The Quarterly Estimated Tax Worksheet for Therapists



If your therapy practice owes more than $1,000 in taxes, you're required to pay in quarterly installments. This worksheet gives you the tools to calculate how much you should pay.

For a detailed overview of quarterly estimated tax payments, read How to Pay Quarterly Estimated Taxes for your Therapy Practice.

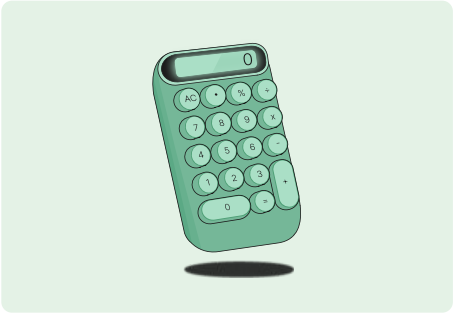
What to Calculate

There are two main ingredients to your federal tax burden: self-employment tax and income tax. Both are based on how much your therapy practice earned over the course of the year.

In this worksheet	Helps with
Part I: Self-Employment Tax	Helps you calculate your self-employment tax
Part II: Income Tax	Helps you calculate your income tax, then adds your self-employment tax to arrive at a total for the year.
Part III: Quarterly Payments	Gives you a table for planning and tracking your quarterly estimated payments.

The Safe Harbor Rule

Since you'll be paying your taxes for the current tax year over the course of the year itself, you may be wondering: how do you estimate how much income you'll earn?



The simplest, safest approach is to base your projections on your prior tax year. Take the income and expenses from your prior year's tax filing and use them to complete the worksheet in Part III.



So long as you end up paying at least 90% of what you owe for the current year, or 100% of what you owe for the prior year, you won't be penalized in the event you underpay.



If your adjusted gross income (AGI) for the current year is likely to be $150,000 or more, you must pay at least 90% of the total amount in estimated payments or 110% of your prior year's amount owing.

When to Pay

You must pay your quarterly estimated taxes in four equal payments by the following deadlines.

Quarter	Deadline
Q1 payment	April 15
Q2 payment	June 15
Q3 payment	September 15
Q4 payment	January 15

Note: If you file your return and include the remaining tax owed with your filing by January 31st, you don't need to submit a separate, fourth payment on January 15th.

When tax deadlines fall on weekends or federal holidays, they're typically moved to the next business day. Check the latest version of **Form 1040-ES** for precise deadlines.

How to Pay

The fastest, easiest way to pay is with an **online IRS account**. You can also fill out **Form 1040-ES** by hand and submit it by mail.

Part I: Self-Employment Tax

Use this table to calculate your self-employment tax for the year:

Calculate		Amount
1	Net income subject to self-employment tax (Schedule C of Form 1040, Line 31)	
2	Multiply line 1 by 0.9235 (92.35%)	
3	Multiply line 2 by 0.029	
4	Social security tax maximum income	$176,100
5	Wages earned from which Social Security, Medicare, etc. taxes were withheld	
6	Subtract line 5 from line 4 (if the result is 0 or less, enter -0- and skip to line 9)	
7	Enter whichever is the smaller amount, line 2 or line 6	
8	Multiply line 7 by 0.124 (12.4%)	
9	Add lines 3 and 8. Enter the total here, and on line 9 of the table in Part II	
10	Multiply line 9 by 0.5 (50%). It's your expected deduction for self-employment tax on Schedule 1 of Form 1040, line 15. You'll subtract this amount when calculating your estimated AGI on line 1 of the table in Part II	

Part II: Income tax

Use this table to calculate your income tax for the year:

	Calculate	Amount
1	Adjusted gross income (AGI) expected for the year. (See the section on the safe harbor rule above.) Be sure to factor in your self-employment tax deduction from line 10 of Part I	
2a	Total deductions. Enter either the total of your itemized deductions or the standard deduction	
2b	The qualified income deduction, if you're claiming it	
2c	The total of lines 2a and 2b	
3	Subtract line 2c from line 1	
4	Calculate your total tax based on the amount entered on line 3, with reference to your tax bracket	
5	Alternative minimum tax from Form 6251, if applicable	
6	Add lines 4 and 5. Then add to this amount any additional taxes you expect to pay, based on Form 1040 or Form 1040-SR, line 16	
7	Tax credits. Do not include any income tax withholding here	
8	Subtract line 7 from line 6. If the result is less than zero, enter -0-	
9	Self-employment tax (line 9 of the table in Part I)	
10	All other taxes	
11a	Add lines 8, 9, and 10	
11b	Earned income credit, additional child tax credit, fuel tax credit, net premium tax credit, refundable American opportunity credit, and section 1341 credit	
11c	Subtract 11b from 11a. If the result is less than zero, enter -0-. This is your total estimated tax for the year.	

Calculate		Amount
12a	Multiply line 11c by 0.9 (90%)	
12b	Total amount owed for the prior year (skip this if using prior year's income tax to calculate this year's amount for the sake of safe harbor)	
12c	Required payment for current year to avoid underpayment penalties. The smaller of 12a or 12b (skip this if using prior year's income tax to calculate this year's amount for the sake of safe harbor)	
13	Total income tax already withheld or expected to be withheld in for the year (eg. from pensions, annuities, certain deferred income, and Additional Medicare Tax withholding)	
14a	Subtract line 13 from line 12c	
	If the amount on line 14a is zero or less, stop here. You are not required to make estimated payments	
	If the amount on line 14a is more than zero, proceed to line 14b	
14b	Subtract line 13 from line 12c	
	If the amount on line 14b is zero or less, stop here. You are not required to make estimated payments	
	If the amount on line 14b is more than zero, proceed to line 15	
15	If the first payment you must make is due April 15, enter ¼ of line 14a (minus any overpayment from the previous year you are applying to this payment). Each of your quarterly estimated payments for the year is this amount.	

Part III: Quarterly payments

Hold on to this table and use it to track your payments over the course of the year.

Quarter	Amount due	Due date	Amount paid*	Date paid
Q1	$		$	
Q2	$		$	
Q3	$		$	
Q4	$		$	

*Excluding convenience fee

Quarter	Credit/debit confirmation #	Previous year overpayment credit	Total amount credited and paid (add d and e)
Q1		$	$
Q2		$	$
Q3		$	$
Q4		$	$