

## Partial Review of 2018 Estimated Tax Rules for Individuals\* Federal/California

(Must be coordinated with any withholding)

	FEDERAL	CALIFORNIA
<b>GENERAL RULES</b>		
Amount of current year's tax liability to be paid in ratably over year	100%	100%
<u>Calculation "Quarter":</u> Qtr #1-Ending Mar 31 [3 mos] Qtr #2-Ending May 31 [2 mos] Qtr #3-Ending Aug 31[3 mos] Qtr #4-Ending Dec 31 [4 mos]	<u>Payment Due:</u> 25% on April 15th 25% on June 17th 25% on Sept 16th 25% on Jan 15th	<u>Payment Due:</u> 30% on April 15th 40% on June 17th -0- on Sept 16th 30% on Jan 15th
Electronic Payment Required?	No	YES, IF, (after 2007), -(1) Any Yr Tax liability > \$80,000, OR -(2) Any tax payment > \$20,000 [Once in, In For Life-1% Penalty on all payments not electronically made]
<b>PENALTY</b>		
Calculation method:	From qtr due date to Jan 15 or earlier paymt date, multiply: (1) underpayment, times (2) penalty rate (Calc like inter.)	Same (California Rate May Be Different)
<b>NO PENALTY IF: (Apply Separately to Each Qtr)</b>		
<u>(1) DeMinimus</u> 10% or less Due with Return (assumes even payments)	Yes (22.5% of tax @ Quarter)	Yes -using CA Qtr %'s (27%) 36%, 0%, 27%
<u>(2) Annualized Income/Tax</u> Paying based on Actual Income at 3, 5, or 8 months as Annualized.	Act. Tax. Inc @ 3,5,8 mos. times reciprocal fraction to get Tax Inc for full yr. Tax then to required Qtrly %.	Same except diff. %s.
<u>(3) Paying last year's tax liability:</u> If prior year's AGI is \$150,000 [Joint Return] or less, then 100% OR If prior year's AGI is greater than \$150,000 [Joint Return], then 110%	Yes (to both)	Yes, if current year AGI is < \$1million. No, if current year AGI is > \$1million.
<u>(4) Too Small to Require Estimates</u> —	Total tax for current year is < \$1,000, after withholding	If last year or current year total tax liability is < \$500 (Single or Joint), \$250 (Married filing separately) or no tax liability on prior year's return.
<u>(5) Other Special Exceptions:</u> (A) Retirement (B) Death or Disability (C) Casualties (D) Unusual Circumstances	Yes to (A), (B) & (C)	Yes to (A), (B), (C) & (D)

\*The Above is a General Summary of Some, But Not All, Estimated Tax Provisions. It is NOT Meant to be Relied on as Tax Advice. Tax Laws Changes Frequently. Consult Your CPA for Current Advice that is Specific to Your Situation.

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