



THE SOURCE

June 21, 2011
Volume 3 Issue 2

25 Jefferson St., Suite 200-B
(Green Bank Building)
Clarksville, TN 37040
931-802-2290

www.onesourcecpa.com

Mark Davenport, CPA
Lisa Mayo

Six Tips for Paying Estimated Taxes

Estimated tax is a method used to pay tax on income that is not subject to withholding. You may need to pay estimated taxes during the year depending on what you do for a living and what type of income you receive.

These six tips from the IRS will provide you with a quick look at estimated taxes and how to pay them.

1. If you have income from sources such as self-employment, interest, dividends, alimony, rent, gains from the sales of assets, prizes or awards, then you may have to pay estimated tax.
2. As a general rule, you must pay estimated taxes in 2011 if both of these statements apply: 1) You expect to owe at least \$1,000 in tax after subtracting your tax withholding (if you have any) and credits, and 2) You expect your withholding and credits to be less than the smaller of 90% of your 2011 taxes or 100% of the tax on your 2010 return. There are special rules for farmers, fishermen, certain household employers and certain higher income taxpayers.
3. For Sole Proprietors, Partners and S Corporation shareholders, you generally have to make estimated tax payments if you expect to owe \$1,000 or more in tax when you file your return.



4. To figure your estimated tax, include your expected gross income, taxable income, taxes, deductions and credits for the year. Use the worksheet in Form 1040ES, Estimated Tax for Individuals for this. You want to be as accurate as possible to avoid penalties. Also, consider changes in your situation and recent tax law changes.

5. The year is divided into four payment periods, or due dates, for estimated tax purposes. Those dates generally are April 15, June 15, Sept. 15 and Jan. 15.

6. Form 1040ES, Estimated Tax for Individuals, provides all you'll need to pay estimated taxes. This includes instructions, worksheets, schedules and payment vouchers. The easiest way to pay estimated taxes, however, is electronically through the Electronic Federal Tax Payment System or EFTPS. You can also pay estimated taxes by check or money order using the Estimated Tax Payment Voucher or by credit or debit card.

7 Reasons Why You Should Use QuickBooks

QuickBooks is the ideal business accounting software for small to mid-sized business owners.

Here are 7 reasons why you should be using QuickBooks.

- You save time on bookkeeping and paperwork because many of the simple bookkeeping tasks are handled automatically making it easier to run your business.



QuickBooks®

- You can easily generate the reports with the information you need, so you always know where your business stands. You instantly know whether you're making money and whether your business is healthy.
- You save money because QuickBooks is so affordable. You can use it to run a \$1 thousand or a \$100 million business for a less than \$200.
- You can customize QuickBooks to work the way you want. QuickBooks is specifically designed to be flexible and adaptable to a wide range of small businesses.
- With a QuickBooks payroll subscription, your payroll process will save you time and money over any outsourcing payroll service.

QUICKBOOKS TRAINING

- One-on-one "hands-on" workshop
- Training is tailored to suit attendee's needs
- \$200 for 2 hour training session
- Instruction manual is available
- Space is limited - call today



Click our logo to send us an e-mail

If you wish to be removed from our e-mail newsletter mailing list, just respond to this e-mail with "REMOVE" in the subject line.