

# Iowa Individual Income Tax

Do I Need to Make  
Estimated Payments?

Tax information for individuals  
from the

**IOWA**  Department of **REVENUE**

# What Are Estimated Payments?

Estimated payments are the method used to pre-pay tax on income that isn't subject to withholding.

# Why Are Estimated Payments Necessary?

- When an employer withholds tax from your paycheck, you are paying the taxes throughout the year.
- It's the same concept for income not subject to withholding. Since there is no employer to withhold tax, estimated payments may need to be made throughout the year.

# Who Must Make Estimated Payments?

Taxpayers who estimate they will owe  
\$200 or more in Iowa tax on income  
NOT subject to withholding must pay  
estimated tax.

# Who Does Not Need to Make Estimated Payments?

Those who have income only from sources subject to withholding, such as:

- wages
- salaries
- fees
- bonuses
- taxable fringe benefits
- commissions

**Estimated payments are NOT required on these types of income.**

# Who Typically Makes Estimated Payments?

- Self-employed taxpayers
- Retired persons receiving benefits, certain pensions, and income not subject to withholding
- Taxpayers who earn at least two-thirds of their income from farming or fishing
- Nonresidents who earn or receive income from an Iowa source that is not subject to Iowa income tax withholding
- Beneficiaries of estates or trusts – residents and nonresidents
- Taxpayers with income in addition to wages, such as interest, dividends, capital gains, rents, royalties, business income, farm income, or certain pensions

# How Is the Amount of Estimated Payments Determined?

- The taxpayer **approximates** what his or her **yearly income** will be,
- subtracts **estimated allowable deductions**,
- computes the **estimated tax**, and
- **pays it before filing** an income tax return.

# How Do I Make Estimated Payments?

- Iowa estimated payments may be made [online through eFile & Pay](#).
  - To learn how to make estimated payments online, see [eFile & Pay Estimated Payment Preview](#) (pdf).
- 1040ES forms can be printed from our Web site at <http://www.iowa.gov/tax/forms/indinc.html#Estimated>.

# When Do I Make Estimated Payments?

## Payment due dates for calendar-year filers:

- April 30
- June 30
- September 30
- January 31

For information about fiscal year filers and farmers / fishers, see [Individual Income Tax Estimated Payments Calendar](#).

# How Do Married Taxpayers Need to Make Estimated Payments?

- Those filing a **joint Iowa return (status 2)** file estimated payments under the primary Social Security Number.
- Spouses must make separate estimated payments if they file **separate Iowa returns (status 4)** or **separately on a combined Iowa return (status 3)**. Each spouse then claims the estimated payments he or she made on the income tax return.

# What if my Initial Estimated Tax Amount Changes?

If income will be greater or less than initially estimated, the next estimated tax payment should be adjusted.

# Is There a Penalty if I Don't Make Estimated Payments?

- If a taxpayer has a tax liability of \$200 or more from income that is not subject to withholding, a penalty for underpayment of estimated tax may apply. The penalty is computed on **form IA 2210** (find forms online [here](#)).
- Taxpayers who earn at least two-thirds of their annual gross income from farming or fishing compute the penalty on **form IA 2210F** (find forms online [here](#)).

# How Can I Avoid a Penalty?

Taxpayers may avoid the penalty for underpayment of estimated tax if either of the following requirements is met:

- 1) The current tax year payments, made on or before the due dates, are **equal to or exceed the prior year's tax liability\***. The prior year must cover a 12-month period; or
- 2) The current tax year payments, made on or before the due dates, are **at least 90% of the tax on the current year's annualized taxable income** as determined on form IA 2210.

\*High income taxpayers may be required to pay more than 100% of the prior year's tax liability to avoid penalty.

# Questions?

- For more information see [Estimated Income Tax Payments \(78-515\)](#)
- Call us: 8 a.m. - 4:15 p.m. CT  
515-281-3114 or  
1-800-367-3388 (Iowa, Omaha, Rock Island,  
Moline)
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