

# Individual Estimated Income Tax Payment Instructions

## What is estimated tax?

Estimated tax is the method used to pay tax on income that is not subject to withholding. This may include income from self-employment, pensions, unemployment compensation, interest, dividends, rents, alimony, 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 is not enough to cover your tax liability.

## Who must pay estimated tax?

You must make estimated tax payments if you expect to owe \$500 or more in tax after subtracting your withholding and refundable credits. Your estimated payments plus withholding and refundable credits must be either:

- 90 percent of your tax liability for the current year; or
- 100 percent of your tax liability for the previous year (110 percent if your adjusted gross income was more than \$150,000).

“Tax liability” is the amount you owe after subtracting nonrefundable credits from your total tax. See “How do I calculate estimated tax payments?” in the next column.

## When do I pay estimated tax?

For most people, estimated tax payments are due four times a year:

For the period:	Pay by:
Jan. 1 – March 31	April 15
Apr. 1 – May 31	June 15
June 1 – Aug. 31	Sept. 15
Sept. 1 – Dec. 31	Jan. 15 (of the following year)*

\* You do not have to make this estimated payment if you file your Minnesota Individual Income Tax return and pay the entire amount by Jan. 31.

**Note:** If you are a fiscal year taxpayer, your payments are due on the 15th day of the fourth, sixth, and ninth months of your fiscal year and the first month of your next fiscal year.

**Farmers and commercial fishermen:** If at least two-thirds of your gross income is from farming or fishing, you only need to make one estimated payment – due Jan. 15 of the following year. You do not have to make this estimated payment if you file your Minnesota Individual Income Tax return and pay the entire amount by March 1.

## How do I calculate estimated tax payments?

1. Use federal Form 1040-ES, *Estimated Tax for Individuals*, to calculate your federal adjusted gross income, deductions, exemptions, and taxable income for the year.
  - Enter the federal taxable income you calculated in Step 1 on line 1 of Form M1.
  - Complete the form using the tax rates found on our website. Type **Income Tax Rates** into the Search box.
2. Use Form M1, *Minnesota Individual Income Tax*, to estimate your Minnesota tax liability and credits for the year. You can get the form and instructions from our website. Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us). Type **M1** into the Search box.
  - Enter the federal taxable income you calculated in Step 1 on line 1 of Form M1.
  - Complete the form using the tax rates found on our website. Type **Income Tax Rates** into the Search box.
3. Divide the amount you owe by four to determine each estimated payment. Round your payment amount to the nearest whole dollar.

You may need to adjust your estimated payment amounts if your income, deductions, exemptions, or credits change during the year, or if there are tax law changes.

**Note:** If you do not pay the correct amount by the due dates, we can assess an underpayment penalty. This penalty may apply even if you have an overpayment on your tax return.

## How do I pay estimated tax?

You have three options – using our e-Services Payment System, by credit or debit card, or by check. We encourage you to use our e-Services Payment System. It’s secure, easy, convenient, and fast. And, you can make a single payment or schedule all four payments at one time.

## Using e-Services payment system

1. Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and type **Pay Estimated Tax** into the **Search** box.
2. Click on **No, I am not using a Letter ID**.
3. Select **Individual** as the Type of Taxpayer and **Individual Income Tax** as the Type of Tax.
4. Complete the other required fields and pages.

## By credit card or debit card

Go to [www.payMNTax.com](http://www.payMNTax.com) or call 1-855-947-2966. Value Payment Systems processes these payments and charges you a fee for this service.

## By check

Make your check payable to **Minnesota Revenue** and write the last four digits of your Social Security number on the memo line. Include your Individual Estimated Tax Payment voucher and mail them to the address on the voucher.

Keep a record of your payments. You’ll need this information when filing your Minnesota Individual Income Tax Return. You can get a form to keep track of your payments on our website. Type **Payment Record** into the Search box.

## What if I have questions?

Contact us if you have questions or need other assistance.

Phone: 651-296-3781 or 1-800-652-9094

Email: [individual.incometax@state.mn.us](mailto:individual.incometax@state.mn.us)

## Use of Information

The information you provide on the payment voucher is private under state law. We cannot give it to others without your consent, except to certain governmental agencies as authorized by law. You can find a complete list of the agencies the department may share this information with on our website and in our M1 instruction booklet.

Your Social Security number is required by law (Minnesota Statutes, section. 270C.306). If you’re making a joint payment, you must also provide your spouse’s Social Security number. We also ask for your name, address and the amount of your payment. If you do not provide this information, we may not be able to apply your payment correctly.