2014 Form 1-ES Instructions – Estimated Income Tax for Individuals, Estates, and Trusts

Who Must Pay Estimated Tax

Tax (including the Wisconsin alternative minimum tax) is required to be paid on income as it is earned or constructively received. Withholding tax and estimated tax are the two methods used to make those required tax payments. Generally, if you work for wages, you have tax withheld from your wages to prepay any tax which will be computed on your income tax return for the year. If you have income from which tax is not withheld (for example, interest, dividends, unemployment compensation, self-employment income, taxable pensions, etc.), you must pay estimated tax to prepay any tax which will be computed on your income tax return for the year.

You must pay Wisconsin estimated tax for 2014 if you expect to owe, after subtracting your withholding and credits, at least $500 in tax for 2014 and you expect your withholding to be less than the smallest of:

- 90% of the tax (including alternative minimum tax) shown on your 2014 income tax return.
- 100% of the tax (including alternative minimum tax) shown on your 2013 income tax return assuming the return covered 12 months. This does not apply to trusts or estates that have 2014 taxable income of $20,000 or more. If your 2013 return was adjusted by the department or you filed an amended return, use the tax from the latest adjusted or amended return.
- 90% of the tax shown on your 2014 income tax return, computed by annualizing your taxable income and alternative minimum taxable income. (You may use Wisconsin Schedule U, Part IV, as a worksheet to annualize income.)

Full-year residents, part-year residents, nonresidents, trusts, and estates are subject to the estimated tax requirement. (**Note**: Trusts subject to tax on unrelated business income should file on Form 4-ES.)

You do not have to pay estimated tax if you were a full-year resident of Wisconsin for 2013 and you had no tax liability for that 12-month period. Estates and grantor trusts which are funded on account of a decedent's death are only required to make estimated tax payments for any tax year ending two or more years after the decedent's death.

You and your spouse may pay estimated tax either jointly or separately. If joint payments are made, you and your spouse may still file separate income tax returns for 2014. The estimated tax payments may be divided between you and your spouse in any manner you choose. If separate payments are made, you and your spouse may file a joint income tax return for 2014 and apply the separate estimated tax payments to the joint tax liability. However, no part of the separate estimated tax payments may be applied to a separate tax liability of the other spouse.

When to Pay Your Estimated Tax

Generally, you must make your first estimated tax payment by April 15, 2014. You may pay all your estimated tax at that time or in four equal installments on or before April 15, 2014, June 16, 2014, September 15, 2014, and January 16, 2015. Exceptions to this general rule are as follows:

1. **Other payment dates.** In some cases such as an increase in income, you may have to make your first estimated tax payment after April 15, 2014. The payment dates are then as follows:

If the requirement to pay estimated tax is met after:	Payment date is:	Of the estimated tax due, pay:
March 31 and before June 1	June 16, 2014	1/2
May 31 and before Sept. 1	Sept. 15, 2014	3/4
August 31	Jan. 16, 2015	all

   Any remaining payments should be 1/4 of your required annual payment.

2. **Your return as a payment.** If you file your 2014 income tax return by February 2, 2015, and pay the entire balance due, you do not have to make your last payment of estimated tax due on January 16, 2015.

3. **Farmers and fishers.** If at least two-thirds of your gross income (joint gross income, if applicable) for 2013 or 2014 is from farming or fishing, you may:
   - pay your 2014 estimated tax in full by January 16, 2015; **or**
   - file your 2014 income tax return on or before March 2, 2015, and pay the total tax due. In this case, you need not make estimated tax payments for 2014.

4. **Fiscal year.** If your return is filed on a fiscal year basis, your due dates are the 15th day of the 4th, 6th, and 9th months of your current fiscal year, and the 1st month of the following fiscal year. (**Note**: If any due date falls on a Saturday, Sunday, or legal holiday, use the next business day.)

How to Use Form 1-ES

1. If you have a preprinted voucher, make any corrections necessary to your name and address by lining out the incorrect information and printing in the correct information. To obtain personalized Form 1-ES vouchers, visit the department's website at revenue.wi.gov/html/taxforms14.html or call (608) 266-1961.
2. Complete the "2014 Estimated Income Tax Worksheet" on page 2 of these instructions. Use your 2013 tax return as a guide, but be sure to consider any law changes for 2014. Law changes are published in the *Wisconsin Tax Bulletin*, which is available on the Internet at: revenue.wi.gov.
3. Fill in the amount from line 14 of the worksheet on the "Amount of Payment" line on Form 1-ES.
4. Enclose, but do not staple or attach, your check or money order with Form 1-ES. Make your remittance payable to the Wisconsin Department of Revenue and mail to the address shown on Form 1-ES.

   To pay online, go to the department's website at: https://tap.revenue.wi.gov/pay. This is a free service.

   To pay by credit card, call 1-800-2PAY-TAX (1-800-272-9829) or visit officialpayments.com. There will be a 2.5% fee charged for this service.

If you need help, contact our Customer Service Bureau at (608) 266-2486 or any Department of Revenue office.

How to Amend Your Estimated Tax Payments

If you have a substantial increase or decrease in your estimated tax liability, your estimated tax payments should be amended.

1. Recompute your estimated tax liability on the "2014 Estimated Income Tax Worksheet." Include any estimated tax payments already made for 2014 on line 10 of the worksheet.
2. Determine the amount of each remaining installment due:
   - If all 4 installments are being amended, fill in 1/4 of line 11 of the worksheet on each payment voucher.
   - If 3 installments are being amended, fill in 1/2 of line 11 on the first amended voucher and 1/4 of line 11 on each of the last two vouchers.
   - If 2 installments are being amended, fill in 3/4 of line 11 on the first amended voucher and 1/4 of line 11 on the last voucher.
   - If only the last installment is being amended, fill in all of line 11 on the voucher filed.

Interest Charge for Failure to Pay Estimated Tax

If you are required to pay estimated tax and you do not, or you underpay any installment, you are subject to interest on the underpayment amount when you file your 2014 return. Wisconsin Schedule U is used to compute the interest due. The Schedule U instructions provide information on exceptions to the interest charge.

2014 Estimated Income Tax Worksheet – *Keep for your records – Do not file*

1. Fill in the amount of Wisconsin income you expect in 2014. Use your 2013 tax return as a guide	1.	.
2. Wisconsin standard deduction and exemptions (see standard deduction schedules below)*	2.	.
3. Estimated taxable income (subtract line 2 from line 1)	3.	.
4. Estimated tax (see tax rate schedules below)	4.	.
5. Estimated credits (see instructions provided with your 2013 tax return for descriptions of credits)	5.	.
6. Subtract line 5 from line 4	6.	.
7. Estimated Wisconsin alternative minimum tax	7.	.
8. Add lines 6 and 7	8.	.
9. Required annual payment. Fill in amount of line 8 that you are required to pay	9.	.
Caution: Generally, if you do not prepay at least 90% of your 2014 tax liability or 100% of your 2013 tax, whichever is smaller, you may be subject to interest on the underpayment amount. To avoid this, be sure your estimate is as accurate as possible. If you are unsure of your estimate, you may want to pay more than 90% of the amount you have shown on line 8.		
10. Wisconsin income tax withheld and estimated to be withheld during 2014	10.	.
11. Balance (subtract line 10 from line 9). (**Note**: If line 8 less line 10 is less than $500, you are not required to make estimated tax payments.)	11.	.

	Installments			
	April 15	June 16	Sept. 15	Jan. 16
12. If four installments are due, enter in each column 1/4 of the amount on line 11. If less than four installments are due, use the instructions for other payment dates under "When to Pay Your Estimated Tax"				
13. Apply overpayment carried forward from your 2013 tax return (apply first to April and carry remainder to June, etc.)				
14. Installment amount (subtract line 13 from line 12). Fill in here and on the "Amount of Payment" line on Form 1-ES				

Note ***Individuals** Your exemptions are $700 for yourself, $700 for your spouse if filing a joint return, and $700 for each dependent. Add $250 to the total if you are 65 years of age or over and, if filing a joint return, add $250 if your spouse is 65 years of age or over. (Exception: If you are claimed as a dependent on someone else's return, you do not qualify for an exemption.) **Estates and Trusts** Fill in -0- on line 2. **Nonresidents and part-year residents** prorate the standard deduction as follows: (1) Figure your standard deduction using your federal adjusted gross income instead of your Wisconsin income, and (2) prorate using the ratio of Wisconsin income to federal adjusted gross income. Exemptions must also be prorated using the same ratio.

2014 Standard Deduction

Schedule for Single Taxpayers

If Wisconsin income is: over –	but not over –	The 2014 Standard Deduction is:	of the amount over –
$ 0	$ 14,529	$ 10,080	
14,529	98,530	10,080 less 12%	$ 14,530
98,530 or over		0	

Schedule for Head of Household

If Wisconsin income is: over –	but not over –	The 2014 Standard Deduction is:	of the amount over –
$ 0	$ 14,529	$ 13,020	
14,529	42,490	13,020 less 22.515%	$ 14,530
42,490	98,530	10,080 less 12%	14,530
98,530 or over		0	

Schedule for Married Filing Jointly

If Wisconsin income is: over –	but not over –	The 2014 Standard Deduction is:	of the amount over –
$ 0	$ 20,389	$ 18,150	
20,389	112,159	18,150 less 19.778%	$ 20,390
112,159 or over		0	

Schedule for Married Filing Separately

If Wisconsin income is: over –	but not over –	The 2014 Standard Deduction is:	of the amount over –
$ 0	$ 9,689	$ 8,620	
9,689	53,274	8,620 less 19.778%	$ 9,690
53,274 or over		0	

2014 Tax Rate Schedules for Full-Year Residents*

Schedule A – Single, Head of Household, Estates and Trusts

If taxable income is: over –	but not over –	The 2014 Gross Tax is:	of the amount over –
$ 0	$ 10,910	$ 4.00%	$ 0
10,910	21,820	436.40 + 5.84%	10,910
21,820	240,190	1,073.54 + 6.27%	21,820
240,190 or over		14,765.34 + 7.65%	240,190

Schedule B – Married Filing Jointly

If taxable income is: over –	but not over –	The 2014 Gross Tax is:	of the amount over –
$ 0	$ 14,540	$ 4.00%	$ 0
14,540	29,090	581.60 + 5.84%	14,540
29,090	320,250	1,431.32 + 6.27%	29,090
320,250 or over		19,687.05 + 7.65%	320,250

Schedule C – Married Filing Separately

If taxable income is: over –	but not over –	The 2014 Gross Tax is:	of the amount over –
$ 0	$ 7,270	$ 4.00%	$ 0
7,270	14,540	290.80 + 5.84%	7,270
14,540	160,130	715.37 + 6.27%	14,540
160,130 or over		9,843.86 + 7.65%	160,130

Note *****Nonresidents and part-year residents must prorate the tax brackets (amounts appearing in the first two columns of the 2014 Tax Rate Schedules) based on the ratio of their Wisconsin income to their federal adjusted gross income. For example, for a single individual the tax brackets are $10,910, $10,910, and $218,370. Assuming the individual has a ratio of 20%, the first $2,182 ($10,910 x .20) is taxed at 4.0%, the next $2,182 ($10,910 x .20) is taxed at 5.84%, and the next $43,674 ($218,370 x .20) is taxed at 6.27%, and taxable income over $48,038 is taxed at 7.65%.