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Do I Need To Pay Quarterly Estimated Taxes?

The **9/15/23 tax return filing deadline** is the date by which you need to pay your third quarter estimated federal taxes for the untaxed income you earned in 2023.

This applies to you if you are a self-employed individual, a sole proprietor, a partner, or an S corporation shareholder who expects to owe tax of \$1,000 or more when you file your return.

If you miss the deadline, you may have to pay a penalty for underpayment of estimated tax.

The amount of quarterly estimated tax payments you should set aside depends on your projected annual taxable income, your tax rate, and your withholding and tax credits.

According to the IRS, as a self-employed individual, you are generally required to file an annual return and pay estimated tax quarterly. Estimated tax is the method used to pay Social Security and Medicare taxes and income tax, because you do not have an employer withholding these taxes for you.

Do The Math Before Buying & Financing A New Car



The strategy of “buying low and selling high” just doesn’t work when you finance a new car with an auto loan. The main reason, unlike when we purchase real estate, jewelry, stocks, etc., is that a car depreciates in value rather quickly.

The depreciation of a new car depends on various factors, such as the make, model, condition, mileage, and market demand of the car. However, a general rule of thumb is that a new car loses about 20% of its value in the first year, and about 15% each year after that. Therefore, after making 6 years of loan payments, a new car may have depreciated by about 70% of its original value.

To illustrate how this works, let’s look at an example using some hypothetical numbers. Suppose you buy a new car for \$30,000 with a 10% down payment (\$3,000), a 5% interest rate, and a 60-month loan term. Your monthly payment would be \$512. After making 6 years (72 months) of loan payments, you would have paid off your loan in full, with a total interest cost of \$3,729.

Buying a new car can be an exciting and emotional decision, but it can also be a costly and risky one. Many people may focus on the monthly payment as the main factor in choosing a car, but they may overlook or underestimate the depreciation and interest rate on the loan, which can affect the total cost and value of the car.



What Every Small Business Owner Should Know About Steep Penalties For NOT Filing Business Tax Returns



The final extended deadline for filing Form 1120S (S Corp) and/or Form 1065 (Multi-member LLC partnership) returns is September 15, 2023.



The late filing penalty for Form 1065 and Form 1120S is \$195 per month (or part of a month) up to a maximum of twelve months for each partner or shareholder on the return.



Yes, that is correct. Each partner in the business is penalized. Most small business owners don't know this or understand fully how the tax filing system works and how costly it can be when tax returns are not filed on time.



IRS Lists Four Common Costly but Avoidable Tax Errors Made by Small Business Owners

According to the IRS and many tax professionals, tax season runs for twelve months of the year if you are a small business owner.

Being aware of common mistakes can help tame the stress of tax responsibilities. Here are a few mistakes small business owners can and should avoid:

✓ *Underpaying estimated taxes -*

Business owners should generally make estimated tax payments if they expect to owe tax of \$1,000 or more when their return is filed. If they don't pay enough tax through withholding and estimated tax payments, they may be charged a penalty and interest.

✓ *Depositing employment taxes -*

Business owners with employees are expected to deposit taxes they withhold, plus the employer's share of those taxes, through electronic fund transfers. If those taxes are not deposited correctly and on time, the business owner may be charged a penalty.

✓ *Filing late -*

Just like individual returns, business tax returns must be filed in a timely manner. To avoid late filing penalties, taxpayers should be aware of all tax requirements for their type of business as well as the filing deadlines.

✓ *Not separating business and personal expenses -*

It can be tempting to use one credit card for all expenses especially if the business is a sole proprietorship. Doing so can make it very hard to tell legitimate business expenses from personal ones. This could cause errors when claiming deductions and become a problem if the taxpayer or their business is ever audited.

Important Dates for Individual Filers

(Including employees, retirees, self-employed individuals, independent contractors, gig workers)

January 17, 2023 - 4th quarter 2022 tax payment due

January 31, 2023 - W-2 and some 1099 forms must be distributed

February 15, 2023 - Reclaim income tax withholding exemption by this date

April 18, 2023 - The last date to file, pay, and/or request an extension

October 16, 2023 - Due date for those that filed for an extension

2023 Quarterly Estimated Tax Payments

April 18, 2023 - 1st quarter tax payment due

June 15, 2023 - 2nd quarter tax payment due

September 15, 2023 - 3rd quarter tax payment due

January 15, 2024 - 4th quarter tax payment due

Important Dates For Businesses

This includes Partnerships (including LLCs), C-Corps (Form 1120), S-Corps (Form 1120S)

January 31, 2023 - W-2 and some 1099 forms must be distributed

March 15, 2023 - Taxes are due for partnerships, multi-member LLCs, and S-Corporations **September 15, 2023 - Deadline for return extensions of Partnerships and S-corporations**

October 16- Deadline for return extensions of C-corporations, 2023



2023 Tax Filing Calendar For Individuals and Businesses

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