

Publication 505

Tax Withholding and Estimated Tax

For use in preparing
2025 Returns

Volume 2 of 3



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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, see Pub. 915. Get Pub. 225 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 are generally 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-NEC);
- 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 may also 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 must also 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 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, see Pub. 1915.



If you have an ITIN that you haven't included on a tax return in the last 3 consecutive years, it may be expired and you may need to renew it. If your ITIN has expired and you don't have an SSN, you can make estimated tax payments before you renew your ITIN. To renew your ITIN, and 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 can usually 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 2025 to determine if you are exempt from withholding. Use Worksheet 1-1 if, in 2024, 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 2025 and, for 2024, you had a refund of all federal income tax withheld because of no tax liability.
Worksheet 1-3 Projected Tax for 2025	Project the taxable income you will have for 2025 and figure the amount of tax you will have to pay on that income.
Worksheet 1-4 Tax Computation Worksheets for 2025	Figure the amount of tax on your projected taxable income.
Worksheet 1-5 Projected Withholding for 2025	Project the amount of federal income tax that you will have withheld in 2025, compare your projected withholding with your projected tax, and determine whether the amount withheld each payday should be adjusted.
Worksheet 1-6 Tax Credits for 2025 Form W-4 or Form W-4P	Figure any extra amount to include in Step 3 of Form W-4 or Form W-4P to account for your projected tax credits that are not otherwise taken into consideration.

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Use this worksheet to figure your projected tax for 2025. Note. Enter combined amounts if married filing jointly.		
1. Enter amount of adjusted gross income (AGI) you expect in 2025. (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 2025</i> , earlier.) 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	1.	
2. If you: <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.• Plan to itemize deductions, enter the amount of your estimated itemized deductions.• 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.	
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.)	3.	
4. If the amount on line 1: <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.	
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	5.	
6. Add lines 4 and 5	6.	
7. Enter the amount of any expected tax credits. See Table 1-2	7.	
8. Subtract line 7 from line 6 (if zero or less, enter -0-)	8.	
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.)	9.	
10. Enter the total of any other expected taxes*	10.	
11. Projected tax for 2025. Add lines 8 through 10. Enter the total here and on Worksheet 1-5, line 1	11.	

* Use the 2024 Instructions for Form 1040 to determine if you expect to owe, for 2025, any of the taxes that would have been entered on your 2024 Schedule 2 (Form 1040), lines 7 through 17z and 19.



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 2025 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*
Over	But not over					
\$0	\$11,925		× 10% (0.10)		\$0	
11,925	48,475		× 12% (0.12)		238.50	
48,475	103,350		× 22% (0.22)		5,086.00	
103,350	197,300		× 24% (0.24)		7,153.00	
197,300	250,525		× 32% (0.32)		22,937.00	
250,525	626,350		× 35% (0.35)		30,452.75	
626,350	-----		× 37% (0.37)		42,979.75	

* 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 2025 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*
Over	But not over					
\$0	\$17,000		× 10% (0.10)		\$0	
17,000	64,850		× 12% (0.12)		340.00	
64,850	103,350		× 22% (0.22)		6,825.00	
103,350	197,300		× 24% (0.24)		8,892.00	
197,300	250,500		× 32% (0.32)		24,676.00	
250,500	626,350		× 35% (0.35)		32,191.00	
626,350	-----		× 37% (0.37)		44,718.00	

* 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 2025 (Continued)

Worksheet 1-5. **Projected Withholding for 2025**

Keep for Your Records



Use this worksheet to figure the amount of your projected withholding for 2025, compare it to your projected tax for 2025, and, if necessary, figure any adjustment to the amount you have withheld each payday.

Note. If married filing jointly, enter combined amounts.

1. Enter your projected tax for 2025 from Worksheet 1-3, line 13	1.	
2. Enter your total federal income tax withheld to date in 2025 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 2025.		
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 2025	4.	
5. Compare the amounts on lines 1 and 4.		
• If line 1 is more than line 4, subtract line 4 from line 1. You need to increase your withholding. Enter the result here and go to line 6.		
• If line 4 is more than line 1, subtract line 1 from line 4. You may want to decrease your withholding. Enter the result here and go to line 6.	5.	
6. Divide line 5 by the number of paydays (or other withholding events) remaining in 2025 and enter the result. This is the additional amount you should use to either increase or decrease the amount you have withheld from each remaining payday (or other withholding event). Follow the instructions for line 6 for your situation for completing a 2025 Form W-4. The instructions are different if your withholding so far this year was based on a 2019 (or earlier) Form W-4 or a 2025 Form W-4	6.	

Instructions for line 6—If your withholding to date was figured based on a 2019 (or earlier) Form W-4.

Use the following instructions to **increase** your withholding.

How do you increase your withholding? Follow these steps to increase your withholding by completing a 2025 Form W-4.

Step 1:

- If your filing status was "Single" or "Married, but withhold at higher Single rate," check "Single."
- If your filing status was "Married," check "Married filing jointly."

Note. Head of household filing status was not a choice on the 2019 (or earlier) Form(s) W-4.

Step 4(a):

- If your filing status was "Single" or "Married, but withhold at higher Single rate," enter \$10,400 (the equivalent of 2 allowances) on Step 4(a).
- If your filing status was "Married," enter \$15,600 (the equivalent of 3 allowances) on Step 4(a).

Step 4(b):

- If there was an entry on line 5 (number of allowances), multiply each claimed allowance by \$5,200 and enter the result on Step 4(b).

Step 4(c):

- If there is an amount on line 6, add it to the amount on line 6 of Worksheet 1-5 above, and enter the result on Step 4(c).

Instructions for line 6—If your withholding to date was figured based on a 2019 (or earlier) Form W-4.

Use the following instructions to **decrease** your withholding.

How do you decrease your withholding? Follow these steps to decrease your withholding by completing a 2025 Form W-4.

Step 1:

- If your filing status was "Single" or "Married, but withhold at higher Single rate," check "Single."
- If your filing status was "Married," check "Married filing jointly."

Note. Head of household filing status was not a choice on the 2019 (or earlier) Form(s) W-4.

Step 3:

Multiply the amount on line 6 of Worksheet 1-5 by the number of paydays in 2025 and enter this amount on Step 3.

Step 4(a):

- If your filing status was "Single" or "Married, but withhold at higher Single rate," enter \$10,400 (the equivalent of 2 allowances) on Step 4(a).
- If your filing status was "Married," enter \$15,600 (the equivalent of 3 allowances) on Step 4(a).

Step 4(b):

- If there was an entry on line 5 (number of allowances), multiply each claimed allowance by \$5,200 and enter the result on Step 4(b).

Step 4(c):

- If there was an amount on line 6, add it to the amount on Step 4(c).

Instructions for line 6—If your withholding to date was figured based on a 2025 Form W-4.


Use the following instructions to either **increase** or **decrease** your withholding.

How do you increase your withholding? Follow these steps to increase your withholding by completing a 2025 Form W-4.

- Complete your new 2025 Form W-4 through Step 4(b) in the same way you completed your previous Form W-4.
- Add the amount, if any, on Step 4(c) of your previous Form W-4 to the amount on line 6 of Worksheet 1-5 above and enter the result on Step 4(c) of your new Form W-4.

How do you decrease your withholding?

- Complete Steps 1, 2(c), 4(a), 4(b), and 4(c) in the same way as you completed your previous Form W-4.
- Add the amount, if any, on Step 3 of your previous Form W-4 to the product of line 6 of Worksheet 1-5 multiplied by the total number of paydays in 2025 and enter the result on Step 3 of your new Form W-4.



If you make a mid-year change to your withholding, you should complete and give to your employer a new Form W-4 in January. The later in the year you change your Form W-4, the more important it is that you submit a new form the following January.

Worksheet 1-6. **Tax Credits for 2025 Form W-4 or Form W-4P**

Keep for Your Records



Use this worksheet to figure any extra amount to enter in Step 3 of Form W-4 or Form W-4P. For more information on these credits, see [Tax Credits](#), earlier.

Caution. The child tax credit and the credit for other dependents are already figured in Step 3 of Form W-4 or Form W-4P.

Enter the projected amount for each credit you expect to take (other than the child tax credit or credit for other dependents).		
1. Credit for the elderly or the disabled	1.	
2. Credit for child and dependent care expenses	2.	
3. Education credits	3.	
4. Adoption credit	4.	
5. Foreign tax credit	5.	
6. Retirement savings contributions credit	6.	
7. Earned income credit	7.	
8. Premium tax credit	8.	
9. Other credits (see Table 1-2)	9.	
10. Add lines 1 through 9. This is your total estimated tax credits. Include this amount in the total entered on Form W-4, Step 3	10.	

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2.

Estimated Tax for 2025

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

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 the Instructions for Form 2210.



*It would be helpful for you to have a copy of your 2024 tax return and an estimate of your 2025 income nearby while reading this chapter. Also, keep in mind the items under *What's New for 2025*, 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

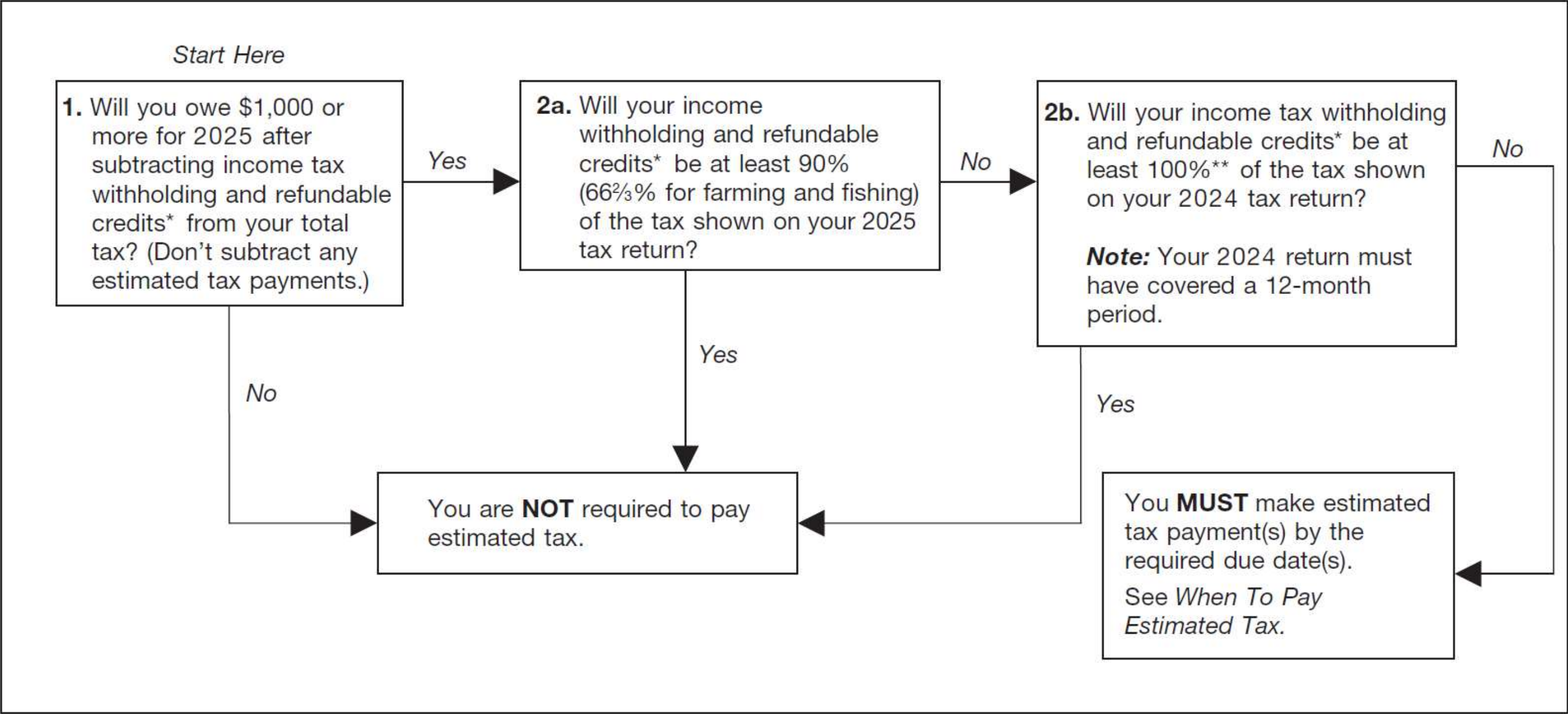
If you receive salaries and wages, you may be able to avoid paying estimated tax by asking your employer to take more tax out of your earnings. To do this, file a new Form W-4 with your employer. See chapter 1.

Estimated tax not required. You don't have to pay estimated tax for 2025 if you meet all three of the following conditions.

- You had no tax liability for 2024.
- You were a U.S. citizen or resident alien for the whole year.
- Your 2024 tax year covered a 12-month period.

You had no tax liability for 2024 if your total tax (defined later under *Total tax for 2024—line 12b*) was zero or you didn't have to file an income tax return.

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



* Use the refundable credits shown on the 2025 Estimated Tax Worksheet, line 11b.

** 110% if less than two-thirds of your gross income for 2024 or 2025 is from farming or fishing and your 2024 adjusted gross income was more than \$150,000 (\$75,000 if your filing status for 2025 is married filing a separate return).

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Who Must Pay Estimated Tax

If you owed additional tax for 2024, you may have to pay estimated tax for 2025.

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 2025 if both of the following apply.

1. You expect to owe at least \$1,000 in tax for 2025 after subtracting your withholding and tax credits.
2. You expect your withholding and tax credits to be less than the smaller of:
 - a. 90% of the tax to be shown on your 2025 tax return, or

- b. 100% of the tax shown on your 2024 tax return. Your 2024 tax return must cover all 12 months.

Note. The percentages in (2a) or (2b) just listed may be different if you have income from farming or fishing or are a 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 2025 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.

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 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 2025.

2024 separate returns and 2025 joint return. If you plan to file a joint return with your spouse for 2025, but you filed separate returns for 2024, your 2024 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.

2024 joint return and 2025 separate returns. If you plan to file a separate return for 2025, but you filed a joint return for 2024, your 2024 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 2024 using the same filing status for 2025. 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

Special Rules

There are special rules for those who have income from farming and fishing, for certain household employers, and certain higher income taxpayers.

Farming and Fishing

If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, substitute $66\frac{2}{3}\%$ for 90% in (2a) under General Rule, earlier.

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 2024 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 2024, 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 1120-S), 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.

Household Employers

When estimating the tax on your 2025 tax return, include your household employment taxes if either of the following applies.

- You will have federal income tax withheld from wages, pensions, annuities, gambling winnings, or other income.
- You would be required to make estimated tax payments to avoid a penalty even if you didn't include household employment taxes when figuring your estimated tax.

Higher Income Taxpayers

If your AGI for 2024 was more than \$150,000 (\$75,000 if your filing status for 2025 is married filing a separate return), substitute 110% for 100% in (2b) under General Rule, earlier.

For 2024, AGI is the amount shown on Form 1040 or 1040-SR, line 11.

Note. If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, this rule doesn't apply.

Aliens

Resident and nonresident aliens may also 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 must also 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 2025 estimated tax, it may be helpful to use your income, deductions, and credits for 2024 as a starting point. Use your 2024 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 2025*. 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.

2025 Estimated Tax Worksheet



If you file Form 1040-SS use the *Estimated Tax Worksheet for Filers of Form 1040-SS*, in Form 1040-ES to figure your estimated tax.

Use Worksheet 2-1 to help guide you through the information about completing the 2025 Estimated Tax Worksheet. You can also find a copy of the worksheet in the instructions for Form 1040-ES.

Expected AGI—Line 1

Your expected AGI for 2025 (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 2025 that, if you had received it in 2024, would have been included on your 2024 tax return in the total on line 9 of Form 1040 or 1040-SR.



Social security and railroad retirement benefits. If you expect to receive social security or tier 1 railroad retirement benefits during 2025, 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 2025 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 2025 (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 2025 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 2025 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 2025. 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 2025 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 \$2,700 of investment income.

1. Children under age 18 at the end of 2025.
2. The following children if their earned income isn't more than half their support.
 - a. Children age 18 at the end of 2025.
 - b. Children who are full-time students at least age 19 but under age 24 at the end of 2025.

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, 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.

1. Your tax on line 6.
2. Your expected alternative minimum tax (AMT) from Form 6251.

3. Your expected additional taxes from Form 8814, Parents' Election To Report Child's Interest and Dividends, and Form 4972, Tax on Lump-Sum Distributions.
4. Any recapture of education credits.

Step 3. Subtract your expected credits (line 7). If you are using your 2024 return as a guide and filed Form 1040 or 1040-SR, your total credits for 2024 were shown on line 21.

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 should already 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.

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 entered on Schedule 2 (Form 1040), line 14 through 17z and 19. But **don't include** the following.
- a. Line 17b, recapture of a federal mortgage subsidy;
 - b. Line 17k, tax on excess golden parachute payments;
 - c. Line 17m, excise tax on insider stock compensation from an expatriated corporation; or
 - d. Line 17n, look-back interest due under section 167(g) or 460(b) of the Internal Revenue Code.
4. 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 surviving spouse	\$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 2025. You should consider this withholding, if applicable, in determining whether you need to make an estimated payment.

5. 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 surviving spouse	\$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 section 1341 credit.

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 2025 (line 11c).

Required Annual Payment— Line 12c

On lines 12a through 12c, figure the total amount you must pay for 2025, through withholding and estimated tax payments, to avoid paying a penalty.

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

6. 90% of your total expected tax for 2025, or

7. 100% of the total tax shown on your 2024 return. Your 2024 tax return must cover all 12 months.

Special rules. There are special rules for those who have income from farming and fishing and for certain higher income taxpayers.

Higher income taxpayers. If your AGI for 2024 was more than \$150,000 (\$75,000 if your filing status for 2025 is married filing separately), substitute 110% for 100% in (2) above. If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, this rule doesn't apply.

For 2024, AGI is the amount shown on Form 1040 or 1040-SR, line 11.

Example. Your total tax on the 2024 return was \$42,581, and the expected tax for 2025 is \$71,253. Your 2024 AGI was \$180,000.

Because you had more than \$150,000 of AGI in 2024, you figure the required annual payment as follows. You determine that 90% of the expected tax for 2025 is \$64,128 (90% (0.90) \times \$71,253). Next, you determine that 110% of the tax shown on the 2024 return is \$46,839 (110% (1.10) \times \$42,581). Finally, you determine that the required annual payment is \$46,839, the smaller of the two.

Farming and fishing. If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, your required annual payment is the smaller of:

1. 66²/3% (0.6667) of your total tax for 2025, or
2. 100% of the total tax shown on your 2024 return. (Your 2024 tax return must cover all 12 months.)

For definitions of “gross income from farming” and “gross income from fishing,” see Farming and Fishing, earlier, under *Special Rules*.

Total tax for 2024—line 12b. Your 2024 total tax is the amount on line 24 **reduced by** the following.

1. Unreported social security and Medicare tax or RRTA tax from Forms 4137 or 8919 included on Schedule 2 (Form 1040), lines 5 and 6.
2. Amounts from Form 5329, Parts III through IX only.
3. The following amounts from Schedule 2 (Form 1040).
 - a. Excise tax on excess golden parachute payments (Schedule 2, line 17k).
 - b. Excise tax on insider stock compensation from an expatriated corporation (Schedule 2, line 17m).

- c. Look-back interest due under section 167(g) (Schedule 2, line 17n).
 - d. Look-back interest due under section 460(b) (Schedule 2, line 17n).
 - e. Recapture of federal mortgage subsidy (Schedule 2, line 17b).
 - f. Uncollected social security and Medicare tax or RRTA tax on tips or group-term life insurance (Schedule 2, line 13).
4. Any refundable credit amounts on Form 1040 or 1040-SR, line 27, 28, and 29, and Schedule 3 (Form 1040), lines 9, and 12.

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

2025. Subtract your expected withholding from your required annual payment (line 12c). You must usually 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 2025 (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 2025 only if your wages and compensation from two or more employers are more than \$176,100.

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:	General due date:	Tax year 2025 due date:
Jan. 11– March 31...	April 15	April 15, 2025
April 1 – May 31.....	June 15	June 16, 2025
June 1 – Aug. 31....	Sept. 15	Sept. 15, 2025
Sept. 1 – Dec. 31....	Jan. 15, next year ²	Jan. 15, 2026

1 If your tax year does not begin on January 1, see *Fiscal-year taxpayers*, later.

2 See *January payment*, later.

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 2025 Form 1040 or 1040-SR by January 31, 2026, and pay the rest of the tax you owe, you don't need to make the payment due on January 15, 2026.

Example. You do not pay any estimated tax for 2025. You file the 2025 income tax return and pay the balance due shown on the return on January 26, 2026.

Your estimated tax for the fourth payment period is considered to have been paid on time. However, you 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, 2026.

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 apayment 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.

Farming and Fishing

If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, you have only one payment due date for your 2025 estimated tax: January 15, 2026. 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 2025 Form 1040 or 1040-SR by March 2, 2026, and pay all the tax you owe at that time, you don't need to make an estimated tax payment.

Fiscal year. If at least two-thirds of your gross income for 2024 or 2025 is from farming or fishing, 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 the Instructions for Form 2210.

Regular Installment Method

If your first estimated tax payment is due April 15, 2025, you can figure your required payment for each period by dividing your

annual estimated tax due (line 14a of the 2025 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, 2025, figure your required payment for each remaining payment period using Worksheet 2-10.

Example. Early in 2025, you figure estimated tax due of \$1,800. You make estimated tax payments on April 15 and June 16 of \$450 each ($\$1,800 \div 4$).

On July 10, you sell investment property at a gain. Your refigured estimated tax is \$4,100. The required estimated tax payment for the third payment period is \$2,175.

If your estimated tax does not change again, the 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 *Schedule AI—Annualized Income Installment Method* in the Instructions for Form 2210.

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.

Worksheet 2-10. Amended Estimated Tax Worksheet

Keep for Your Records 

1. Amended total estimated tax due	1. _____
2. Multiply line 1 by: 50% (0.50) if next payment is due June 16, 2025 75% (0.75) if next payment is due September 15, 2025 100% (1.00) if next payment is due January 15, 2026	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, 2026, 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 16, 2025, enter one-half of the amount on line 6 here and on the payment vouchers for your payments due September 15, 2025, and January 15, 2026. If the amount on line 4 is due September 15, 2025, enter the amount from line 6 here and on the payment voucher for your payment due January 15, 2026	7. <u> </u>

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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 2025 Annualized Estimated Tax Worksheet (Worksheet 2-7).



You first must complete the 2025 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 2025 tax return.

See *Schedule AI—Annualized Income Installment Method* in the Instructions for Form 2210 for more information.

Instructions for the 2025 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 4 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 the \$10,000 limit on state and local taxes. Figure your deduction limits using your expected AGI in the corresponding column of line 1 (2025 Annualized 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 \$2,700 of investment income.

1. Children under age 18 at the end of 2025.
2. The following children if their earned income isn't more than half their support.
 - a. Children age 18 at the end of 2025.
 - b. Children who are full-time students at least age 19 but under age 24 at the end of 2025.

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 2025, 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, 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 2024 return.

Use the 2024 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 2025 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 Schedule 2 (Form 1040), lines 14 through 16, and 17a, 17c through 17j, 17l, and 17o through 17z and 19.
4. 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 surviving spouse	\$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 2025. You should consider this withholding, if applicable, in determining whether you need to make an estimated payment.

5. 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 surviving spouse	\$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, 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 2025 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 2025 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 1040-NR 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.

1. Skip column (a).
2. On line 1, enter your income for the period that is effectively connected with a U.S. trade or business.
3. 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.
 - a. 72% (0.72) for column (b).
 - b. 45% (0.45) for column (c).
 - 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.

1. On line 26, enter one-half of the amount from line 14c of the Form 1040-ES (NR) 2024 Estimated Tax Worksheet in column (b), and one-fourth in columns (c) and (d) of Worksheet 2-7.
2. On lines 24 and 27, skip column (b).
3. 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 2024 return to your 2025 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 or 1040-SR for 2024, you can apply part or all of it to your estimated tax for 2025. On Form 1040 or 1040-SR, 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 2024 return, treat the credit as a payment made on April 15, 2025.

If you are a beneficiary of an estate or trust, and the trustee elects to credit 2025 trust payments of estimated tax to you, you can treat the amount credited as paid by you on January 15, 2026.

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 you finished filling out the 2024 tax return, the result was an overpayment of \$750. You knew additional tax would be owed in 2025. You credited \$600 of the overpayment to the 2025 estimated tax and had the remaining \$150 issued as a refund.

In September, you amended the 2024 return by filing Form 1040-X, Amended U.S. Individual Income Tax Return. It turned out that you owed \$250 more in tax than was originally thought. This reduced the 2024 overpayment from \$750 to \$500. Because the \$750 had already been applied to the 2025 estimated tax or refunded, the IRS billed you for the additional \$250 owed, plus penalties and interest. You could not use any of the \$600 that had been credited to the 2025 estimated tax to pay this bill.

Pay Online

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). Payments of U.S. tax must be remitted to the IRS in U.S. dollars. Digital assets are **not** accepted. You can pay using any of the following methods.

- **Your Online Account.** You can make tax payments through your online account, including balance payments, estimated tax payments, or other types. You can also see your payment history and other tax records there. Go to [IRS.gov/Account](https://www.irs.gov/Account).
- **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).