 16
Sept. 1 – Dec. 31	Jan. 15, next year ²

¹ If your tax year does not begin on January 1, see [Fiscal year taxpayers](#) below.

² See [January payment](#) below.

Saturday, Sunday, holiday rule. If the due date for an estimated tax payment falls on a Saturday, Sunday, or legal holiday, the payment will be on time if you make it on the next day that isn't a Saturday, Sunday, or a holiday. See Pub. 509 for a list of all legal holidays.

January payment. If you file your 2019 Form 1040 by January 31, 2020, and pay the rest of the tax you owe, you don't need to make the payment due on January 15, 2020.

Example. Janet Adams does not pay any estimated tax for 2019. She files her 2019 income tax return and pays the balance due shown on her return on January 26, 2020.

Janet's estimated tax for the fourth payment period is considered to have been paid on time. However, she may owe a penalty for not making the first three estimated tax payments, if required. Any penalty for not making those payments will be figured up to January 26, 2020.

Fiscal year taxpayers. If your tax year does not start on January 1, your payment due dates are:

1. The 15th day of the 4th month of your fiscal year,
2. The 15th day of the 6th month of your fiscal year,
3. The 15th day of the 9th month of your fiscal year, and
4. The 15th day of the 1st month after the end of your fiscal year.

You don't have to make the last payment listed above if you file your income tax return by the last day of the first month after the end of your fiscal year and pay all the tax you owe with your return.

When To Start

You don't have to make estimated tax payments until you have income on which you will owe income tax. If you have income subject to estimated tax during the first payment period, you must make your first payment by the due date for the first payment period.

You have several options when paying estimated taxes. You can:

- Apply an overpayment from the previous tax year,
- Pay all your estimated tax by the due date of your first payment, or
- Pay it in installments.

If you choose to pay in installments, make your first payment by the due date for the first payment period. Make your remaining installment payments by the due dates for the later periods.

To avoid any estimated tax penalties, all installments must be paid by their due date and for the required amount.

No income subject to estimated tax during first period. If you don't have income subject to estimated tax until a later payment period, you must make your first payment by the due date for that period. You can pay your entire estimated tax by the due date for that period or you can pay it in installments by the due date for that period and the due dates for the remaining periods. Table 2-1 shows the general due dates for making installment payments when the due date does not fall on a Saturday, Sunday, or holiday.

Table 2-1. General Due Dates for Estimated Tax Installment Payments

If you first have income on which you must pay estimated tax:	Make a payment by:*	Make later installments by:*
Before April 1	April 15	June 15 Sept. 15 Jan. 15 next year
April 1–May 31	June 15	Sept. 15 Jan. 15 next year
June 1–Aug. 31	Sept. 15	Jan. 15 next year
After Aug. 31	Jan. 15 next year	(None)

*See [January payment](#) and [Saturday, Sunday, holiday rule](#), earlier.

How much to pay to avoid penalty. To determine how much you should pay by each payment due date, see [How To Figure Each Payment](#), later.

Farmers and Fishermen

If at least two-thirds of your gross income for 2018 or 2019 is from farming or fishing, you have only one payment due date for your 2019 estimated tax, January 15, 2020. The due dates for the first three payment periods, discussed under [When To Pay Estimated Tax](#), earlier, don't apply to you.

If you file your 2019 Form 1040 by March 2, 2020, and pay all the tax you owe at that time, you don't need to make an estimated tax payment.

Fiscal year farmers and fishermen. If you are a farmer or fisherman, but your tax year does not start on January 1, you can either:

- Pay all your estimated tax by the 15th day after the end of your tax year, or
- File your return and pay all the tax you owe by the 1st day of the 3rd month after the end of your tax year.

How To Figure Each Payment

After you have figured your total estimated tax, figure how much you must pay by the due date of each payment period. You should pay enough by each due date to avoid a penalty for that period. If you don't pay enough during any payment period, you may be charged a penalty even if you are due a refund when you file your tax return. The penalty is discussed in [chapter 4](#).

Regular Installment Method

If your first estimated tax payment is due April 15, 2019, you can figure your required payment

for each period by dividing your annual estimated tax due (line 14a of the 2019 Estimated Tax Worksheet (Worksheet 2-1)) by 4. Enter this amount on line 15. However, use this method only if your income is basically the same throughout the year.

Change in estimated tax. After you make an estimated tax payment, changes in your income, adjustments, deductions, or credits may make it necessary for you to refigure your estimated tax. Pay the unpaid balance of your amended estimated tax by the next payment due date after the change or in installments by that date and the due dates for the remaining payment periods.

If you don't receive your income evenly throughout the year, your required estimated tax payments may not be the same for each period. See [Annualized Income Installment Method](#), later.



Amended estimated tax. If you refigure your estimated tax during the year, or if your first estimated tax payment is due after April 15, 2019, figure your required payment for each remaining payment period using [Worksheet 2-10](#).

Example. Early in 2019, Mira Roberts figures that her estimated tax due is \$1,800. She makes estimated tax payments on April 15 and June 17 of \$450 each ($\$1,800 \div 4$).

On July 10, she sells investment property at a gain. Her refigured estimated tax is \$4,100. Her required estimated tax payment for the third payment period is \$2,175, as shown in her filled-in [Worksheet 2-10](#).

If Mira's estimated tax does not change again, her required estimated tax payment for the fourth payment period will be \$1,025.

Underpayment penalty. The penalty is figured separately for each payment period. If you figure your payments using the regular installment method and later refigure your payments because of an increase in income, you may be charged a penalty for underpayment of estimated tax for the period(s) before you changed your payments. To see how you may be able to avoid or reduce this penalty, see [Annualized Income Installment Method \(Schedule AI\)](#) in chapter 4.

1. Amended total estimated tax due	1.	\$4,100
2. Multiply line 1 by:		
50% (0.50) if next payment is due June 17, 2019		
75% (0.75) if next payment is due September 16, 2019		
100% (1.00) if next payment is due January 15, 2020	2.	3,075
3. Estimated tax payments for all previous periods	3.	900
4. Next required payment: Subtract line 3 from line 2 and enter the result (but not less than zero) here and on your payment voucher for your next required payment	4.	<u>\$2,175</u>
Note. If the payment on line 4 is due January 15, 2020, stop here. Otherwise, go to line 5.		
5. Add lines 3 and 4	5.	3,075
6. Subtract line 5 from line 1 and enter the result (but not less than zero)	6.	1,025
7. Each following required payment: If the payment on line 4 is due June 17, 2019, enter one-half of the amount on line 6 here and on the payment vouchers for your payments due September 16, 2019, and January 15, 2020. If the amount on line 4 is due September 16, 2019, enter the amount from line 6 here and on the payment voucher for your payment due January 15, 2020	7.	<u>\$1,025</u>

1. Amended total estimated tax due	1.	_____
2. Multiply line 1 by:		
50% (0.50) if next payment is due June 17, 2019		
75% (0.75) if next payment is due September 16, 2019		
100% (1.00) if next payment is due January 15, 2020	2.	_____
3. Estimated tax payments for all previous periods	3.	_____
4. Next required payment: Subtract line 3 from line 2 and enter the result (but not less than zero) here and on your payment voucher for your next required payment	4.	<u>_____</u>
Note. If the payment on line 4 is due January 15, 2020, stop here. Otherwise, go to line 5.		
5. Add lines 3 and 4	5.	_____
6. Subtract line 5 from line 1 and enter the result (but not less than zero)	6.	_____
7. Each following required payment: If the payment on line 4 is due June 17, 2019, enter one-half of the amount on line 6 here and on the payment vouchers for your payments due September 16, 2019, and January 15, 2020. If the amount on line 4 is due September 16, 2019, enter the amount from line 6 here and on the payment voucher for your payment due January 15, 2020	7.	<u>_____</u>

Annualized Income Installment Method

If you don't receive your income evenly throughout the year (for example, your income from a repair shop you operate is much larger in the summer than it is during the rest of the year), your required estimated tax payment for one or more periods may be less than the amount figured using the regular installment method.

The annualized income installment method annualizes your tax at the end of each period based on a reasonable estimate of your income, deductions, and other items relating to events that occurred from the beginning of the tax year through the end of the period. To see whether you can pay less for any period, complete the 2019 Annualized Estimated Tax Worksheet ([Worksheet 2-7](#)).



You first must complete the 2019 Estimated Tax Worksheet ([Worksheet 2-1](#)) through line 14b.

Use the result you figure on line 32 of [Worksheet 2-7](#) to make your estimated tax payments and complete your payment vouchers.

Note. If you use the annualized income installment method to figure your estimated tax payments, you must file Form 2210 with your 2019 tax return. See [Annualized Income Installment Method \(Schedule AI\)](#) in chapter 4 for more information.

Instructions for the 2019 Annualized Estimated Tax Worksheet ([Worksheet 2-7](#))



Use [Worksheet 2-7](#) to help you follow these instructions.

The purpose of this worksheet is to determine your estimated tax liability as your income accumulates throughout the year, rather than dividing your entire year's estimated tax liability by four as if your income was earned equally throughout the year. The top of the worksheet shows the dates for each payment period. The periods build; that is, each period includes all previous periods. After the end of each payment period, complete the corresponding worksheet column to figure the payment due for that period.

Line 1. Enter your AGI for the period. This is your gross income for the period, including your share of partnership or S corporation income or loss, minus your adjustments to income for that period. See [Expected AGI—Line 1](#), earlier.

Self-employment income. If you had self-employment income, first complete Section B of this worksheet. Use the amounts on line 41 when figuring your expected AGI to enter in each column of Section A, line 1.

Line 4. Be sure to consider deduction limits figured on Schedule A (Form 1040), such as reducing your medical expenses by 10% or the \$10,000 limit on state and local taxes. Figure your deduction limits using your expected AGI in the corresponding column of line 1 (2019 An-

nualized Estimated Tax Worksheet ([Worksheet 2-7](#))).

Line 7. If you won't itemize your deductions, use [Worksheet 2-4](#) to figure your standard deduction.

Line 12. Generally, you will use the [Tax Rate Schedules](#) to figure the tax on your annualized income. However, see below for situations where you must use a different method to figure your estimated tax.

Tax on child's investment income. You must use a special method to figure tax on the income of the following children who have more than \$2,100 of investment income.

1. Children under age 18 at the end of 2019.
2. The following children if their earned income isn't more than half their support.
 - a. Children age 18 at the end of 2019.
 - b. Children who are full-time students at least age 19 but under age 24 at the end of 2019.

See Pub. 929.

Tax on net capital gain. The regular income tax rates for individuals don't apply to a net capital gain. Instead, your net capital gain is taxed at a lower maximum rate.

The term "net capital gain" means the amount by which your net long-term capital gain for the year is more than your net short-term capital loss.

Tax on qualified dividends and capital gains. For 2019, your capital gain and dividends rate will depend on your income.



Tax on capital gain or qualified dividends. If the amount on line 1 includes a net capital gain or qualified dividends, use [Worksheet 2-8](#) to figure the amount to enter on line 10.



Tax if excluding foreign earned income or excluding or deducting foreign housing. If you expect to claim the foreign earned income exclusion or the housing exclusion or deduction on Form 2555 or Form 2555-EZ, use [Worksheet 2-9](#) to figure the amount to enter on line 10.

Line 13. Add the tax from Forms 8814, 4972, and 6251 for the period. Also include any recapture of an education credit for each period. You may owe this tax if you claimed an education credit in an earlier year and you received either tax-free educational assistance or a refund of qualifying expenses for the same student after filing your 2018 return.

Use the 2018 forms or worksheets to see if you will owe any of the taxes just discussed. Figure the tax based on your income and deductions during the period shown in the column headings. Multiply this amount by the annualization amounts shown for each column on line 2 of the 2019 Annualized Estimated Tax Worksheet ([Worksheet 2-7](#)). Enter the result on line 13 of this worksheet.

Line 15. Include all the nonrefundable credits you expect to claim because of events that will occur during the period.

Note. When figuring your credits for each period, annualize any item of income or deduction to figure each credit. For example, if you need to use your AGI to figure a credit, use line 3 of [Worksheet 2-7](#) to figure the credit for each column.

Line 18. Add your expected other taxes.

Other taxes include the following.

1. Additional tax on early distributions from:
 - a. An IRA or other qualified retirement plan,
 - b. A tax-sheltered annuity, or
 - c. A modified endowment contract entered into after June 20, 1988.
2. Household employment taxes if:
 - a. You will have federal income tax withheld from wages, pensions, annuities, gambling winnings, or other income; or
 - b. You would be required to make estimated tax payments even if you didn't include household employment taxes when figuring your estimated tax.
3. Amounts on Form 1040 written on the line for "other taxes" (Schedule 4 (Form 1040), line 62). But **don't include** recapture of a federal mortgage subsidy; tax on excess golden parachute payments; look-back interest due under section 167(g) or 460(b) of the Internal Revenue Code; excise tax on insider stock compensation from an expatriated corporation; and uncollected social security, Medicare, or RRTA tax on tips or group-term life insurance.
4. Repayment of the first-time homebuyer credit if the home will cease to be your main home in 2019. See Form 5405 for exceptions.
5. Additional Medicare Tax. A 0.9% Additional Medicare Tax applies to your combined Medicare wages and self-employment income and/or your RRTA compensation that exceeds the amount listed in the following chart, based on your filing status.

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household	\$200,000
Qualifying Widow(er)	\$200,000

Medicare wages and self-employment income are combined to determine if your income exceeds the threshold. A self-employment loss should not be considered for purposes of this tax. RRTA compensation should be separately compared to the threshold.

Your employer is responsible for withholding the 0.9% Additional Medicare Tax

on Medicare wages or RRTA compensation it pays you in excess of \$200,000 in 2019. You should consider this withholding, if applicable, in determining whether you need to make an estimated payment.

- Net Investment Income Tax (NIIT). The NIIT is 3.8% of the lesser of your net investment income or the excess of your MAGI over a specified threshold amount. Threshold amounts:

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household	\$200,000
Qualifying Widow(er)	\$250,000

Line 20. Include all the refundable credits (other than withholding credits) you can claim because of events that occurred during the period. These include the earned income credit, additional child tax credit, fuel tax credit, net premium tax credit, any refundable credit from Form 8885, and refundable American opportunity credit.

Note. When figuring your refundable credits for each period, annualize any item of income or deduction used to figure each credit.

Line 29. If line 28 is smaller than line 25 and you are not certain of the estimate of your 2019 tax, you can avoid a penalty by entering the amount from line 25 on line 29.

Line 31. For each period, include estimated tax payments made and any excess social security and railroad retirement tax.

Also include estimated federal income tax withholding. One-fourth of your estimated withholding is considered withheld on the due date of each payment period. To figure the amount to include on line 31 for each period, multiply your total expected withholding for 2019 by:

- 25% (0.25) for the first period,
- 50% (0.50) for the second period,
- 75% (0.75) for the third period, and
- 100% (1.00) for the fourth period.

However, you may choose to include your withholding according to the actual dates on which the amounts will be withheld. For each period, include withholding made from the beginning of the period up to and including the payment due date. You can make this choice separately for the taxes withheld from your wages and all other withholding. For an explanation of what to include in withholding, see [Total Estimated Tax Payments Needed—Line 14a](#), earlier.

Nonresident aliens. If you will file Form 1040NR and you don't receive wages as an employee subject to U.S. income tax withholding, the instructions for the worksheet are modified as follows.

- Skip column (a).
- On line 1, enter your income for the period that is effectively connected with a U.S. trade or business.

- On line 21, increase your entry by the amount determined by multiplying your income for the period that isn't effectively connected with a U.S. trade or business by the following.
 - 72% (0.72) for column (b).
 - 45% (0.45) for column (c).
 - 30% (0.30) for column (d).

However, if you can use a treaty rate lower than 30%, use the percentages determined by multiplying your treaty rate by 2.4, 1.5, and 1, respectively.

- On line 26, enter one-half of the amount from line 14c of the Form 1040-ES (NR) 2019 Estimated Tax Worksheet in column (b), and one-fourth in columns (c) and (d) of Worksheet 2-7.
- On lines 24 and 27, skip column (b).
- On line 31, if you don't use the actual withholding method, include one-half of your total expected withholding in column (b) and one-fourth in columns (c) and (d).

See Pub. 519 for more information.

Estimated Tax Payments Not Required

You don't have to pay estimated tax if your withholding in each payment period is at least as much as:

- One-fourth of your required annual payment, or
- Your required annualized income installment for that period.

You also don't have to pay estimated tax if you will pay enough through withholding to keep the amount you will owe with your return under \$1,000.

How To Pay Estimated Tax

There are several ways to pay estimated tax.

- Credit an overpayment on your 2018 return to your 2019 estimated tax.
- Pay by direct transfer from your bank account, or pay by debit or credit card using a pay-by-phone system or the Internet.
- Send in your payment (check or money order) with a payment voucher from Form 1040-ES.

Credit an Overpayment

If you show an overpayment of tax after completing your Form 1040 for 2018, you can apply part or all of it to your estimated tax for 2019. On Form 1040, enter the amount you want credited to your estimated tax rather than refunded. Take the amount you have credited into account when figuring your estimated tax payments. If you timely file your 2018 return, treat the credit as a payment made on April 15, 2019.

If you are a beneficiary of an estate or trust, and the trustee elects to credit 2019 trust payments of estimated tax to you, you can treat the

amount credited as paid by you on January 15, 2020.

If you choose to have an overpayment of tax credited to your estimated tax, you can't have any of that amount refunded to you until you file your tax return for the following year. You also can't use that overpayment in any other way.

Example. When Kathleen finished filling out her 2018 tax return, she saw that she had overpaid her taxes by \$750. Kathleen knew she would owe additional tax in 2019. She credited \$600 of the overpayment to her 2019 estimated tax and had the remaining \$150 refunded to her.

In September, she amended her 2018 return by filing Form 1040X, Amended U.S. Individual Income Tax Return. It turned out that she owed \$250 more in tax than she had thought. This reduced her 2018 overpayment from \$750 to \$500. Because the \$750 had already been applied to her 2019 estimated tax or refunded to her, the IRS billed her for the additional \$250 she owed, plus penalties and interest. Kathleen could not use any of the \$600 she had credited to her 2019 estimated tax to pay this bill.

Pay Online

IRS offers an electronic payment option that is right for you. Paying online is convenient and secure and helps make sure we get your payments on time. To pay your taxes online or for more information, go to [IRS.gov/Payments](https://www.irs.gov/Payments). You can pay using any of the following methods.

- IRS Direct Pay.** For online transfers directly from your checking or savings account at no cost to you, go to [IRS.gov/Payments](https://www.irs.gov/Payments).
- Pay by Card.** To pay by debit or credit card, go to [IRS.gov/Payments](https://www.irs.gov/Payments). There is a convenience fee charged by these service providers.
- Electronic Funds Withdrawal (EFW)** is an integrated *e-file/e-pay* option offered when filing your federal taxes electronically using tax preparation software, through a tax professional, or the IRS at [IRS.gov/Payments](https://www.irs.gov/Payments).
- Online Payment Agreement.** If you can't pay in full by the due date of your tax return, you can apply for an online monthly installment agreement at [IRS.gov/OPA](https://www.irs.gov/OPA). Once you complete the online process, you will receive immediate notification of whether your agreement has been approved. A user fee is charged.
- IRS2Go** is the mobile application of the IRS; you can access Direct Pay or Pay by Card by downloading the application.

Pay by Phone

Paying by phone is another safe and secure method of paying electronically. Use one of the following methods: (1) call one of the debit or credit card service providers, or (2) use the Electronic Federal Tax Payment System (EFTPS).

Debit or credit card. Call one of our service providers. Each charges a fee that varies by provider, card type, and payment amount.

WorldPay US, Inc.
1-844-PAY-TAX-8™ (1-844-729-8298)
www.payUSAtax.com

Official Payments Corporation
1-888-UPAY-TAX™ (1-888-872-9829)
www.officialpayments.com

Link2GOV Corporation
1-888-PAY-1040™ (1-888-729-1040)
www.PAY1040.com

EFTPS. To use EFTPS, you must be enrolled either online or have an enrollment form mailed to you. To make a payment using EFTPS, call 800-555-4477 (English) or 800-244-4829 (Español). People who are deaf, hard of hearing, or have a speech disability and who have access to TTY/TDD equipment can call 800-733-4829. For more information about EFTPS, go to IRS.gov/Payments or EFTPS.gov.

Pay by Mobile Device

To pay through your mobile device, download the IRS2Go application.

Pay by Cash

Cash is an in-person payment option for individuals provided through retail partners with a

maximum of \$1,000 per day per transaction. To make a cash payment, you must first be registered online at www.officialpayments.com/fed, our Official Payment provider.

Pay by Check or Money Order Using the Estimated Tax Payment Voucher

Before submitting a payment through the mail, please consider alternative methods. One of our safe, quick, and easy electronic payment options might be right for you. Each payment of estimated tax by check or money order must be accompanied by a payment voucher from Form 1040-ES. If you use your own envelopes (and not the window envelope that comes with the 1040-ES package), make sure you mail your payment vouchers to the address shown in the Form 1040-ES instructions for the place where you live.



Don't use the address shown in the Form 1040 instructions.

If you didn't pay estimated tax last year, get a copy of Form 1040-ES from the IRS (see [How To Get Tax Help](#), later). Follow the instructions to make sure you use the vouchers correctly.

No checks of \$100 million or more accepted. The IRS can't accept a single check (in-

cluding a cashier's check) for amounts of \$100,000,000 (\$100 million) or more. If you are sending \$100 million or more by check, you'll need to spread the payment over two or more checks with each check made out for an amount less than \$100 million. This limit doesn't apply to other methods of payment (such as electronic payments). Please consider a method of payment other than check if the amount of the payment is over \$100 million.

Joint estimated tax payments. If you file a joint return and are making joint estimated tax payments, enter the names and social security numbers on the payment voucher in the same order as they will appear on the joint return.

Change of address. You must notify the IRS if you are making estimated tax payments and you changed your address during the year. Complete Form 8822, Change of Address, and mail it to the address shown in the instructions for that form.

Worksheets for Chapter 2

Use the following worksheets and tables to figure your correct estimated tax.

IF you need...	THEN use...
2019 Tax Rate Schedules	2019 Tax Rate Schedules
the 2019 Estimated Tax Worksheet	Worksheet 2-1
to estimate your taxable social security and railroad retirement benefits—line 1 of ES Worksheet (or Annualized ES Worksheet (Worksheet 2-7))	Worksheet 2-2
to estimate your self-employment (SE) tax and your deduction for SE tax—lines 1 and 11 of ES Worksheet (lines 1 and 17 of Annualized ES Worksheet (Worksheet 2-7))	Worksheet 2-3
to estimate your standard deduction—line 2 of ES Worksheet (line 7 of Annualized ES Worksheet (Worksheet 2-7))	Worksheet 2-4
to estimate your income tax if line 1 of your ES Worksheet includes a net capital gain or qualified dividends—line 4 of ES Worksheet	Worksheet 2-5
to estimate your income tax if you expect to claim a foreign earned income exclusion or foreign housing exclusion or deduction on Form 2555 or Form 2555-EZ—line 4 of ES Worksheet	Worksheet 2-6
the 2019 Annualized Estimated Tax Worksheet (Annualized ES Worksheet)	Worksheet 2-7
to estimate your income tax if line 1 of your Annualized ES Worksheet includes a net capital gain or qualified dividends—line 10 of Annualized ES Worksheet	Worksheet 2-8
to estimate your income tax if you expect to claim a foreign earned income exclusion or foreign housing exclusion or deduction on Form 2555 or Form 2555-EZ—line 10 of Annualized ES Worksheet	Worksheet 2-9
to refigure (amend) your estimated tax during the year	Worksheet 2-10

2019 Tax Rate Schedules



Don't use these Tax Rate Schedules to figure your 2018 taxes. Use them only to figure your 2019 estimated taxes.

Schedule X —Use if your 2019 filing status is Single				Schedule Z —Use if your 2019 filing status is Head of household			
If line 3 is:		The tax is:		of the amount over—		of the amount over—	
Over—	But not over—			Over—	But not over—		
\$0	\$9,700	10%	\$0	\$0	\$13,850	10%	\$0
9,700	39,475	\$970.00 + 12%	9,700	13,850	52,850	\$1,385.00 + 12%	13,850
39,475	84,200	4,543.00 + 22%	39,475	52,850	84,200	6,065.00 + 22%	52,850
84,200	160,725	14,382.50 + 24%	84,200	84,200	160,700	12,962.00 + 24%	84,200
160,725	204,100	32,748.50 + 32%	160,725	160,700	204,100	31,322.00 + 32%	160,700
204,100	510,300	46,628.50 + 35%	204,100	204,100	510,300	45,210.00 + 35%	204,100
510,300	-----	153,798.50 + 37%	510,300	510,300	-----	152,380.00 + 37%	510,300

Schedule Y-1 —Use if your 2019 filing status is Married filing jointly or Qualifying widow(er)				Schedule Y-2 —Use if your 2019 filing status is Married filing separately			
If line 3 is:		The tax is:		of the amount over—		of the amount over—	
Over—	But not over—			Over—	But not over—		
\$0	\$19,400	10%	\$0	\$0	\$9,700	10%	\$0
19,400	78,950	\$1,940.00 + 12%	19,400	9,700	39,475	\$970.00 + 12%	9,700
78,950	168,400	9,086.00 + 22%	78,950	39,475	84,200	4,543.00 + 22%	39,475
168,400	321,450	28,765.00 + 24%	168,400	84,200	160,725	14,382.50 + 24%	84,200
321,450	408,200	65,497.00 + 32%	321,450	160,725	204,100	32,748.50 + 32%	160,725
408,200	612,350	93,257.00 + 35%	408,200	204,100	306,175	46,628.50 + 35%	204,100
612,350	-----	164,709.50 + 37%	612,350	306,175	-----	82,354.75 + 37%	306,175



When this worksheet refers you to instructions, you can find those instructions in the 2019 Form 1040-ES.

<p>1. Adjusted gross income you expect in 2019 (see instructions)</p>	1.		
<p>2a. Deductions</p> <ul style="list-style-type: none"> • If you plan to itemize deductions, enter the estimated total of your itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 10% of your income. • If you don't plan to itemize deductions, enter your standard deduction 	2a.		
<p>b. If you can take the qualified business income deduction, enter the estimated amount of the deduction</p>	2b.		
<p>c. Add lines 2a and 2b</p>	2c.		
<p>3. Subtract line 2c from line 1</p>	3.		
<p>4. Tax. Figure your tax on the amount on line 3 by using the 2019 Tax Rate Schedules. Caution: If you will have qualified dividends or a net capital gain, or expect to exclude or deduct foreign earned income or housing, see Worksheets 2-5 and 2-6 to figure the tax</p>	4.		
<p>5. Alternative minimum tax from Form 6251</p>	5.		
<p>6. Add lines 4 and 5. Add to this amount any other taxes you expect to include in the total on Form 1040, line 12a</p>	6.		
<p>7. Credits (see instructions). Don't include any income tax withholding on this line</p>	7.		
<p>8. Subtract line 7 from line 6. If zero or less, enter -0-</p>	8.		
<p>9. Self-employment tax (see instructions)</p>	9.		
<p>10. Other taxes including, if applicable, Additional Medicare Tax and/or NIIT (see instructions)</p>	10.		
<p>11a. Add lines 8 through 10</p>	11a.		
<p>b. Earned income credit, additional child tax credit, fuel tax credit, net premium tax credit, refundable American opportunity credit, and refundable credit from Form 8885</p>	11b.		
<p>c. Total 2019 estimated tax. Subtract line 11b from line 11a. If zero or less, enter -0- ▶</p>	11c.		
<p>12a. Multiply line 11c by 90% (0.90) (66²/₃% (0.6667) for farmers and fishermen)</p>	12a.		
<p>b. Required annual payment based on prior year's tax (see instructions)</p>	12b.		
<p>c. Required annual payment to avoid a penalty. Enter the smaller of line 12a or 12b ▶</p>	12c.		
<p>Caution: Generally, if you don't prepay (through income tax withholding and estimated tax payments) at least the amount on line 12c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 11c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you can pay the amount shown on line 11c.</p>			
<p>13. Income tax withheld and estimated to be withheld during 2019 (including income tax withholding on pensions, annuities, certain deferred income, etc.)</p>	13.		
<p>14a. Subtract line 13 from line 12c</p>	14a.		
<p>Is the result zero or less? <input type="checkbox"/> Yes. Stop here. You are not required to make estimated tax payments. <input type="checkbox"/> No. Go to line 14b.</p>			
<p>b. Subtract line 13 from line 11c</p>	14b.		
<p>Is the result less than \$1,000? <input type="checkbox"/> Yes. Stop here. You are not required to make estimated tax payments. <input type="checkbox"/> No. Go to line 15 to figure your required payment.</p>			
<p>15. If the first payment you are required to make is due April 15, 2019, enter ¼ of line 14a (minus any 2018 overpayment that you are applying to this installment) here, and on your estimated tax payment voucher(s) if you are paying by check or money order</p>	15.		

Worksheet 2-2. **2019 Estimated Tax Worksheet—Line 1**
Estimated Taxable Social Security and Railroad Retirement
Benefits

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Note. If you are using this worksheet to estimate your taxable social security or railroad retirement benefits for Worksheet 2-7, 2019 Annualized Estimated Tax Worksheet, multiply the expected amount of benefits for each period by the annualization amount shown on Worksheet 2-7, line 2, for the same period before entering it on line 1 below.

1. Enter your expected social security and railroad retirement benefits	1. _____
2. Enter one-half of line 1	2. _____
3. Enter your expected total income. Don't include any social security and railroad retirement benefits, nontaxable interest income, nontaxable IRA distributions, or nontaxable pension distributions	3. _____
4. Enter your expected nontaxable interest income	4. _____
5. Enter (as a positive amount) the total of any expected exclusions or deductions for: <ul style="list-style-type: none"> • U.S. savings bond interest used for higher education expenses (Form 8815) • Employer-provided adoption benefits (Form 8839) • Foreign earned income or housing (Form 2555 or 2555-EZ) • Income by bona fide residents of American Samoa (Form 4563) or Puerto Rico 	5. _____
6. Add lines 2, 3, 4, and 5	6. _____
7. Enter your expected adjustments to income. Don't include any student loan interest deduction	7. _____
8. Subtract line 7 from line 6. If zero or less, stop here. Note. Don't include any social security or railroad retirement benefits in the amount on line 1 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) (or Annualized Estimated Tax Worksheet (Worksheet 2-7))	8. _____
9. Enter \$25,000 (\$32,000 if you expect to file married filing jointly; \$0 if you expect to file married filing separately and expect to live with your spouse at any time during the year)	9. _____
10. Subtract line 9 from line 8. If zero or less, stop here. Note. Don't include any social security or railroad retirement benefits in the amount on line 1 of your Worksheet 2-1 (or Annualized Estimated Tax Worksheet (Worksheet 2-7))	10. _____
11. Enter \$9,000 (\$12,000 if you expect to file married filing jointly; \$0 if you expect to file married filing separately and expect to live with your spouse at any time during the year)	11. _____
12. Subtract line 11 from line 10. If zero or less, enter -0-	12. _____
13. Enter the smaller of line 10 or line 11	13. _____
14. Enter one-half of line 13	14. _____
15. Enter the smaller of line 2 or line 14	15. _____
16. Multiply line 12 by 85% (0.85). If line 12 is zero, enter -0-	16. _____
17. Add lines 15 and 16	17. _____
18. Multiply line 1 by 85% (0.85)	18. _____
19. Enter the smaller of line 17 or line 18	19. _____
20. Expected taxable social security and railroad retirement benefits for the period. Divide line 19 by the annualization amount shown on Worksheet 2-7, line 2, for the same period and enter here. Include this amount in the total on line 1 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) (or Annualized Estimated Tax Worksheet (Worksheet 2-7))	20. _____

Worksheet 2-3. **2019 Estimated Tax Worksheet—Lines 1 and 9**
Estimated Self-Employment Tax and Deduction Worksheet

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1 a.	Enter your expected income and profits subject to self-employment tax*	1a.	_____
b.	If you will have farm income and also receive social security retirement or disability benefits, enter your expected Conservation Reserve Program payments that will be included on Schedule F (Form 1040) or listed on Schedule K-1 (Form 1065)	1b.	_____
2.	Subtract line 1b from line 1a	2.	_____
3.	Multiply line 2 by 92.35% (0.9235). If less than \$400, don't complete this worksheet; you won't owe self-employment tax on your expected net earnings from self-employment	3.	_____
4.	Multiply line 3 by 2.9% (0.029)	4.	_____
5.	Maximum income subject to social security tax	5.	<u> \$132,900 </u>
6.	Enter your expected wages (if subject to social security tax or the 6.2% portion of tier 1 railroad retirement tax)	6.	_____
7.	Subtract line 6 from line 5	7.	_____
	Note. If line 7 is zero or less, enter -0- on line 9 and skip to line 10.		
8.	Enter the smaller of line 3 or line 7	8.	_____
9.	Multiply line 8 by 12.4% (0.124)	9.	_____
10.	Add line 4 and line 9. Enter the result here and on line 9 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) (or line 15 of the Annualized Estimated Tax Worksheet (Worksheet 2-7))	10.	_____
11.	Multiply line 10 by 50% (0.50). This is your expected deduction for self-employment tax on Schedule 1 (Form 1040), line 27. Subtract this amount when figuring your expected AGI on line 1 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) (or Annualized Estimated Tax Worksheet (Worksheet 2-7))	11.	<u> </u>

*Net profit from self-employment is found on Schedule C, Schedule F, and Schedule K-1 (Form 1065).

Caution. Don't complete this worksheet if you expect your spouse to itemize on a separate return or you expect to be a dual-status alien. In either case, your standard deduction will be zero.

1. Enter the amount shown below for your filing status.

- Single or married filing separately—\$12,200
- Married filing jointly or Qualifying widow(er)—\$24,400
- Head of household—\$18,350 **1.** _____

2. Can you (or your spouse if filing jointly) be claimed as a dependent on someone else's return?

No. Skip line 3; enter the amount from line 1 on line 4.

Yes. Go to line 3.

3. Is your **earned income*** more than \$750?

Yes. Add \$350 to your earned income. Enter the total.

No. Enter \$1,100 **3.** _____

4. Enter the **smaller** of line 1 or line 3 **4.** _____

5. Were you (or your spouse if filing jointly) born before January 2, 1955, or blind?

No. Go to line 6.

Yes. Check if:

a. **You** were Born before January 2, 1955 Blind

b. **Your spouse** was Born before January 2, 1955 Blind

c. **Total boxes checked in 5a and 5b**

▶ Multiply \$1,300 (\$1,650 if single or head of household) by the number in the box on line 5c **5.** _____

6. Standard deduction. Add lines 4 and 5. Enter the result here and on line 2 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) (or line 7 of your 2019 Annualized Estimated Tax Worksheet (Worksheet 2-7)) **6.** _____

* **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes taxable scholarships and fellowship grants. Reduce your earned income by your allowed deduction for self-employment tax (Worksheet 2-3, line 11).

Worksheet 2-5. **2019 Estimated Tax Worksheet—Line 4**
Qualified Dividends and Capital Gain Tax Worksheet

1. Enter the amount from the appropriate worksheet. <ul style="list-style-type: none"> • Line 3 of your 2019 Estimated Tax Worksheet. • Line 3 of Worksheet 2-6 (use if you will exclude or deduct foreign earned income or housing) 	1. _____
2. Enter your qualified dividends expected for 2019 ¹	2. _____
3. Enter your net capital gain expected for 2019 ¹	3. _____
4. Add lines 2 and 3	4. _____
5. Enter your 28% rate gain or loss expected for 2019 ²	5. _____
6. Enter your unrecaptured section 1250 gain expected for 2019	6. _____
7. Add lines 5 and 6	7. _____
8. Enter the smaller of line 3 or line 7	8. _____
9. Subtract line 8 from line 4	9. _____
10. Subtract line 9 from line 1. If zero or less, enter -0-	10. _____
11. Enter the smaller of line 1 or \$78,750 (\$39,375 if single or married filing separately, or \$52,750 if head of household)	11. _____
12. Enter the smaller of line 10 or line 11	12. _____
13. a. Subtract line 4 from line 1. If zero or less, enter -0-	13a. _____
b. Enter the smaller of line 1 or: <ul style="list-style-type: none"> • \$160,725 if single or married filing separately; • \$160,700 if head of household; or • \$321,450 if married filing jointly or qualifying widow(er) 	b. _____
c. Enter the smaller of line 10 or line 13b	c. _____
14. Enter the larger of line 13a or 13c Note. If line 11 and line 12 are the same, skip line 15 and go to line 16.	14. _____
15. Subtract line 12 from line 11. This is the amount taxed at 0% Note. If lines 1 and 11 are the same, skip lines 16 through 36 and go to line 37.	15. _____
16. Enter the smaller of line 1 or line 9	16. _____
17. Enter the amount from line 15. If line 15 is blank, enter -0-	17. _____
18. Subtract line 17 from line 16. If zero or less, enter -0-	18. _____
19. Enter: <ul style="list-style-type: none"> • \$434,550 if single, • \$244,425 if married filing separately, • \$488,850 if married filing jointly or qualifying widow(er), or • \$461,700 if head of household 	19. _____
20. Enter the smaller of line 1 or line 19	20. _____
21. Add lines 14 and 15	21. _____
22. Subtract line 21 from line 20. If zero or less, enter -0-	22. _____
23. Enter the smaller of line 18 or line 22	23. _____
24. Multiply line 23 by 15% (0.15)	24. _____
25. Add line 17 and line 23. If line 1 equals the sum of lines 21 and 23, skip lines 26 through 36 and go to line 37	25. _____
26. Subtract line 25 from line 16	26. _____
27. Multiply line 26 by 20% (0.20)	27. _____
28. Enter the smaller of line 3 or line 6	28. _____
29. Add lines 4 and 14	29. _____
30. Enter the amount from line 1 above	30. _____
31. Subtract line 30 from line 29. If zero or less, enter -0-	31. _____
32. Subtract line 31 from line 28. If zero or less, enter -0-	32. _____
33. Multiply line 32 by 25% (0.25) Note. If line 5 is zero or blank, skip lines 34 through 36 and go to line 37.	33. _____
34. Add lines 14, 15, 23, 26, and 32	34. _____
35. Subtract line 34 from line 1	35. _____

**Worksheet 2-5. 2019 Estimated Tax Worksheet—Line 4
Qualified Dividends and Capital Gain Tax Worksheet (Continued)**

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36. Multiply line 35 by 28% (0.28)	36. _____
37. Figure the tax on the amount on line 14 from the 2019 Tax Rate Schedules	37. _____
38. Add lines 24, 27, 33, 36, and 37	38. _____
39. Figure the tax on the amount on line 1 from the 2019 Tax Rate Schedules	39. _____
40. Tax on all taxable income (including capital gains and qualified dividends). Enter the smaller of line 38 or line 39 here and on line 4 of the 2019 Estimated Tax Worksheet (Worksheet 2-1) (or line 4 of Worksheet 2-6)	40. _____

¹ If you expect to deduct investment interest expense, don't include on this line any qualified dividends or net capital gain that you will elect to treat as investment income.

² This includes a section 1202 exclusion from eligible gain on qualified small business stock and gain or loss from the sale or exchange of collectibles. See the Instructions for Schedule D (Form 1040) for more information.

**Worksheet 2-6. 2019 Estimated Tax Worksheet—Line 4
Foreign Earned Income Tax Worksheet**

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Before you begin: If line 3 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) is zero, don't complete this worksheet.

1. Enter the amount from line 3 of your 2019 Estimated Tax Worksheet (Worksheet 2-1)	1. _____
2. Enter the total foreign earned income and housing amount you (and your spouse if filing jointly) expect to exclude or deduct in 2019 on Form 2555 or Form 2555-EZ	2. _____
3. Add lines 1 and 2	3. _____
4. Tax on the amount on line 3. Use the 2019 Tax Rate Schedules or Worksheet 2-5,* as appropriate	4. _____
5. Tax on the amount on line 2. Use the 2019 Tax Rate Schedules	5. _____
6. Subtract line 5 from line 4. Enter the result here and on line 4 of your 2019 Estimated Tax Worksheet (Worksheet 2-1). If zero or less, enter -0-	6. _____

*If using Worksheet 2-5 (Qualified Dividends and Capital Gain Tax Worksheet), enter the amount from line 3 above on line 1 of Worksheet 2-5. Complete Worksheet 2-5 through line 9. Next, determine if you have a capital gain excess.

Figuring capital gain excess. To find out if you have a capital gain excess, subtract line 3 of your 2019 Estimated Tax Worksheet (Worksheet 2-1) from line 9 of Worksheet 2-5. If the result is more than zero, that amount is your capital gain excess.

Make these modifications only for purposes of filling out Worksheet 2-6.

- Reduce (but not below zero) the amount you otherwise would enter on line 3 of Worksheet 2-5 by your capital gain excess.
- Reduce (but not below zero) the amount you otherwise would enter on line 2 of Worksheet 2-5 by any of your capital gain excess not used in (a) above.
- Reduce (but not below zero) the amount you otherwise would enter on line 5 of Worksheet 2-5 by your capital gain excess.
- Reduce (but not below zero) the amount you otherwise would enter on line 6 of Worksheet 2-5 by your capital gain excess.

Note. For instructions, see [Annualized Income Installment Method](#), earlier.

Before you begin: Complete the 2019 Estimated Tax Worksheet—Worksheet 2-1.					
Section A (For Figuring Your Annualized Estimated Tax Payments) —Complete each column after end of period shown.					
Estates and trusts: See Form 1041-ES and Form 2210 for more information		(a) 1/1/19–3/31/19	(b) 1/1/19–5/31/19	(c) 1/1/19–8/31/19	(d) 1/1/19– 12/31/19
1.	Adjusted gross income (AGI) for each period (see instructions). Complete Section B first	1.			
2.	Annualization amounts	2.	4	2.4	1.5
3.	Annualized income. Multiply line 1 by line 2	3.			
4.	If you itemize, enter itemized deductions for period shown in the column headings (see instructions). If you take the deduction for qualified business income, add it to your itemized deductions. All others, enter -0- and skip to line 7.	4.			
5.	Annualization amounts	5.	4	2.4	1.5
6.	Multiply line 4 by line 5	6.			
7.	Standard deduction from Worksheet 2-4	7.			
8.	Enter the larger of line 6 or line 7	8.			
9.	Deduction for qualified business income	9.			
10.	Add lines 8 and 9	10.			
11.	Subtract line 10 from line 3. If zero or less, enter -0-	11.			
12.	Figure your tax on the amount on line 11 (see instructions)	12.			
13.	For each period, enter any tax from Forms 8814, 4972, and 6251. Also include any recapture of education credits (see instructions)	13.			
14.	Add lines 12 and 13	14.			
15.	Enter nonrefundable credits for each period (see instructions)	15.			
16.	Subtract line 15 from line 14	16.			
17.	Self-employment tax from line 41 of Section B	17.			
18.	Enter other taxes for each period, including, if applicable, Additional Medicare Tax and/or NIIT (see instructions)	18.			
19.	Total tax. Add lines 16, 17, and 18	19.			
20.	Enter refundable credits for each period (see instructions for type of credits allowed). Don't include any income tax withholding on this line	20.			
21.	Subtract line 20 from line 19. If zero or less, enter -0-	21.			
22.	Applicable percentage	22.	22.5%	45%	67.5%
23.	Multiply line 21 by line 22	23.			
24.	Complete lines 24 through 29 of one column before going to line 24 of the next column. Enter the total of the amounts in all previous columns of line 29	24.			
25.	Annualized income installment. Subtract line 24 from line 23. If zero or less, enter -0-	25.			
26.	Enter 25% (0.25) of line 12c of your 2019 Estimated Tax Worksheet (Worksheet 2-1) in each column	26.			
27.	Subtract line 29 of the previous column from line 28 of that column	27.			
28.	Add lines 26 and 27	28.			
29.	Enter the smaller of line 25 or line 28 (see instructions)	29.			
30.	Total required payments for the period. Add lines 24 and 29	30.			
31.	Estimated tax payments made (line 32 of all previous columns) plus tax withholding through the due date for the period (see instructions)	31.			
32.	Estimated tax payment required by the next due date. Subtract line 31 from line 30 and enter the result (but not less than zero) here and on your payment voucher	32.			



(Form 1040 filers only)		(a) 1/1/19–3/31/19	(b) 1/1/19–5/31/19	(c) 1/1/19–8/31/19	(d) 1/1/19–12/31/19
33.	Net earnings from self-employment for the period	33.			
34.	Prorated social security tax limit	34.	\$33,225	\$55,375	\$88,600
35.	Enter actual wages for the period subject to social security tax or the 6.2% portion of the tier 1 railroad retirement tax. Exception: If you file Form 4137 or Form 8919, see instructions	35.			
36.	Subtract line 35 from line 34. If zero or less, enter -0-	36.			
37.	Annualization amounts	37.	0.496	0.2976	0.186
38.	Multiply line 37 by the smaller of line 33 or line 36	38.			
39.	Annualization amounts	39.	0.116	0.0696	0.0435
40.	Multiply line 33 by line 39	40.			
41.	Add lines 38 and 40. Enter the result here and on line 17 of Section A	41.			
42.	Annualization amounts	42.	8	4.8	3
43.	Deduction for self-employment tax. Divide line 41 by line 42. Enter the result here. Use this result to figure your AGI on line 1	43.			

Worksheet 2-8. **2019 Annualized Estimated Tax Worksheet—Line 10**
Qualified Dividends and Capital Gain Tax Worksheet

Keep for Your Records



Note. To figure the annualized entries for lines 2, 3, 5, and 6 below, multiply the expected amount for the period by the annualization amount on line 2 of Worksheet 2-7 for the same period.

1. Enter the amount from the appropriate worksheet: <ul style="list-style-type: none"> • Line 11 of your 2019 Annualized Estimated Tax Worksheet (Worksheet 2-7). • Line 3 of Worksheet 2-9 (use if you will exclude or deduct foreign earned income or housing) 	1. _____
2. Enter your annualized qualified dividends expected for 2019 ¹	2. _____
3. Enter your annualized net capital gain expected for 2019 ¹	3. _____
4. Add lines 2 and 3	4. _____
5. Enter your annualized 28% rate gain or loss expected for 2019 ²	5. _____
6. Enter your annualized unrecaptured section 1250 gain expected for 2019	6. _____
7. Add lines 5 and 6	7. _____
8. Enter the smaller of line 3 or line 7	8. _____
9. Subtract line 8 from line 4	9. _____
10. Subtract line 9 from line 1. If zero or less, enter -0-	10. _____
11. Enter the smaller of line 1 or \$78,750 (\$39,375 if single or married filing separately, or \$52,750 if head of household)	11. _____
12. Enter the smaller of line 10 or line 11	12. _____
13. a. Subtract line 4 from line 1. If zero or less, enter -0-	13a. _____
b. Enter the smaller of line 1 or: • \$160,725 if single or married filing separately; • \$160,700 if head of household; or • \$321,450 if married filing jointly or qualifying widow(er)	b. _____
c. Enter the smaller of line 10 or line 13b	c. _____
14. Enter the larger of line 13a or 13c Note. If line 11 and line 12 are the same, skip line 15 and go to line 16.	14. _____
15. Subtract line 12 from line 11. This is the amount taxed at 0% Note. If lines 1 and 11 are the same, skip lines 16 through 36 and go to line 37.	15. _____
16. Enter the smaller of line 1 or line 9	16. _____
17. Enter the amount from line 15. If line 15 is blank, enter -0-	17. _____
18. Subtract line 17 from line 16. If zero or less, enter -0-	18. _____
19. Enter: • \$434,550 if single, • \$244,425 if married filing separately, • \$488,850 if married filing jointly or qualifying widow(er), or • \$461,700 if head of household	19. _____
20. Enter the smaller of line 1 or line 19	20. _____
21. Add lines 14 and 15	21. _____
22. Subtract line 21 from line 20. If zero or less, enter -0-	22. _____
23. Enter the smaller of line 18 or line 22	23. _____
24. Multiply line 23 by 15% (0.15)	24. _____
25. Add line 17 and line 23. If line 1 equals the sum of lines 21 and 23, skip lines 26 through 36 and go to line 37	25. _____
26. Subtract line 25 from line 16	26. _____
27. Multiply line 26 by 20% (0.20)	27. _____
28. Enter the smaller of line 3 or line 6	28. _____
29. Add lines 4 and 14	29. _____
30. Enter the amount from line 1 above	30. _____
31. Subtract line 30 from line 29. If zero or less, enter -0-	31. _____
32. Subtract line 31 from line 28. If zero or less, enter -0-	32. _____
33. Multiply line 32 by 25% (0.25) Note. If line 5 is zero or blank, skip lines 34 through 36 and go to line 37.	33. _____
34. Add lines 14, 15, 23, 26, and 32	34. _____
35. Subtract line 34 from line 1	35. _____

Worksheet 2-8. **2019 Annualized Estimated Tax Worksheet—Line 10**
Qualified Dividends and Capital Gain Tax Worksheet
(Continued)

Keep for Your Records



36. Multiply line 35 by 28% (0.28)	36. _____
37. Figure the tax on the amount on line 14 from the 2019 Tax Rate Schedules	37. _____
38. Add lines 24, 27, 33, 36, and 37	38. _____
39. Figure the tax on the amount on line 1 from the 2019 Tax Rate Schedules	39. _____
40. Tax on all taxable income (including capital gains and qualified dividends). Enter the smaller of line 38 or line 39 here and on line 12 of the appropriate column of the 2019 Annualized Estimated Tax Worksheet (or line 4 of Worksheet 2-9)	40. _____

¹ If you expect to deduct investment interest expense, don't include on this line any qualified dividends or net capital gain that you will elect to treat as investment income.

² This includes a section 1202 exclusion from eligible gain on qualified small business stock and gain or loss from the sale or exchange of collectibles. See the Instructions for Schedule D (Form 1040) for more information.

Worksheet 2-9. **2019 Annualized Estimated Tax Worksheet—Line 10**
Foreign Earned Income Tax Worksheet

Keep for Your Records



Before you begin: If line 11 of Worksheet 2-7 (2019 Annualized Estimated Tax Worksheet) is zero for the period, don't complete this worksheet.

1. Enter the amount from line 11 of your 2019 Annualized Estimated Tax Worksheet for the period	1. _____
2. Enter the annualized amount* of foreign earned income and housing amount you (and your spouse if filing jointly) expect to exclude or deduct for the period on Form 2555 or Form 2555-EZ	2. _____
3. Add lines 1 and 2	3. _____
4. Tax on the amount on line 3. Use the 2019 Tax Rate Schedules or Worksheet 2-8,** as appropriate	4. _____
5. Tax on the amount on line 2. Use the 2019 Tax Rate Schedules	5. _____
6. Subtract line 5 from line 4. Enter the result here and on line 12 of your 2019 Annualized Estimated Tax Worksheet (Worksheet 2-7). If zero or less, enter -0-	6. _____

* To figure the annualized amount for line 2, multiply the expected exclusion for the period by the annualization amount on line 2 of Worksheet 2-7 for the same period.

** If using Worksheet 2-8 (Qualified Dividends and Capital Gain Tax Worksheet), enter the amount from line 3 above on line 1 of Worksheet 2-8. Complete Worksheet 2-8 through line 9. Next, determine if you have a capital gain excess.

Figuring capital gain excess. To find out if you have a capital gain excess for the appropriate period, subtract line 11 of Worksheet 2-7 from line 9 of Worksheet 2-8. If the result is more than zero, that amount is your capital gain excess.

No capital gain excess. If you don't have a capital gain excess, complete the rest of Worksheet 2-8 according to its instructions. Then complete lines 5 and 6 above.

Capital gain excess. If you have a capital gain excess, complete a second Worksheet 2-8 as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above.

Make these modifications only for purposes of filling out Worksheet 2-9.

- a. Reduce (but not below zero) the amount you otherwise would enter on line 3 of Worksheet 2-8 by your capital gain excess.
- b. Reduce (but not below zero) the amount you otherwise would enter on line 2 of Worksheet 2-8 by any of your capital gain excess not used in (a) above.
- c. Reduce (but not below zero) the amount you otherwise would enter on line 5 of Worksheet 2-8 by your capital gain excess.
- d. Reduce (but not below zero) the amount you otherwise would enter on line 6 of Worksheet 2-8 by your capital gain excess.

3.

Credit for Withholding and Estimated Tax for 2018

Introduction

When you file your 2018 income tax return, take credit for all the income tax and excess social security or railroad retirement tax withheld from your salary, wages, pensions, etc. Also take credit for the estimated tax you paid for 2018. These credits are subtracted from your total tax. Because these credits are refundable, you should file a return and claim these credits, even if you don't owe tax.

If the total of your withholding and your estimated tax payments for any payment period is less than the amount you needed to pay by the due date for that period, you may be charged a penalty, even if the total of these credits is more than your tax for the year.

Topics

This chapter discusses:

- How to take credit for withholding;
- How to take credit for estimated taxes you paid; and
- How to take credit for excess social security, Medicare, or railroad retirement tax withholding.

Withholding

If you had income tax withheld during 2018, you generally should be sent a statement by January 31, 2019, showing your income and the tax withheld. Depending on the source of your income, you will receive:

- Form W-2, Wage and Tax Statement;
- Form W-2G, Certain Gambling Winnings; or
- A form in the 1099 series.

Form W-2

Your employer is required to provide or send Form W-2 to you no later than January 31, 2019. You should receive a separate Form W-2 from each employer you worked for.

If you stopped working before the end of 2018, your employer could have given you your Form W-2 at any time after you stopped working. However, your employer must provide or send it to you by January 31, 2019.

If you ask for the form, your employer must send it to you within 30 days after receiving your

written request or within 30 days after your final wage payment, whichever is later.

If you haven't received your Form W-2 by January 31, contact your employer or payer to request a copy. If you still don't get the form by the end of February, use [Tax Topic 154](#) to find out what to do.

Form W-2 shows your total pay and other compensation and the income tax, social security tax, and Medicare tax that was withheld during the year. Total the federal income tax withheld (shown in box 2 of all Forms W-2 received) and enter that amount on the appropriate line of your tax return.

In addition, Form W-2 is used to report any taxable sick pay you received and any income tax withheld from your sick pay. Your sick pay may be combined with other wages in one Form W-2 or you may receive a separate Form W-2 for sick pay.

If you file a paper tax return, attach Copy B of Form W-2 to your return.

Form W-2G

If you had gambling winnings in 2018, the payer may have withheld income tax. If tax was withheld, the payer will give you a Form W-2G showing the amount you won and the amount of tax withheld.

Report the amounts you won on Schedule 1 (Form 1040), line 21. Take credit for the tax withheld on line 16 of Form 1040.

Gambling losses can be deducted on Schedule A (Form 1040) as a miscellaneous itemized deduction. However, you can't deduct more than the gambling winnings you report on Form 1040.

File Form W-2G with your income tax return only if it shows any federal income tax withheld in box 4.

The 1099 Series

Most forms in the 1099 series are not filed with your return. In general, these forms should be furnished to you by January 31, 2019. Unless instructed to file any of these forms with your return, keep them for your records.

There are several different forms in this series, including:

- Form 1099-B, Proceeds From Broker and Barter Exchange Transactions;
- Form 1099-C, Cancellation of Debt;
- Form 1099-DIV, Dividends and Distributions;
- Form 1099-G, Certain Government Payments;
- Form 1099-INT, Interest Income;
- Form 1099-K, Payment Card and Third-Party Network Transactions;
- Form 1099-MISC, Miscellaneous Income;
- Form 1099-OID, Original Issue Discount;
- Form 1099-PATR, Taxable Distributions Received From Cooperatives;
- Form 1099-Q, Payments From Qualified Education Programs (Under Sections 529 and 530);

- Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.;
- Form SSA-1099, Social Security Benefit Statement; and
- Form RRB-1099, Payments by the Railroad Retirement Board.

Reporting your withholding. Report on your tax return all federal income tax withholding shown on your Form 1099, Form SSA-1099, and/or Form RRB-1099. Include the amount withheld in the total on line 16 of Form 1040.

Form 1099-R. Attach Form 1099-R to your paper return if federal income tax withholding is shown in box 4. Don't attach any other Form 1099.

Form Not Correct

If you receive a form with incorrect information, you should ask the payer for a corrected form. Call the telephone number or write to the address given for the payer on the form. The corrected Form W-2G or Form 1099 you receive will have an "X" in the "CORRECTED" box at the top of the form. A special form, Form W-2c, Corrected Wage and Tax Statement, is used to correct a Form W-2.

In certain situations, you will receive two forms in place of the original incorrect form. This will happen when your taxpayer identification number is wrong or missing, your name and address are wrong, or you received the wrong type of form (for example, a Form 1099-DIV instead of a Form 1099-INT). One new form you receive will be the same incorrect form or have the same incorrect information, but all money amounts will be zero. This form will have an "X" in the "CORRECTED" box at the top of the form. The second new form should have all the correct information, prepared as though it is the original (the "CORRECTED" box won't be checked).

Form Received After Filing

If you file your return and you later receive a form for income that you didn't include on your return, report the income and take credit for any income tax withheld by filing Form 1040X, Amended U.S. Individual Income Tax Return.

Separate Returns

If you are married but file a separate return, you can take credit only for the tax withheld from your own income. Don't include any amount withheld from your spouse's income. However, different rules may apply if you live in a community property state.

Community property states. Community property states include the following.

- Arizona.
- California.
- Idaho.
- Louisiana.
- Nevada.
- New Mexico.
- Texas.

Table 3-1. Example for Fiscal Year Ending June 30, 2018—Miles Hanson

Date	Form W-2		Miles' records		Tax return for FY ending 6/30/2017 ¹		Tax return for FY ending 6/30/2018	
	Wages	Withholding	Wages	Withholding	Wages	Withholding	Wages	Withholding
CY 2017²	\$31,200	\$3,328						
1/1/2017–6/30/2017			\$15,000	\$1,601	\$15,000			
7/1/2017–12/31/2017			\$16,200	\$1,727			\$16,200	\$3,328
CY 2018	\$37,700	\$4,316 ³						
1/1/2018–6/30/2018			\$18,850	\$2,158			\$18,850	
7/1/2018–12/31/2018			\$18,850 ⁴	\$2,158				

¹ Miles' tax return for FY ending 6/30/2017 also included his wages for 7/1–12/31/2016 and the withholding shown on his 2016 Form W-2.

² Calendar year (January 1–December 31).

³ Withholding shown on 2018 Form W-2 (\$4,316) will be included in Miles' tax return for FY ending 6/30/2019, the fiscal year in which calendar year 2018 ends.

⁴ Wages for 7/1–12/31/2018 (\$18,850) will be included in Miles' tax return for FY ending 6/30/2019, the fiscal year in which the wages were received.

- Washington.
- Wisconsin.

Generally, if you live in a community property state and file a separate return, you and your spouse each must report half of all community income in addition to your own separate income. If you are required to report half of all community income, you are entitled to take credit for half of all taxes withheld on the community income. If you were divorced during the year, each of you generally must report half the community income and can take credit for half the withholding on that community income for the period before the divorce.

For more information on these rules, and some exceptions, see Pub. 555, Community Property.

Fiscal Years (FYs)

If you file your tax return on the basis of a fiscal year (a 12-month period ending on the last day of any month except December), you must follow special rules, described next, to determine your credit for federal income tax withholding.

Fiscal year withholding. You can claim credit on your tax return only for the tax withheld during the calendar year (CY) ending within your fiscal year. You can't claim credit for any of the tax withheld during the calendar year beginning in your fiscal year. You will be able to claim credit for that withholding on your return for your next fiscal year.

The Form W-2 or 1099 you receive for the calendar year that ends during your fiscal year will show the tax withheld and the income you received during that calendar year.

Although you take credit for all the withheld tax shown on the form, report only the part of the income shown on the form that you received during your fiscal year. Add to that the income you received during the rest of your fiscal year.

Example. Miles Hanson files his return for a fiscal year ending June 30, 2018. In January 2018, he received a Form W-2 that showed that his wages for 2017 were \$31,200 and that his income tax withheld was \$3,328. His records

show that he had received \$15,000 of the wages by June 30, 2017, and \$16,200 from July 1 through December 31, 2017. See [Table 3-1](#).

On his return for the fiscal year ending June 30, 2018, Miles will report the \$16,200 he was paid in July through December of 2017, plus the \$18,850 he was paid during the rest of the fiscal year, January 1, 2018, through June 30, 2018. However, he takes credit for all \$3,328 that was withheld during 2017.

On his return for the fiscal year ending June 30, 2017, he reported the \$15,000 he was paid in January through June 2017, but took no credit for the tax withheld during that time. On his return for the fiscal year ending June 30, 2019, he will take the credit for any tax withheld during 2018 but not for any tax withheld during 2019.

Backup withholding. If income tax has been withheld under the backup withholding rule, take credit for it on your tax return for the fiscal year in which you received the income.

Example. Emily Smith's records show that she received income in November 2018 and February 2019 from which there was backup withholding (\$100 and \$50, respectively). Emily takes credit for the entire \$150 of backup withholding on her tax return for the fiscal year ending September 30, 2019.

Estimated Tax

Take credit for all your estimated tax payments for 2018 on Schedule 5 (Form 1040), line 66. Include any overpayment from 2017 that you had credited to your 2018 estimated tax.

If you were a beneficiary of an estate or trust, you should receive a Schedule K-1 (Form 1041), Beneficiary's Share of Income, Deductions, Credits, etc., from the fiduciary. If you have estimated taxes credited to you from the estate or trust (from Schedule K-1 (Form 1041)), you must report the estimated taxes on Schedule E (Form 1040). On the dotted line next to the entry space for line 37 of Schedule E (Form 1040), enter "ES payment claimed" and the amount. However, don't include this amount

in the total on line 37. Instead, enter the amount on Schedule 5 (Form 1040), line 66. This estimated tax payment for 2018 is treated as being made by you on January 15, 2019.

Name changed. If you changed your name, and you made estimated tax payments using your former name, attach a statement to the front of your paper tax return indicating:

- When you made the payments,
- The amount of each payment,
- Your name when you made the payments, and
- The social security number under which you made the payments.

The statement should cover payments you made jointly with your spouse as well as any you made separately.

Be sure to report the change to your local Social Security Administration office before filing your 2019 tax return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits. For more information, call the Social Security Administration at 800-772-1213.

Separate Returns

If you and your spouse made separate estimated tax payments for 2018 and you file separate returns, you can take credit only for your own payments.

If you made joint estimated tax payments, you must decide how to divide the payments between your returns. One of you can claim all of the estimated tax paid and the other none, or you can divide it in any other way you agree on. If you can't agree, you must divide the payments in proportion to each spouse's individual tax as shown on your separate returns for 2018.

Example. James and Evelyn Brown made joint estimated tax payments for 2018 totaling \$3,000. They file separate 2018 Forms 1040. James' tax is \$4,000 and Evelyn's is \$1,000. If they don't agree on how to divide the \$3,000, they must divide it proportionately between their returns. Because James' tax (\$4,000) is 80% of the total tax (\$5,000), his share of the estimated

tax is \$2,400 (80% of \$3,000). The balance, \$600 (20% of \$3,000), is Evelyn's share.

Divorced Taxpayers

If you made joint estimated tax payments for 2018 and you were divorced during the year, either you or your former spouse can claim all of the joint payments, or you each can claim part of them. If you can't agree on how to divide the payments, you must divide them in proportion to each spouse's individual tax as shown on your separate returns for 2018. See [Example](#) under *Separate Returns*, earlier.

If you claim any of the joint payments on your tax return, enter your former spouse's social security number (SSN) in the space provided at the top of page 1 of Form 1040. If you divorced and remarried in 2018, enter your present spouse's SSN in that space. Enter your former spouse's SSN, followed by "DIV," under *Payments* to the left of Schedule 5 (Form 1040), line 66.

Excess Social Security or Railroad Retirement Tax Withholding

Most employers must withhold social security tax from your wages. In some cases, however, the federal government and state and local governments don't have to withhold social security tax from their employees' wages. If you work for a railroad employer, that employer must withhold tier 1 railroad retirement (RRTA) tax and tier 2 RRTA tax.

Two or more employers. If you worked for two or more employers in 2018, too much social

security tax or tier 1 RRTA tax may have been withheld from your pay. You may be able to claim the excess as a credit against your income tax when you file your return. [Table 3-2](#) shows the maximum amount that should have been withheld for any of these taxes for 2018. Figure the excess withholding on the appropriate worksheet.

Table 3-2. Maximum Social Security and RRTA Withholding for 2018

Type of tax	Maximum wages subject to tax	Tax rate	Maximum tax to be withheld
Social security	\$128,400	6.2%	\$7,960.80
Tier 1 RRTA	\$128,400	6.2%	\$7,960.80
Tier 2 RRTA	\$95,400	4.9%	\$4,674.60

Joint returns. If you are filing a joint return, you and your spouse must figure any excess social security or tier 1 RRTA separately.

Note. All wages are subject to Medicare tax withholding.

Employer's error. If you had only one employer and he or she withheld too much social security, Medicare, or tier 1 RRTA tax, ask the employer to refund the excess amount to you. If the employer refuses to refund the overcollection, ask for a statement indicating the amount of the overcollection to support your claim. File a claim for refund using Form 843.

Worksheet for Nonrailroad Employees

If you didn't work for a railroad during 2018, figure the excess social security withholding on [Worksheet 3-1](#).

Note. If you worked for both a railroad employer and a nonrailroad employer, use [Worksheet 3-2](#) to figure excess social security and tier 1 RRTA tax.

Where to claim credit for excess social security withholding. Enter the excess on Schedule 5 (Form 1040), line 72.

Write "Excess SST" and show the amount of the credit in the space to the left of the line.

Worksheets for Railroad Employees

If you worked for a railroad during 2018, figure your excess withholding on [Worksheet 3-2](#) and [Worksheet 3-3](#), as appropriate.

Where to claim credit for excess tier 1 RRTA withholding. Enter the excess on Schedule 5 (Form 1040), line 72.

Write "Excess SST" and show the amount of the credit in the space to the left of the line.

How to claim refund of excess tier 2 RRTA. To claim a refund of tier 2 tax, use Form 843. Be sure to attach a copy of all of your Forms W-2.

See [Worksheet 3-3](#) and the Instructions for Form 843, for more details.

Worksheet 3-1. Excess Social Security—Nonrailroad Employees

Keep for Your Records



1. Add all social security tax withheld (but not more than \$7,960.80 for each employer). This tax should be shown in box 4 of your Forms W-2. Enter the total here	1. _____
2. Enter any uncollected social security tax on tips or group-term life insurance on Schedule 4 (Form 1040), line 62, identified by "UT"	2. _____
3. Add lines 1 and 2. If \$7,960.80 or less, stop here. You can't claim the credit	3. _____
4. Social security limit	4. \$7,960.80
5. Excess. Subtract line 4 from line 3	5. _____

Worksheet 3-2. **Excess Social Security and Tier 1 RRTA—Railroad Employees**

Keep for Your Records 

1. Add all social security and tier 1 RRTA tax withheld (but not more than \$7,960.80 for each employer). Social security tax should be shown in box 4 and tier 1 RRTA tax should be shown in box 14 of your Forms W-2. Enter the total here	1. _____
2. Enter any uncollected social security and tier 1 RRTA tax on tips or group-term life insurance on Schedule 4 (Form 1040), line 62, identified by "UT"	2. _____
3. Add lines 1 and 2. If \$7,960.80 or less, stop here. You can't claim the credit	3. _____
4. Social security and tier 1 RRTA tax limit	4. \$7,960.80
5. Excess. Subtract line 4 from line 3	5. _____

Worksheet 3-3. **Excess Tier 2 RRTA—Railroad Employees**

Keep for Your Records 

1. Add all tier 2 RRTA tax withheld (but not more than \$4,674.60 for each employer). Box 14 of your Forms W-2 should show tier 2 RRTA tax. Enter the total here	1. _____
2. Enter any uncollected tier 2 RRTA tax on tips or group-term life insurance on Schedule 4 (Form 1040), line 62, identified by "UT"	2. _____
3. Add lines 1 and 2. If \$4,674.60 or less, stop here. You can't claim the credit	3. _____
4. Tier 2 RRTA tax limit	4. \$4,674.60
5. Excess. Subtract line 4 from line 3	5. _____

4.

Underpayment Penalty for 2018

Introduction

If you didn't pay enough tax, either through withholding or by making timely estimated tax payments, you will have underpaid your estimated tax and may have to pay a penalty.

TIP You may be eligible to waive the underpayment penalty if, due to tax reform, you were unable to accurately calculate your required estimated tax payments for 2018. See [Waiver of Penalty](#), for more information.

TIP You may understand this chapter better if you can refer to a copy of your latest federal income tax return.

No penalty. Generally, you won't have to pay a penalty for 2018 if any of the following apply.

- The total of your withholding and timely estimated tax payments was at least as much as your 2017 tax. (See [Special rules for certain individuals](#), later, for higher income taxpayers and farmers and fishermen.)
- The tax balance due on your 2018 return is no more than 10% of your total 2018 tax, and you paid all required estimated tax payments on time.
- Your [total tax for 2018](#) minus your withholding is less than \$1,000.
- You didn't have a tax liability for 2017.
- You didn't have any withholding taxes and your current year tax (less any household employment taxes) is less than \$1,000.

IRS can figure the penalty for you. If you think you owe the penalty, but you don't want to figure it yourself when you file your tax return, you may not have to. Generally, the IRS will figure the penalty for you and send you a bill.

You only need to figure your penalty in the following three situations.

- You are requesting a waiver of part, but not all, of the penalty.
- You are using the annualized income installment method to figure the penalty.
- You are treating the federal income tax withheld from your income as paid on the dates actually withheld.

However, if these situations don't apply to you, and you think you can lower or eliminate your penalty, complete Form 2210 or Form 2210-F and attach it to your return. See [Form 2210](#), later.

Topics

This chapter discusses:

- The general rule for the underpayment penalty,
- Special rules for certain individuals,
- Exceptions to the underpayment penalty,
- How to figure your underpayment and the amount of your penalty on Form 2210, and
- How to ask the IRS to waive the penalty.

Useful Items

You may want to see:

Form (and Instructions)

- 2210** Underpayment of Estimated Tax by Individuals, Estates, and Trusts
- 2210-F** Underpayment of Estimated Tax by Farmers and Fishermen

See [chapter 5](#) for information about getting these forms.

General Rule

In general, you may owe a penalty for 2018 if the total of your withholding and timely estimated tax payments didn't equal at least the smaller of:

1. 90% of your 2018 tax, or
2. 100% of your 2017 tax. (Your 2017 tax return must cover a 12-month period.)

Your 2018 tax, for this purpose, is defined under [Total tax for 2018](#), later.

Special rules for certain individuals. There are special rules for farmers and fishermen and certain higher income taxpayers.

Farmers and fishermen. If at least two-thirds of your gross income for 2017 or 2018 is from farming or fishing, substitute 66 $\frac{2}{3}$ % for 90% in (1) above.

See [Farmers and Fishermen](#), later.

Higher income taxpayers. If your AGI for 2017 was more than \$150,000 (\$75,000 if your 2018 filing status is married filing a separate return), substitute 110% for 100% in (2) under [General Rule](#), earlier. This rule does not apply to farmers or fishermen.

For 2017, AGI is the amount shown on Form 1040, line 37; Form 1040A, line 21; and Form 1040EZ, line 4.

Penalty figured separately for each period. Because the penalty is figured separately for each payment period, you may owe a penalty for an earlier payment period even if you later paid enough to make up the underpayment. This is true even if you are due a refund when you file your income tax return.

Example. You didn't make estimated tax payments for 2018 because you thought you had enough tax withheld from your wages. Early in January 2019, you made an estimate of your total 2018 tax. Then you realized that your withholding was \$2,000 less than the amount needed to avoid a penalty for underpayment of estimated tax.

On January 10, you made an estimated tax payment of \$3,000, which is the difference between your withholding and your estimate of your total tax. Your final return shows your total tax to be \$50 less than your estimate, so you are due a refund.

You don't owe a penalty for your payment due January 15, 2019. However, you may owe a penalty through January 10, 2019, the day you made the \$3,000 payment, for your underpayments for the earlier payment periods.

Minimum required each period. You will owe a penalty for any 2018 payment period for which your estimated tax payment plus your withholding for the period and overpayments applied from previous periods was less than the smaller of:

1. 22.5% of your 2018 tax, or
2. 25% of your 2017 tax. (Your 2017 tax return must cover a 12-month period.)

Minimum required for higher income taxpayers. If you are subject to the rule for higher income taxpayers, discussed above, substitute 27.5% for 25% in (2) under [General Rule](#), earlier.

When penalty is charged. If you miss a payment or you paid less than the minimum required in a period, you may be charged an underpayment penalty from the date the amount was due to the date the payment is made. If a payment is mailed, the date of the U.S. postmark is considered the date of payment.

If a payment is made electronically, the date the payment is shown on your payment account (checking, savings, etc.) is considered to be the date of payment.

Estate or trust payments of estimated tax. If you have estimated taxes credited to you from an estate or trust (Schedule K-1 (Form 1041)), treat the payment as made by you on January 15, 2019.

Amended returns. If you file an amended return by the due date of your original return, use the tax shown on your amended return to figure your required estimated tax payments. If you file an amended return after the due date of the original return, use the tax shown on the original return.

However, if you and your spouse file a joint return after the due date to replace separate returns you originally filed by the due date, use the tax shown on the joint return to figure your required estimated tax payments. This rule applies only if both original separate returns were filed on time.

2017 separate returns and 2018 joint return. If you file a joint return with your spouse for 2018, but you filed separate returns for 2017, your 2017 tax is the total of the tax shown on your separate returns. You filed a separate return if you filed as single, head of household, or married filing separately.

2017 joint return and 2018 separate returns. If you file a separate return for 2018, but you filed a joint return with your spouse for 2017, your 2017 tax is your share of the tax on the joint return. You are filing a separate return

if you file as single, head of household, or married filing separately.

To figure your share of the taxes on a joint return, first figure the tax both you and your spouse would have paid had you filed separate returns for 2017 using the same filing status as for 2018. Then multiply the tax on the joint return by the following fraction.

The tax you would have paid had you filed a separate return	
The total tax you and your spouse would have paid had you filed separate returns	

Example. Lisa and Paul filed a joint return for 2017 showing taxable income of \$49,000 and a tax of \$6,421. Of the \$49,000 taxable income, \$41,000 was Lisa's and the rest was Paul's. For 2018, they file married filing separately. Lisa figures her share of the tax on the 2017 joint return as follows.

2017 tax on \$41,000 based on a separate return	\$ 5,995
2017 tax on \$8,000 based on a separate return	803
Total	\$ 6,798
Lisa's percentage of total tax (\$5,995 ÷ \$6,798)	88.2%
Lisa's part of tax on joint return (\$6,421 × 88.2% (0.882))	\$ 5,663

Form 2210. In most cases, you don't need to file Form 2210. The IRS will figure the penalty for you and send you a bill. If you want us to figure the penalty for you, leave the penalty line on your return blank. Don't file Form 2210.

To determine if you should file Form 2210, see Part II of Form 2210. If you decide to figure your penalty, complete Part I, Part II, and either Part III or Part IV of the form and the Penalty Worksheet in the Instructions for Form 2210.

On Form 1040, enter the amount of your penalty on line 23. If you owe tax on line 22, add the penalty to your tax due and show your total payment on line 22. If you are due a refund, subtract the penalty from the overpayment and enter the result on line 19.

Lowering or eliminating the penalty. You may be able to lower or eliminate your penalty if you file Form 2210. You must file Form 2210 with your return if any of the following applies.

- You request a waiver. See [Waiver of Penalty](#), later.
- You use the annualized income installment method. See the explanation of this method under [Annualized Income Installment Method \(Schedule AI\)](#), later.
- You use your actual withholding for each payment period for estimated tax purposes. See [Actual withholding method](#) under [Figuring Your Underpayment \(Part IV, Section A\)](#), later.
- You base any of your required installments on the tax shown on your 2017 return and you filed or are filing a joint return for either 2017 or 2018, but not for both years.

Exceptions

Generally, you don't have to pay an underpayment penalty if either:

- Your total tax is less than \$1,000, or
- You had no tax liability last year.

Less Than \$1,000 Due

You don't owe a penalty if the total tax shown on your return minus the amount you paid through withholding (including excess social security and tier 1 railroad retirement (RRTA) tax withholding) is less than \$1,000.

Total tax for 2018. For 2018, your total tax on Form 1040 is the amount on line 15 **reduced** by the following.

1. Unreported social security and Medicare tax or RRTA tax from Forms 4137 or 8919 on Schedule 4 (Form 1040), line 58.
2. Any tax included on Schedule 4 (Form 1040), line 59, for excess contributions to an IRA, Archer MSA, Coverdell education savings account, health savings account, and ABL account; or any tax on excess accumulations in qualified retirement plans.
3. The following write-ins on Schedule 4 (Form 1040), line 62.
 - a. Uncollected social security and Medicare tax or RRTA tax on tips or group-term life insurance.
 - b. Tax on excess golden parachute payments.
 - c. Excise tax on insider stock compensation from an expatriated corporation.
 - d. Look-back interest due under section 167(g).
 - e. Look-back interest due under section 460(b).
 - f. Recapture of federal mortgage subsidy.
4. Any shared responsibility payment on Schedule 4 (Form 1040), line 61.
5. Any refundable credit amounts on Form 1040, line 17a, b, or c, and Schedule 5 (Form 1040), lines 70 and 73, and credit from Form 8885 included on line 74.

Note. When figuring the amount on Schedule 4 (Form 1040), line 62, include household employment taxes only if you had federal income tax withheld from your income or you would owe the penalty even if you didn't include those taxes.

Paid through withholding. For 2018, the amount you paid through withholding on Form 1040 is the amount on line 16 plus any excess social security or tier 1 RRTA tax withholding on Schedule 5 (Form 1040), line 72. Add to that any write-in amount on line 18, identified as "Form 8689."

No Tax Liability Last Year

You don't owe a penalty if you had no tax liability last year and you were a U.S. citizen or resident for the whole year. For this rule to apply, your tax year must have included all 12 months of the year.

You had no tax liability for 2017 if your total tax was zero or you were not required to file an income tax return.

Example. Ray, who is single and 22 years old, was unemployed for a few months during 2017. He earned \$6,700 in wages before he was laid off, and he received \$1,400 in unemployment compensation afterwards. He had no other income. Even though he had gross income of \$8,100, he didn't have to pay income tax because his gross income was less than the filing requirement for a single person under age 65 (\$10,400 for 2017). He filed a return only to have his withheld income tax refunded to him.

In 2018, Ray began regular work as an independent contractor. Ray made no estimated tax payments in 2018. Even though he did owe tax at the end of the year, Ray does not owe the underpayment penalty for 2018 because he had no tax liability in 2017.

Total tax for 2017. For 2017, your total tax on Form 1040 is the amount on line 63 **reduced** by the following.

1. Unreported social security and Medicare tax or RRTA tax from Forms 4137 or 8919 (line 58).
2. Any tax included on line 59 for excess contributions to IRAs, Archer MSAs, Coverdell education savings accounts, and health savings accounts, or any tax on excess accumulations in qualified retirement plans.
3. The following write-ins on line 62.
 - a. Uncollected social security and Medicare tax or RRTA tax on tips or group-term life insurance.
 - b. Tax on excess golden parachute payments.
 - c. Excise tax on insider stock compensation from an expatriated corporation.
 - d. Look-back interest due under section 167(g).
 - e. Look-back interest due under section 460(b).
 - f. Recapture of federal mortgage subsidy.
4. Any shared responsibility payment on line 61.
5. Any refundable credit amounts listed on lines 66a, 67, 68, 69, and 72.

If you filed Form 1040A, your 2017 total tax is the amount on line 39 reduced by any refundable credits on lines 42a, 43, 44, and 45.

If you filed Form 1040EZ, your 2017 total tax is the amount on line 12 reduced by the amount on lines 8a and 11.

Figuring Your Required Annual Payment (Part I)

Figure your required annual payment in Part I of Form 2210, following the line-by-line instructions. If you rounded the entries on your tax return to whole dollars, you can round on Form 2210.

Example. The tax on Lori Lane's 2017 return was \$12,400. Her AGI was not more than \$150,000 for either 2017 or 2018. The tax on her 2018 return (Form 1040, line 11) is \$13,044. Schedule 4 (Form 1040), line 57 (self-employment tax), is \$8,902. Her 2018 total tax is \$21,946.

For 2018, Lori had \$1,600 income tax withheld and made four equal estimated tax payments (\$1,000 each). 90% of her 2018 tax is \$19,751. Because she paid less than her 2017 tax (\$12,400) and less than 90% of her 2018 tax (\$19,751), and does not meet an exception, Lori knows that she owes a penalty for underpayment of estimated tax. The IRS will figure the penalty for Lori, but she decides to figure it herself on Form 2210 and pay it with her taxes when she files her tax return.

Lori's required annual payment is \$12,400 (100% of 2017 tax) because that is smaller than 90% of her 2018 tax.

Different 2017 filing status. If you file a separate return for 2018, but you filed a joint return with your spouse for 2017, see [2017 joint return and 2018 separate returns](#), earlier, to figure the amount to enter as your 2017 tax on line 8 of Form 2210.

Short Method for Figuring the Penalty (Part III)

You may be able to use the short method in Part III of Form 2210 to figure your penalty for underpayment of estimated tax. If you qualify to use this method, it will result in the same penalty amount as the regular method. However, either the annualized income installment method or the actual withholding method, explained later, may result in a smaller penalty.

You can use the short method only if you meet one of the following requirements.

- You made no estimated tax payments for 2018 (it does not matter whether you had income tax withholding).
- You paid the same amount of estimated tax on each of the four payment due dates.

If you don't meet either requirement, figure your penalty using the regular method in Part IV of Form 2210 and the Penalty Worksheet in the instructions.

Note. If any payment was made before the due date, you can use the short method, but the penalty may be less if you use the regular method. However, if the payment was only a

few days early, the difference is likely to be small.

You can't use the short method if any of the following apply.

- You made any estimated tax payments late.
- You checked box C or D in Part II of Form 2210.
- You are filing Form 1040NR or 1040NR-EZ and you didn't receive wages as an employee subject to U.S. income tax withholding.



If you use the short method, you can't use the annualized income installment method to figure your underpayment for each payment period. Also, you can't use your actual withholding during each period to figure your payments for each period. These methods, which may give you a smaller penalty amount, are explained under [Figuring Your Underpayment \(Part IV, Section A\)](#), later.

Complete Part III of Form 2210 following the line-by-line instructions in the Instructions for Form 2210.

Regular Method for Figuring the Penalty (Part IV)

You can use the regular method in Part IV of Form 2210 to figure your penalty for underpayment of estimated tax if you paid one or more estimated tax payments earlier than the due date.

You must use the regular method in Part IV of Form 2210 to figure your penalty for underpayment of estimated tax if any of the following apply to you.

- You paid one or more estimated tax payments on a date after the due date.
- You paid at least one, but less than four, installments of estimated tax.
- You paid estimated tax payments in unequal amounts.
- You use the annualized income installment method to figure your underpayment for each payment period.
- You use your actual withholding during each payment period to figure your payments.

Under the regular method, figure your underpayment for each payment period in Section A, then figure your penalty using the Penalty Worksheet in the Instructions for Form 2210. Enter the results on line 27 of Section B.

Figuring Your Underpayment (Part IV, Section A)

Figure your underpayment of estimated tax for each payment period in Section A following the line-by-line instructions in the Instructions for Form 2210. Complete lines 20 through 26 of the first column before going to line 20 of the next column.

Required installments—line 18. Your required payment for each payment period

(line 18) is usually one-fourth of your required annual payment (Part I, line 9). This method—the regular method—is the one to use if you received your income evenly throughout the year.

However, if you didn't receive your income evenly throughout the year, you may be able to lower or eliminate your penalty by figuring your underpayment using the annualized income installment method. First complete Schedule AI (Form 2210), then enter the amounts from line 27 of that schedule on line 18 of Form 2210, Part IV. See [Annualized Income Installment Method \(Schedule AI\)](#), later.

Payments made—line 19. Enter in each column the total of:

- Your estimated tax paid after the due date for the previous column and by the due date shown at the top of the column, and
- One-fourth of your withholding.

For special rules for figuring your payments, see the Form 2210 instructions for line 19.

Your withholding is the amount on line 16, plus any excess social security or tier 1 RRTA tax withholding on Schedule 5 (Form 1040), line 72.

Actual withholding method. Instead of using one-fourth of your withholding for each quarter, you can choose to use the amounts actually withheld by each due date. You can make this choice separately for the tax withheld from your wages and for all other withholding. This includes any excess social security and tier 1 RRTA tax withheld.

Using your actual withholding may result in a smaller penalty if most of your withholding occurred early in the year.

If you use your actual withholding, you must check box D in Form 2210, Part II. Then complete Form 2210 using the regular method (Part IV) and file it with your return.

Worksheet for Form 2210, Part IV, Section B—Figuring the Penalty

Figure the amount of your penalty for Section B using the Penalty Worksheet in the Instructions for Form 2210. The penalty is imposed on each underpayment amount shown on Form 2210, Section A, line 25, for the number of days that it remained unpaid.

For 2018, a 5% rate applies for the following periods: April 16 through June 30, July 1 through September 30, and October 1 through December 31. A 6% rate applies for the period January 1, 2019, through April 15, 2019.

Payments. Before completing the Penalty Worksheet, it may be helpful to make a list of the payments you made and income tax withheld after the due date (or the last day payments could be made on time) for the earliest payment period an underpayment occurred. For example, if you had an underpayment for the first payment period, list your payments after April 15, 2018. You can use the table in the Instructions for Form 2210 to make your list. Follow those instructions for listing income tax withheld and payments made with your return.

Use the list to determine when each underpayment was paid.

If you mail your estimated tax payments, use the date of the U.S. postmark as the date of payment.

Line 1b. Apply the payments listed to the underpayment balance in the first column until it is fully paid. Apply payments in the order made.

Figuring the penalty. If an underpayment was paid in two or more payments on different dates, you must figure the penalty separately

for each payment. On line 3 of the Penalty Worksheet, enter the number of days between the due date (line 2) and the date of each payment on line 1b. On line 4, figure the penalty for the amount of each payment applied on line 1b or the amount remaining unpaid. If no payments are applied, figure the penalty on the amount on line 1a.

Aid for counting days. [Table 4-1](#) provides a simple method for counting the number of days between a due date and a payment date.

1. Find the number for the date the payment was due by going across to the column of the month the payment was due and moving down the column to the due date.
2. In the same manner, find the number for the date the payment was made.
3. Subtract the due date "number" from the payment date "number."

For example, if a payment was due on June 15 (61), but was not paid until September 1 (139), the payment was 78 days late (139 – 61).

Table 4-1. **Calendar To Determine the Number of Days a Payment Is Late**

Instructions. Use this table with Form 2210 if you are completing Part IV, Section B. First, find the number for the payment due date by going across to the column of the month the payment was due and moving down the column to the due date. Then, in the same manner, find the number for the date the payment was made. Finally, subtract the due date number from the payment date number. The result is the number of days the payment is late.

Example. The payment due date is June 15 (61). The payment was made on November 4 (203). The payment is 142 days late (203 – 61).

Day of Month	Tax Year 2018												
	2018 April	2018 May	2018 June	2018 July	2018 Aug.	2018 Sept.	2018 Oct.	2018 Nov.	2018 Dec.	2019 Jan.	2019 Feb.	2019 Mar.	2019 Apr.
1		16	47	77	108	139	169	200	230	261	292	320	351
2		17	48	78	109	140	170	201	231	262	293	321	352
3		18	49	79	110	141	171	202	232	263	294	322	353
4		19	50	80	111	142	172	203	233	264	295	323	354
5		20	51	81	112	143	173	204	234	265	296	324	355
6		21	52	82	113	144	174	205	235	266	297	325	356
7		22	53	83	114	145	175	206	236	267	298	326	357
8		23	54	84	115	146	176	207	237	268	299	327	358
9		24	55	85	116	147	177	208	238	269	300	328	359
10		25	56	86	117	148	178	209	239	270	301	329	360
11		26	57	87	118	149	179	210	240	271	302	330	361
12		27	58	88	119	150	180	211	241	272	303	331	362
13		28	59	89	120	151	181	212	242	273	304	332	363
14		29	60	90	121	152	182	213	243	274	305	333	364
15	0	30	61	91	122	153	183	214	244	275	306	334	365
16	1	31	62	92	123	154	184	215	245	276	307	335	
17	2	32	63	93	124	155	185	216	246	277	308	336	
18	3	33	64	94	125	156	186	217	247	278	309	337	
19	4	34	65	95	126	157	187	218	248	279	310	338	
20	5	35	66	96	127	158	188	219	249	280	311	339	
21	6	36	67	97	128	159	189	220	250	281	312	340	
22	7	37	68	98	129	160	190	221	251	282	313	341	
23	8	38	69	99	130	161	191	222	252	283	314	342	
24	9	39	70	100	131	162	192	223	253	284	315	343	
25	10	40	71	101	132	163	193	224	254	285	316	344	
26	11	41	72	102	133	164	194	225	255	286	317	345	
27	12	42	73	103	134	165	195	226	256	287	318	346	
28	13	43	74	104	135	166	196	227	257	288	319	347	
29	14	44	75	105	136	167	197	228	258	289		348	
30	15	45	76	106	137	168	198	229	259	290		349	
31		46		107	138		199		260	291		350	

Annualized Income Installment Method (Schedule AI)

If you didn't receive your income evenly throughout the year (for example, your income from a shop you operated at a marina was much larger in the summer than it was during the rest of the year), you may be able to lower or eliminate your penalty by figuring your underpayment using the annualized income installment method. Under this method, your required installment (Part IV, line 18) for one or more payment periods may be less than one-fourth of your required annual payment.

To figure your underpayment using this method, complete Form 2210, Schedule AI. Schedule AI annualizes your tax at the end of each payment period based on your income, deductions, and other items relating to events that occurred from the beginning of the tax year through the end of the period.

If you use the annualized income installment method, you must check box C in Part II of Form 2210. Also, you must attach Form 2210 and Schedule AI to your return.



If you use Schedule AI for any payment due date, you must use it for all payment due dates.

Completing Schedule AI. Follow the Instructions for Form 2210 to complete Schedule AI. For each period shown on Schedule AI, figure your income and deductions based on your method of accounting. If you use the cash method of accounting (used by most people), include all income actually or constructively received during the period and all deductions actually paid during the period.

Note. Each period includes amounts from the previous period(s).

- Period (a) includes items for January 1 through March 31.
- Period (b) includes items for January 1 through May 31.
- Period (c) includes items for January 1 through August 31.
- Period (d) includes items for the entire year.

Farmers and Fishermen

If you are a farmer or fisherman, the following special rules for underpayment of estimated tax apply to you.

1. The penalty for underpaying your 2018 estimated tax won't apply if you file your return and pay all the tax due by March 1, 2019. If you are a fiscal year taxpayer, the penalty won't apply if you file your return and pay the tax due by the first day of the third month after the end of your tax year.
2. Any penalty you owe for underpaying your 2018 estimated tax will be figured from one payment due date, January 15, 2019.
3. The underpayment penalty for 2018 is figured on the difference between the amount of 2018 withholding plus estimated tax paid by the due date and the smaller of:
 - a. 66 $\frac{2}{3}$ % (rather than 90%) of your 2018 tax, or
 - b. 100% of the tax shown on your 2017 return.

Even if these special rules apply to you, you won't owe the penalty if you meet either of the two conditions discussed under [Exceptions](#), earlier.

See [Who Must Pay Estimated Tax](#) in chapter 2 for the definition of a farmer or fisherman who is eligible for these special rules.

Form 2210-F. Use Form 2210-F to figure any underpayment penalty. Don't attach it to your return unless you check a box in Part I. However, if none of the boxes apply to you and you owe a penalty, you don't need to attach Form 2210-F. Enter the amount from line 16 on Form 1040, line 23, and add the penalty to any balance due on your return or subtract it from your refund. Keep your filled-in Form 2210-F for your records.



If none of the boxes on Form 2210-F apply to you and you owe a penalty, the IRS can figure your penalty and send you a bill.

How to request a waiver. To request a waiver, see the Instructions for Form 2210.

Farmers and fishermen. To request a waiver, see the Instructions for Form 2210-F.

Federally declared disaster. Certain estimated tax payment deadlines for taxpayers who reside or have a business in a federally declared disaster area are postponed for a period during and after the disaster. During the processing of your tax return, the IRS automatically identifies taxpayers located in a covered disaster area (by county or parish) and applies the appropriate penalty relief. **Don't** file Form 2210 or 2210-F if your underpayment was due to a federally declared disaster. If you still owe a penalty after the automatic waiver is applied, we will send you a bill.

Individuals, estates, and trusts not in a covered disaster area but whose books, records, or tax professionals' offices are in a covered area are also entitled to relief. Also eligible are relief workers affiliated with a recognized government or charitable organization assisting in the relief activities in a covered disaster area. If you meet either of these eligibility requirements, you must call the IRS disaster hotline at 866-562-5227 and identify yourself as eligible for this relief.

Details on the applicable disaster postponement period can be found at [IRS.gov](#). Go to [Tax Relief in Disaster Situations](#). Select the federally declared disaster that affected you.

Waiver of Penalty

The IRS can waive the penalty for underpayment if any of the following applies.

1. You didn't make a payment because of a casualty, disaster, or other unusual circumstance and it would be inequitable to impose the penalty.
2. You retired (after reaching age 62) or became disabled in 2017 or 2018 and both the following requirements are met.
 - a. You had a reasonable cause for not making the payment.



Note. To figure the annualized entries for lines 2, 3, and 5 below, multiply the expected amount for the period by the annualization amount on line 2 of Schedule AI for the same period.

1. Enter line 13 of your Schedule AI, or line 3 from Worksheet 4-2	1.	
2. Enter your annualized qualified dividends for the period	2.	
3. Are you filing Schedule D?		
<input type="checkbox"/> Yes. Enter the smaller of your annualized amount from line 15 or line 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-.	}	3.
<input type="checkbox"/> No. Enter your annualized capital gain distributions from Schedule 1 (Form 1040), line 13.	}	
4. Add lines 2 and 3	4.	
5. If you are claiming investment interest expense on Form 4952, enter your annualized amount from line 4g of that form. Otherwise, enter -0-	5.	
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	
8. Enter:		
<ul style="list-style-type: none"> • \$38,600 if single or married filing separately, • \$77,200 if married filing jointly or qualifying widow(er), <li style="padding-left: 20px;">or • \$51,700 if head of household. 	}	8.
9. Enter the smaller of line 1 or line 8	9.	
10. Enter the smaller of line 7 or line 9	10.	
11. Subtract line 10 from line 9. This amount is taxed at 0%	11.	
12. Enter the smaller of line 1 or line 6	12.	
13. Enter the amount from line 11	13.	
14. Subtract line 13 from line 12	14.	
15. Multiply line 14 by 15% (0.15)	15.	
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table in the 2018 Instructions for Form 1040 to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet in the 2018 Instructions for Form 1040	16.	
17. Add lines 15 and 16	17.	
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table in the 2018 Instructions for Form 1040 to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet in the 2018 Instructions for Form 1040	18.	
19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also enter this amount on line 14 of Schedule AI in the appropriate column. However, if you are using this worksheet to figure the tax on the amount on line 3 of Worksheet 4-2, enter the amount from line 19 on Worksheet 4-2, line 4	19.	

Before you begin: If Schedule AI, line 13, is zero for the period, don't complete this worksheet.

- | | |
|---|----------|
| 1. Enter the amount from line 13 of Schedule AI for the period | 1. _____ |
| 2. Enter the annualized amount* of foreign earned income and housing amount excluded or deducted (from Form 2555, lines 45 and 50, or Form 2555-EZ, line 18) in figuring the amount entered for the period on line 1 of Schedule AI | 2. _____ |
| 3. Add lines 1 and 2 | 3. _____ |
| 4. Tax on the amount on line 3. Use the Tax Table, Tax Computation Worksheet, Form 8615,** Qualified Dividends and Capital Gain Tax Worksheet,** or Schedule D Tax Worksheet,** whichever applies. See the 2018 instructions for Form 1040, line 11a, to find out which tax computation method to use. (Note. You don't have to use the same method for each period on Schedule AI.) | 4. _____ |
| 5. Tax on the amount on line 2. If the amount on line 2 is less than \$100,000, use the Tax Table in the 2018 Instructions for Form 1040 to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet in the 2018 Instructions for Form 1040 | 5. _____ |
| 6. Subtract line 5 from line 4. Enter the result here and on line 14 of Schedule AI. If zero or less, enter -0- | 6. _____ |

* To figure the annualized amount for line 2, multiply the exclusion or deduction for the period by the annualization amount on line 2 of Schedule AI for the same period.

** If you use Form 8615 to figure the tax on line 4 above, enter the amount from line 3 above on line 4 of Form 8615. If the child's parent files Form 2555 or 2555-EZ, enter the amounts from lines 3 and 4 of the parent's Foreign Earned Income Tax Worksheet on lines 6 and 10, respectively, of Form 8615. Complete the rest of Form 8615 according to its instructions. Then complete lines 5 and 6 above.

*** Enter the amount from line 3 above on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet (or Worksheet 4-1 in this chapter) or the Schedule D Tax Worksheet, whichever worksheet you use to figure the tax on line 4 above. Complete that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, determine if you have a capital gain excess.

Figuring capital gain excess. To find out if you have a capital gain excess for the appropriate period, subtract line 13 of Schedule AI from line 6 of Worksheet 4-1 or your Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.

No capital gain excess. If you don't have a capital gain excess, complete the rest of Worksheet 4-1, Qualified Dividends and Capital Gain Tax Worksheet, or the Schedule D Tax Worksheet according to the worksheet's instructions. Then complete lines 5 and 6 above.

Capital gain excess. If you have a capital gain excess, complete a second Worksheet 4-1, Qualified Dividends and Capital Gain Tax Worksheet, or Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above.

Make the modifications below only for purposes of filling out Worksheet 4-2 above.

- Reduce (but not below zero) the amount you otherwise would enter on line 3 of your Worksheet 4-1, line 3, of your Qualified Dividends and Capital Gain Tax Worksheet, or line 9 of your Schedule D Tax Worksheet by your capital gain excess.
- Reduce (but not below zero) the amount you otherwise would enter on line 2 of your Worksheet 4-1, line 2, of your Qualified Dividends and Capital Gain Tax Worksheet, or line 6 of your Schedule D Tax Worksheet by any of your capital gain excess not used in (a) above.
- Reduce (but not below zero) the amount on your Schedule D (Form 1040), line 18, by your capital gain excess.
- Include your capital gain excess as a loss on line 16 of your Unrecaptured Section 1250 Gain Worksheet in the 2018 Instructions for Schedule D (Form 1040).

How To Get Tax Help

If you have questions about a tax issue, need help preparing your tax return, or want to download free publications, forms, or instructions, go to [IRS.gov](https://www.irs.gov) and find resources that can help you right away.

Tax reform. Major tax reform legislation impacting individuals, businesses, and tax-exempt entities was enacted in the Tax Cuts and Jobs Act on December 22, 2017. Go to [IRS.gov/TaxReform](https://www.irs.gov/TaxReform) for information and updates on how this legislation affects your taxes.

Preparing and filing your tax return. Find free options to prepare and file your return on [IRS.gov](https://www.irs.gov) or in your local community if you qualify.

The Volunteer Income Tax Assistance (VITA) program offers free tax help to people who generally make \$55,000 or less, persons with disabilities, and limited-English-speaking taxpayers who need help preparing their own tax returns. The Tax Counseling for the Elderly (TCE) program offers free tax help for all taxpayers, particularly those who are 60 years of age and older. TCE volunteers specialize in answering questions about pensions and retirement-related issues unique to seniors.

You can go to [IRS.gov](https://www.irs.gov) to see your options for preparing and filing your return which include the following.

- **Free File.** Go to [IRS.gov/FreeFile](https://www.irs.gov/FreeFile) to see if you qualify to use brand-name software to prepare and *e-file* your federal tax return for free.
- **VITA.** Go to [IRS.gov/VITA](https://www.irs.gov/VITA), download the free IRS2Go app, or call 800-906-9887 to find the nearest VITA location for free tax return preparation.
- **TCE.** Go to [IRS.gov/TCE](https://www.irs.gov/TCE), download the free IRS2Go app, or call 888-227-7669 to find the nearest TCE location for free tax return preparation.



Getting answers to your tax questions. On [IRS.gov](https://www.irs.gov), get answers to your tax questions anytime, anywhere.

- Go to [IRS.gov/Help](https://www.irs.gov/Help) for a variety of tools that will help you get answers to some of the most common tax questions.
- Go to [IRS.gov/ITA](https://www.irs.gov/ITA) for the Interactive Tax Assistant, a tool that will ask you questions on a number of tax law topics and provide answers. You can print the entire interview and the final response for your records.
- Go to [IRS.gov/Pub17](https://www.irs.gov/Pub17) to get Pub. 17, Your Federal Income Tax for Individuals, which features details on tax-saving opportunities, 2018 tax changes, and thousands of interactive links to help you find answers to your questions. View it online in HTML, as a PDF, or download it to your mobile device as an eBook.
- You may also be able to access tax law information in your electronic filing software.

Getting tax forms and publications. Go to [IRS.gov/Forms](https://www.irs.gov/Forms) to view, download, or print all of the forms and publications you may need. You

can also download and view popular tax publications and instructions (including the 1040 instructions) on mobile devices as an eBook at no charge. Or you can go to [IRS.gov/OrderForms](https://www.irs.gov/OrderForms) to place an order and have forms mailed to you within 10 business days.

Access your online account (individual taxpayers only). Go to [IRS.gov/Account](https://www.irs.gov/Account) to securely access information about your federal tax account.

- View the amount you owe, pay online, or set up an online payment agreement.
- Access your tax records online.
- Review the past 24 months of your payment history.
- Go to [IRS.gov/SecureAccess](https://www.irs.gov/SecureAccess) to review the required identity authentication process.

Using direct deposit. The fastest way to receive a tax refund is to combine direct deposit and *e-file*. Direct deposit securely and electronically transfers your refund directly into your financial account. Eight in 10 taxpayers use direct deposit to receive their refund. The IRS issues more than 90% of refunds in less than 21 days.

Refund timing for returns claiming certain credits. The IRS can't issue refunds before mid-February 2019 for returns that claimed the earned income credit (EIC) or the additional child tax credit (ACTC). This applies to the entire refund, not just the portion associated with these credits.

Getting a transcript or copy of a return. The quickest way to get a copy of your tax transcript is to go to [IRS.gov/Transcripts](https://www.irs.gov/Transcripts). Click on either "Get Transcript Online" or "Get Transcript by Mail" to order a copy of your transcript. If you prefer, you can:

- Order your transcript by calling 800-908-9946, or
- Mail Form 4506-T or Form 4506T-EZ (both available on [IRS.gov](https://www.irs.gov)).

Using online tools to help prepare your return. Go to [IRS.gov/Tools](https://www.irs.gov/Tools) for the following.

- The [Earned Income Tax Credit Assistant \(IRS.gov/EITCAssistant\)](https://www.irs.gov/EITCAssistant) determines if you're eligible for the EIC.
- The [Online EIN Application \(IRS.gov/EIN\)](https://www.irs.gov/EIN) helps you get an employer identification number.
- The [IRS Withholding Calculator \(IRS.gov/W4App\)](https://www.irs.gov/W4App) estimates the amount you should have withheld from your paycheck for federal income tax purposes and can help you perform a "paycheck checkup."
- The [First Time Homebuyer Credit Account Look-up \(IRS.gov/HomeBuyer\)](https://www.irs.gov/HomeBuyer) tool provides information on your repayments and account balance.
- The [Sales Tax Deduction Calculator \(IRS.gov/SalesTax\)](https://www.irs.gov/SalesTax) figures the amount you can claim if you itemize deductions on Schedule A (Form 1040), choose not to claim state and local income taxes, and you didn't save your receipts showing the sales tax you paid.

Resolving tax-related identity theft issues.

- The IRS doesn't initiate contact with taxpayers by email or telephone to request personal or financial information. This includes any type of electronic communication, such as text messages and social media channels.
- Go to [IRS.gov/IDProtection](https://www.irs.gov/IDProtection) for information.
- If your SSN has been lost or stolen or you suspect you're a victim of tax-related identity theft, visit [IRS.gov/IdentityTheft](https://www.irs.gov/IdentityTheft) to learn what steps you should take.

Checking on the status of your refund.

- Go to [IRS.gov/Refunds](https://www.irs.gov/Refunds).
- The IRS can't issue refunds before mid-February 2019 for returns that claimed the EIC or the ACTC. This applies to the entire refund, not just the portion associated with these credits.
- Download the official IRS2Go app to your mobile device to check your refund status.
- Call the automated refund hotline at 800-829-1954.

Making a tax payment. The IRS uses the latest encryption technology to ensure your electronic payments are safe and secure. You can make electronic payments online, by phone, and from a mobile device using the IRS2Go app. Paying electronically is quick, easy, and faster than mailing in a check or money order. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) to make a payment using any of the following options.

- **IRS Direct Pay:** Pay your individual tax bill or estimated tax payment directly from your checking or savings account at no cost to you.
- **Debit or credit card:** Choose an approved payment processor to pay online, by phone, and by mobile device.
- **Electronic Funds Withdrawal:** Offered only when filing your federal taxes using tax return preparation software or through a tax professional.
- **Electronic Federal Tax Payment System:** Best option for businesses. Enrollment is required.
- **Check or money order:** Mail your payment to the address listed on the notice or instructions.
- **Cash:** You may be able to pay your taxes with cash at a participating retail store.

What if I can't pay now? Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information about your options.

- Apply for an [online payment agreement \(IRS.gov/OFA\)](https://www.irs.gov/OFA) to meet your tax obligation in monthly installments if you can't pay your taxes in full today. Once you complete the online process, you will receive immediate notification of whether your agreement has been approved.
- Use the [Offer in Compromise Pre-Qualifier \(IRS.gov/OIC\)](https://www.irs.gov/OIC) to see if you can settle your tax debt for less than the full amount you owe.

Checking the status of an amended return. Go to [IRS.gov/WMAR](https://www.irs.gov/WMAR) to track the status of Form 1040X amended returns. Please note that it can take up to 3 weeks from the date you mailed your amended return for it to show up in

our system and processing it can take up to 16 weeks.

Understanding an IRS notice or letter. Go to [IRS.gov/Notices](https://www.irs.gov/Notices) to find additional information about responding to an IRS notice or letter.

Contacting your local IRS office. Keep in mind, many questions can be answered on [IRS.gov](https://www.irs.gov) without visiting an IRS Tax Assistance Center (TAC). Go to [IRS.gov/LetUsHelp](https://www.irs.gov/LetUsHelp) for the topics people ask about most. If you still need help, IRS TACs provide tax help when a tax issue can't be handled online or by phone. All TACs now provide service by appointment so you'll know in advance that you can get the service you need without long wait times. Before you visit, go to [IRS.gov/TACLocator](https://www.irs.gov/TACLocator) to find the nearest TAC, check hours, available services, and appointment options. Or, on the IRS2Go app, under the Stay Connected tab, choose the Contact Us option and click on "Local Offices."

Watching IRS videos. The IRS Video portal ([IRSVideos.gov](https://www.irs.gov/IRSVideos)) contains video and audio presentations for individuals, small businesses, and tax professionals.

Getting tax information in other languages. For taxpayers whose native language isn't English, we have the following resources available. Taxpayers can find information on [IRS.gov](https://www.irs.gov) in the following languages.

- [Spanish \(IRS.gov/Spanish\)](https://www.irs.gov/Spanish).
- [Chinese \(IRS.gov/Chinese\)](https://www.irs.gov/Chinese).
- [Vietnamese \(IRS.gov/Vietnamese\)](https://www.irs.gov/Vietnamese).
- [Korean \(IRS.gov/Korean\)](https://www.irs.gov/Korean).
- [Russian \(IRS.gov/Russian\)](https://www.irs.gov/Russian).

The IRS TACs provide over-the-phone interpreter service in over 170 languages, and the service is available free to taxpayers.

The Taxpayer Advocate Service (TAS) Is Here To Help You

What is TAS?

TAS is an *independent* organization within the IRS that helps taxpayers and protects taxpayer rights. Their job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the [Taxpayer Bill of Rights](https://www.irs.gov/TaxpayerBillOfRights).

How Can You Learn About Your Taxpayer Rights?

The Taxpayer Bill of Rights describes 10 basic rights that all taxpayers have when dealing with the IRS. Go to [TaxpayerAdvocate.IRS.gov](https://www.irs.gov/TaxpayerAdvocate) to help you understand [what these rights mean to you](https://www.irs.gov/WhatTheseRightsMeanToYou) and how they apply. These are **your** rights. Know them. Use them.

What Can TAS Do For You?

TAS can help you resolve problems that you can't resolve with the IRS. And their service is free. If you qualify for their assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business;
- You face (or your business is facing) an immediate threat of adverse action; or
- You've tried repeatedly to contact the IRS but no one has responded, or the IRS hasn't responded by the date promised.

How Can You Reach TAS?

TAS has offices [in every state, the District of Columbia, and Puerto Rico](https://www.irs.gov/WhereToFindTAS). Your local advocate's number is in your local directory and at [TaxpayerAdvocate.IRS.gov/Contact-Us](https://www.irs.gov/TaxpayerAdvocate). You can also call them at 877-777-4778.

How Else Does TAS Help Taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to them at [IRS.gov/SAMS](https://www.irs.gov/SAMS).

TAS also has a website, [Tax Reform Changes](https://www.irs.gov/TaxReformChanges), which shows you how the new tax law may change your future tax filings and helps you plan for these changes. The information is categorized by tax topic in the order of the IRS Form 1040. Go to [TaxChanges.us](https://www.irs.gov/TaxChanges) for more information.

Low Income Taxpayer Clinics (LITCs)

LITCs are independent from the IRS. LITCs represent individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. To find a clinic near you, visit [TaxpayerAdvocate.IRS.gov/LITCmap](https://www.irs.gov/LITCmap) or see IRS Pub. 4134, [Low Income Taxpayer Clinic List](https://www.irs.gov/LowIncomeTaxpayerClinicList).

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To help us develop a more useful index, please let us know if you have ideas for index entries. See "Comments and Suggestions" in the "Introduction" for the ways you can reach us.

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