

Mike, who files Form 1040A, will pay estimated taxes this year. His *Estimated Tax Worksheet* is almost complete. Help Mike determine the amount of his estimated tax and of each payment.

Scroll down to next page to complete lines 16a and b, and 17 of Mike's Estimated Tax Worksheet.

Without closing the PDF Window, return to the lesson screen and click Check My Answer.



1	Adjusted gross income you expect in 2009 (see instructions below)		1
2	<ul style="list-style-type: none"> If you plan to itemize deductions, enter the estimated total of your itemized deductions. <p>Caution: If line 1 above is over \$XXX,XXX (\$XX,XXX if married filing separately), your deduction may be reduced. See Pub. 505 for details.</p> <ul style="list-style-type: none"> If you do not plan to itemize deductions, enter your standard deduction from page 1. 		2
3	Subtract line 2 from line 1		3
4	Exemptions. Multiply \$X,XXX by the number of personal exemptions. Caution: See Pub. 505 to figure the amount to enter if line 1 above is over: \$XXX,XXX if married filing jointly or qualifying widow(er); \$XXX,XXX if head of household; \$XXX,XXX if single; or \$XXX,XXX if married filing separately		4
5	Subtract line 4 from line 3		5
6	Tax. Figure your tax on the amount on line 5 by using the 2009 Tax Rate Schedules on page 5. Caution: If you will have qualified dividends or a net capital gain, or expect to claim the foreign earned income exclusion or housing exclusion, see Pub. 505 to figure the tax		6
7	Alternative minimum tax from Form 6251		7
8	Add lines 6 and 7. Add to this amount any other taxes you expect to include in the total on Form 1040, line 44, or Form 1040A, line 28		8
9	Credits (see instructions below). Do not include any income tax withholding on this line		9
10	Subtract line 9 from line 8. If zero or less, enter -0-		10
11	Self-employment tax (see instructions below). Estimate of 2009 net earnings from self-employment \$_____ ; if \$XXX,XXX or less , multiply the amount by 15.3%; if more than \$XXX,XXX , multiply the amount by 2.9%, add \$XX,XXX to the result, and enter the total. Caution: If you also have wages subject to social security tax or the 6.2% portion of tier 1 Railroad Retirement tax, see Pub. 505 to figure the amount to enter		11
12	Other taxes (see instructions below)		12
13a	Add lines 10 through 12		13a
b	Earned income credit, additional child tax credit, and credits from Forms 4136, 8801 (line 27), and 8885		13b
c	Total 2009 estimated tax. Subtract line 13b from line 13a. If zero or less, enter -0-		13c
14a	Multiply line 13c by 90% (66% for farmers and fishermen)	14a	
b	Enter the tax shown on your 2008 tax return (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2009, more than \$75,000)	14b	
c	Required annual payment to avoid a penalty. Enter the smaller of line 14a or 14b		14c
	Caution: Generally, if you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 14c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 13c 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 13c. For details, see Pub. 505.		
15	Income tax withheld and estimated to be withheld during 2009 (including income tax withholding on pensions, annuities, certain deferred income, etc.)		15
16a	Subtract line 15 from line 14c	16a	
	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 16b.		
b	Subtract line 15 from line 13c	16b	
	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 17 to figure your required payment.		
17	If the first payment you are required to make is due April 15, 2009, enter 1/4 of line 16a (minus any 2008 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. (Note: Household employers, see instructions below.)		17

Instructions for the 2009 Estimated Tax Worksheet

Line 1. Adjusted gross income. Use your 2008 tax return and instructions as a guide to figuring the adjusted gross income you expect in 2009 (but be sure to consider the items listed under *What's New* that begins on page 1). For more details on figuring your adjusted gross income, see *Expected AGI—Line 1* in chapter 2 of Pub. 505. If you are self-employed, be sure to take into account the deduction for one-half of your self-employment tax (2008 Form 1040, line 27).

Line 9. Credits. See the 2008 Form 1040, lines 47 through 55, or Form 1040A, lines 29 through 33, and the related instructions.

Line 11. Self-employment tax. If you and your spouse make joint estimated tax payments and you both have self-employment income, figure the self-employment tax for each of you separately. Enter the total on line 11. When figuring your estimate

of 2009 net earnings from self-employment, be sure to use only 92.35% (.9235) of your total net profit from self-employment.

Line 12. Other taxes. Use the instructions for the 2008 Form 1040 to determine if you expect to owe, for 2009, any of the taxes that would have been entered on your 2008 Form 1040, lines 59 (additional tax on early distributions only), 60, and 61, and any write-ins on line 62, or any amount from Form 1040A, line 36. On line 12, enter the total of those taxes, subject to the following two exceptions.

Exception 1. Include household employment taxes from Form 1040, line 61, on this line only 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 (to avoid a penalty) even if you did not include household employment taxes when figuring your estimated tax.

If you meet one or both of the above, include in the amount on line 12 the total of your household employment taxes before subtracting advance EIC payments made to your employee(s).

Exception 2. Of the amounts for other taxes that may be entered on Form 1040, line 62, do not include on line 12: tax on recapture of a federal mortgage subsidy, uncollected employee social security and Medicare tax or RRTA tax on tips or group-term life insurance, tax on golden parachute payments, or excise tax on insider stock compensation from an expatriated corporation. These taxes are not required to be paid until the due date of your income tax return (not including extensions).

Line 17. If you are a household employer and you make advance EIC payments to your employee(s), reduce your required estimated tax payment for each period by the amount of advance EIC payments paid during the period.