

# S Corporation Estimated Tax Instructions

## Estimated payments for S corporations filing Form M8

### Filing Requirements

An S corporation must pay estimated tax if the sum of its estimated S corporation taxes, minimum fee, nonresident withholding and composite income tax for all nonresident shareholders electing to participate in composite income tax, less any credits, is \$500 or more.

The S corporation must pay quarterly installments based on its required annual payment. If the S corporation taxes/minimum fee/nonresident withholding and composite income tax are subject to the estimated tax requirements, include all in the same quarterly payments.

A corporation is not required to pay estimated taxes the first year it is subject to tax in Minnesota.

**Required Annual Payment.** The required annual payment is the lesser of:

- 90 percent of the current year's tax liability; or
- 100 percent of the prior year's tax liability.

The required annual payment must be paid in four equal installments unless certain exceptions apply (see the instructions for Schedule EST, *Additional Charge for Underpayment of Estimated Tax*).

You can pay your installments electronically or by credit/debit card. If you're not required to pay electronically and are paying by check, you must attach a completed Form M72 deposit form.

**Due Dates.** Quarterly installments are due by the 15th day of the fourth, sixth and ninth months of the tax year and the first month following the end of the tax year.

Installments for a short tax year are due in equal payments on the 15th day of the third, sixth, ninth and final months of the tax year depending on the number of months in the short tax year. No installments are required for a short tax year of fewer than four months.

If the due date falls on a Saturday, Sunday or legal holiday, payments electronically made or postmarked the next business day are considered timely.

**Underpaying Installments.** If you underpay any installment or did not pay by the due dates, an additional charge for underpayment will be added to your tax (see Schedule EST).

**Minnesota Tax ID Number.** If you don't have a Minnesota tax ID number, you must first apply for one. You can apply online at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) or by calling 651-282-5225 or 1-800-657-3605.

### Paying Electronically

If you're required to pay *any* Minnesota business tax electronically, such as sales and withholding tax, you're required to pay *all* Minnesota taxes electronically—including S corporation estimated tax.

Failure to pay electronically when required will result in a penalty being assessed. The penalty is 5 percent of each payment that should have been remitted electronically, but was remitted by some other means.

### Electronic Payment Options

- Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in to e-Services; or
- Call 1-800-570-3329 to pay by phone.

You'll need your user name, password and banking information. When paying electronically, you must use an account not associated with any foreign banks.

After you authorize the payment, you'll receive a confirmation number. You can cancel a payment up to one business day before the scheduled payment date, if needed.

**Credit or Debit Card.** To pay by credit or debit card through Official Payments Corporation, a national credit debit card payment service, go to [www.officialpayments.com](http://www.officialpayments.com) or call 1-800-272-9829. **You will be charged a fee by Official Payments to use this service.**

**ACH Credit Method and Fed Wire.** If you use other electronic payment methods, such as ACH credit method or Fed Wire, be sure to check with your bank or Fed Wire representative to find out when to initiate the payment in order for it to be received on time. Some banks require up to three business days to transfer funds. If needed, ACH credit method instructions are available on our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

### Check Payment Option

If you're not required to pay electronically and are paying by check, visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and click on "Make a Payment" and then "By check" to create a voucher. Print and mail the voucher with a check made payable to Minnesota Revenue.

When you pay by check, your check authorizes us to make a one-time electronic fund transfer from your account. You may not receive your canceled check.

**Tax-Year End Date.** Enter the ending date of the tax year for which the estimated tax payment is being made. For example, if your tax year ends on Dec. 31, 2012, enter "123112" on each of the four installments.

Make your check payable to **Minnesota Revenue** and mail it with your completed voucher to: Minnesota Revenue, Mail Station 1275, St. Paul, MN 55145-1275.

### Information and Assistance

Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

Email: [BusinessIncome.tax@state.mn.us](mailto:BusinessIncome.tax@state.mn.us)

Phone: 651-556-3075

**Stop writing checks Pay electronically!**

It's Secure, Easy, Convenient, Free  
[www.revenue.state.mn.us](http://www.revenue.state.mn.us)