Obie
Bookkeeping
CLARITY IN EVERY LEDGER

Quarterly Estimated Taxes, Made Simple

Who pays, how much, and how to stop dreading April.

When you work for yourself, taxes are not taken out of a paycheck for you. So instead of one big bill in April, the government asks you to pay as you go, four times a year. It sounds intimidating. With a simple system, it is not.

1. Why this applies to you

If you are self-employed, whether a sole proprietor, a single-member LLC, a partner, or an S-corp owner, no employer is withholding taxes on your behalf. The government still wants its share throughout the year, so you send it in four estimated payments that cover both your income tax and your self-employment tax.

A good rule of thumb: if you expect to owe about $1,000 or more when you file, you are generally expected to pay quarterly.

2. The four due dates

Estimated payments come due about four times a year: in mid-April, mid-June, mid-September, and mid-January of the following year. The exact dates shift slightly from year to year, so check the current year's calendar. One quirk worth knowing: these quarters are not even three-month blocks, so do not assume they land exactly every three months.

3. How much to pay

There are two simple ways to land on the number. The first is to set aside a percentage of your profit as you earn it, with 25 to 30 percent a common starting point. The second is to base each payment on the profit you expect for the full year.

A common way to stay penalty-safe is to pay in at least as much as you owed last year, spread across the four payments. Your tax professional sets the exact target for your situation, and we hand you the number straight from your books.

The system that makes it painless

- ✓ **Open a separate account.** A dedicated tax-savings account, kept apart from your operating money.
- ✓ **Save as you earn.** Move a set percentage of profit into it every time you get paid.
- ✓ **Know your number.** We calculate what each quarterly payment should be from your real profit.
- ✓ **Pay online, on time.** Use IRS Direct Pay or EFTPS for federal, plus your state, by each due date.
- ✓ **Leave it alone.** The tax account is for taxes only, never a backup checking account.

What happens if you skip them

If you do not pay enough during the year, the IRS adds an underpayment penalty, which works like interest on what you should have paid. It is rarely huge, but it is avoidable money. Paying as you go also means no gut-punch bill in April, just a number you already planned for.

How we help

We track your real profit every month, tell you what to set aside and what each quarterly payment should be, and remind you before the due date. You just make the payment. No spreadsheets, no guessing, no scramble.

Want your quarterly number handled for you? Your first look is free.

Sean Oberholtzer · Obie Bookkeeping LLC

Certified on both major cloud accounting platforms

sean@obiebookkeeping.com · (714) 679-4769 · obiebookkeeping.com

---

We are bookkeepers, not CPAs. This guide is general education, not tax advice. Your situation is unique, so confirm the specifics, including your exact payment amounts and due dates, with a CPA or Enrolled Agent.