

- Paid 100 percent of your tax liability based on your total taxable income from the previous tax year, multiplied by the tax rate for the current tax year.

**I usually receive a large, lump-sum check at the end of the year. May I make only one estimated payment for the last quarter without having to pay a penalty?**

Yes, if that is the only income you receive not subject to withholding by a PA employer.

Use Form REV-1630 or REV-1630F (Underpayment of Estimated Tax by Individuals and Fiduciaries) to determine the safe harbor amount based on the income you received for each quarter.

REV-1630 and REV-1630F forms are available on the department's Web site or by calling 1-800-362-2050. Mail the form to:

PA Department of Revenue  
Bureau of Individual Taxes  
PO Box 280431  
Harrisburg, PA 17128-0431

**Do I have to make estimated payments on compensation I earn in another state?**

You may have to make estimated payments, depending upon whether you work in a state having a reciprocal tax agreement with Pennsylvania (WV, VA, OH, IN, NJ, MD).

If you don't work in one of these states, you qualify for a resident tax credit using Schedule G-S or G-L. You do not have to make estimated payments on compensation you earn in a non-reciprocal state. However, if you have income other than compensation earned in the non-reciprocal state that equals \$8,000 or more, you should make estimated payments for the tax on that income.

If you work in one of the above-named states and your employer is withholding PA personal income tax, you do not have to make estimated payments. However, if your employer does not withhold PA income tax, you should make estimated payments. Because you cannot claim a resident tax credit for compensation you earn in a reciprocal state, you will need to file a nonresident tax return with the reciprocal state, claim zero taxable income and request a refund.

## **FOR GENERAL TAX QUESTIONS:**

Online Customer Service Center  
[www.revenue.state.pa.us](http://www.revenue.state.pa.us)

Taxpayer Service & Information Center  
Personal Taxes: 717.787.8201  
Business Taxes: 717.787.1064  
e-Business Center: 717.783.6277

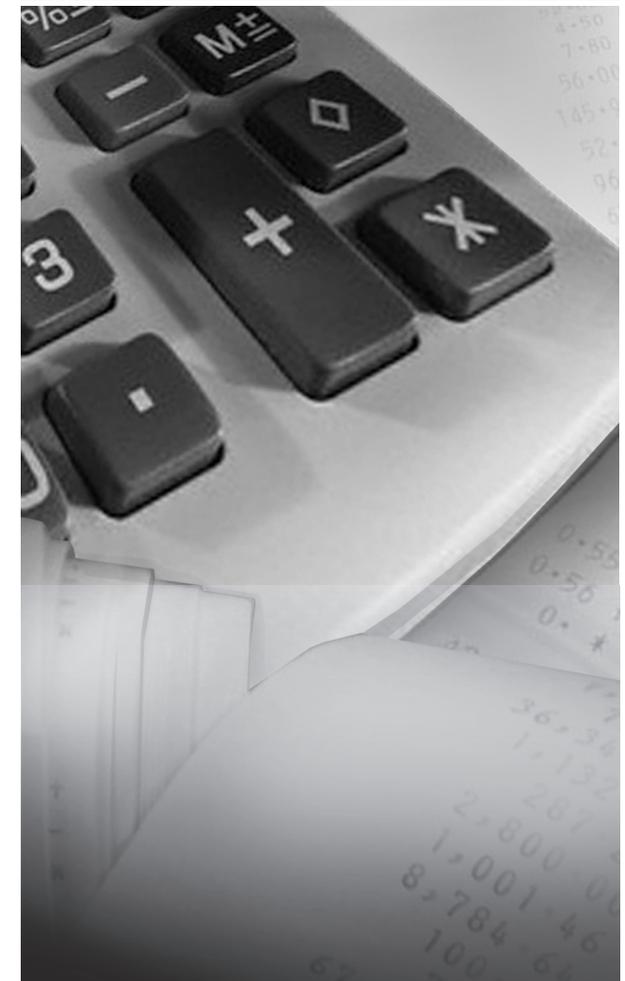
Automated 24-hour FACT & Information Line  
1.888.PATAXES (728.2937)  
Touch-tone service is required.

Automated Forms Ordering Service  
1.800.362.2050

Services for Taxpayers with Special Hearing  
and/or Speaking Needs (TTY)  
1.800.447.3020

Call or visit the Revenue district office nearest you, listed in the government pages of your local phone directory.

## **ESTIMATED TAX PAYMENTS**



FOR PERSONAL INCOME TAX



### **Who has to make estimated tax payments?**

Any individual who expects to receive more than \$8,000 of Pennsylvania-taxable income not subject to withholding by a PA employer must estimate and pay personal income tax quarterly. Tax due dates for individuals are April 15, June 15, Sept. 15 and Jan. 15, or the first following business day if any deadline falls on a weekend or holiday.

Any estate or trust that expects to realize more than \$8,000 of Pennsylvania-taxable income that it does not distribute to beneficiaries must make a declaration of estimated tax and installment payments. Estates and trusts created by decedents to receive the residue of the decedent's estate are only required to make estimated payments beginning with taxable years ending two or more years after a decedent's death.

If the estate or trust operates on a fiscal year basis, the due dates are the 15th day of the fourth, sixth and ninth months of the fiscal year and 15th day of the first month following the close of the fiscal year. Estates and trusts on a calendar year report on the same due date as individuals.

### **How do I estimate what I will owe?**

Estimate income not subject to withholding by a Pennsylvania employer that you expect to earn, receive and/or realize for the entire year. Allow for increases you know will occur, such as the sale of stock or property. Multiply your estimated income by 3.07 percent (0.0307), then divide the result by four. This amount is your estimated quarterly payment.

### **May I make one payment?**

You may file a declaration for the current tax year and pay the entire estimated tax by April 15 of the current tax year. If you determine you will owe estimated tax during the year, you can calculate your tax liability and pay the entire amount on the next quarterly due date.

### **How do I file estimated payments?**

You may file your estimated payments electronically and have them withdrawn from a checking or savings account, or you may pay by credit or debit card. For more information or to pay your estimated payments using an electronic method, visit the department's e-Services Center at [www.revenue.state.pa.us](http://www.revenue.state.pa.us) or call

1-800-2PAYTAX (272-9829).

To file estimated payments by mail, use Form PA-40ES for individuals and Form PA-40ES (F/C) for fiduciaries.

### **My income consists of Social Security, a pension and some interest income. Must I file and pay estimated tax?**

If your interest income is \$8,000 or more, you are required to file and pay estimated tax.

### **If I will receive 100 percent Tax Forgiveness, am I required to make estimated payments?**

No.

### **I did not have to make estimated tax payments last year because my income not subject to withholding was less than \$8,000. However, this year my income not subject to withholding is greater than \$8,000 because I sold stock. Am I required to make estimated tax payments?**

Yes. You are required to make estimated tax payments beginning in the period in which it is known that your income subject to withholding exceeds \$8,000. You must make an estimated installment payment at the end of the period you realize your annual income not subject to withholding will be greater than \$8,000. The payment for the first period should include a make-up payment for previous periods that payments were not made. Calculate the estimated tax due in this scenario by taking your total estimated tax, divide by four and multiply by the number of periods the payment was not made, plus one for the current period.

For example, let's say you are single and were not required to make estimated tax payments in the previous year because your income not subject to withholding was \$3,000. In the current year, you sold stock for a gain of \$6,000 in August and expect to have interest and dividend income totaling \$3,500. Your income not subject to withholding is expected to be about \$9,500. Since you sold the stock in August, you must make an estimated tax payments on September 15. Your estimated tax payment due on September 15 is \$219 ( $\$9,500 \times 3.07\% = \$292$ ;  $\$292/4 = \$73$ ;  $\$73 \times 3 = \$219$ ). You must also make an estimated tax payment of \$73 for the January payment period.

You should also complete the Special Exception Information section of REV-1630 or REV-1630F, (Underpayment of Estimated Tax by Individuals and Fiduciaries) as well as the Exception 2 area, to show when the income was earned to qualify for an exception to the estimated underpayment penalty.

### **I went into business in April. Am I still required to make four estimated payments?**

No. If you determine you must make estimated payments after March 31 of a taxable year, calculate your tax and divide by the remaining due dates. In this example, there are three — June 15, Sept. 15 and Jan. 15. Divide your estimated tax by three and pay by the due dates.

### **One of my estimated payments was not credited to my account. What should I do?**

Mail a clear photocopy of both sides of your canceled check to the department along with your Social Security number and an explanation. Send your information to:

PA Department of Revenue  
Bureau of Individual Taxes  
PO Box 280510  
Harrisburg, PA 17128-0510

### **My estimated payment intended for the PA Department of Revenue was sent to the Internal Revenue Service (IRS) in error. What should I do?**

Make a new payment to the department and request a refund from the IRS.

### **My estimated payment intended for the IRS was sent to the PA Department of Revenue in error. What should I do?**

Submit a signed request for a refund to the nearest Revenue district office, or mail your request to:

PA Department of Revenue  
Bureau of Individual Taxes  
PO Box 280510  
Harrisburg, PA 17128-0510

You must include with your request a photocopy of both sides of your canceled check, along with your Social Security number.

You may request a full refund or request only the difference between the federal and PA estimated payment be refunded. You may alternately claim the amount when filing your tax return.

### **Is there a safe harbor amount for estimated payments?**

Yes. The safe harbor is the minimum amount of payments and credits paid toward your tax liability that protects you from a penalty for underpayment of your estimated taxes. Generally, you will not be charged an estimated underpayment penalty if you made payments in equal installments for each due date and you either:

- Paid 90 percent of the liability for this tax year; or