5280 TAX & ADVISORY

Estimated Taxes: What Business Owners Need to Know

Framework for thinking about withholding, estimated payments and tax reserves.

Why It Matters

Business owners often receive income without payroll withholding. Estimated payments can help cover federal and state obligations.

Build a Projection

[ ] Estimate revenue

[ ] Estimate expenses

[ ] Estimate taxable income

[ ] Review prior-year tax

[ ] Add withholding/payments

[ ] Review major changes

Payment Schedule

For many calendar-year individuals, federal estimated installments generally occur around April 15, June 15, September 15 and January 15 of the following year, subject to adjustments and special rules.

Common Mistakes

[ ] Using last year's income without adjustment

[ ] Ignoring a large bonus/transaction

[ ] Confusing cash flow with taxable income

[ ] Assuming 1099s are the only business income

[ ] Waiting until filing season

Planning Tip

A tax projection is more useful than guessing a payment amount.

Important Notice

Primary References

IRS Publication 505

IRS Publication 509