INSTRUCTIONS FOR ESTIMATING PA PERSONAL INCOME TAX (FOR INDIVIDUALS ONLY)

Estimated tax is the method used to pay tax on income that is not subject to withholding such as:

- · Wages for domestic service;
- · Tips received from customers;
- Wages paid to residents who are seamen engaged in interstate or intercoastal trade or who work in Indiana, Maryland, New Jersey, Ohio, Virginia and West Virginia when PA income tax is not withheld by the employer;
- Earnings from self-employment or profits made in a trade, profession, business or farming;
- Gains from the sale, exchange or disposition of property;
- Interest and dividends;
- Rents and royalties;
- · Gambling and lottery winnings (except PA Lottery winnings); and
- Income derived from estates and trusts.

PART 1. WHO MUST MAKE ESTIMATED TAX PAYMENTS

The estimated tax rules apply to:

- Residents and part-year residents of Pennsylvania; and
- Nonresidents of Pennsylvania (or residents of other countries) who expect to have taxable income from sources within Pennsylvania.

Except for farmers as explained below, you must make PA estimated tax payments if:

- 1. You reasonably expect, after subtracting your withholding and credits, that you would owe at least \$246 (\$8,000 of income not subject to employer withholding) in tax for 2013, and
- 2. You can reasonably expect your withholdings and allowable credits to be less than the smaller of:
 - Ninety percent of the tax to be shown on your 2013 tax return;
 - The product of multiplying the PA taxable income shown on your 2012 PA tax return by 3.07 percent (0.0307). This calculation can be used only by taxpayers who were full-year PA residents in 2012.

Example: You expect your 2013 tax liability to be \$20,000. Ninety percent of this amount is \$18,000. You were a full-year resident in 2012, and your 2012 PA taxable income times the 2013 tax rate of 3.07 percent is \$16,000. If you reasonably expect your amount of 2013 tax withheld and other allowable credits to be less than \$16,000, you must make estimated payments. This is because you would owe more than \$246 after subtracting your expected withholdings and credits; your expected withholdings and credits would be less than 90 percent of your 2013 tax liability; and your expected withholdings and credits are less than your 2012 taxable income times the expected 2013 tax rate of 3.07 percent.

CALITION

A taxpayer cannot use the prior year's tax liability as this year's estimated tax to avoid underpayment penalty.

Use these instructions and the REV-414(I), Individuals Worksheet, to determine your estimated tax. Use PA-40ES(I) or PA-40ESR(I), Declaration of Estimated Personal Income Tax forms, to declare and

pay your estimated tax and credit your estimated tax to your account properly.

Part A and Part B of the REV-414(I) will help you figure the correct amount to pay. Use the Record of Estimated Tax Payments on the REV-414(I) to keep track of the payments you have made and the amount of your remaining payments.

PART 2. JOINT DECLARATION

A husband and wife may file a joint return declaration, unless:

- They are separated under a decree of divorce or separate maintenance;
- 2. They have different taxable years;
- 3. One spouse is liable for child support;
- 4. One spouse claims one or more credits on PA Schedule OC; or
- One spouse is otherwise required by the department to file a separate return. See the PA-40 Instruction Booklet for Married, Filing Separately filing status for details on who must file separate returns.

To avoid problems and delays in processing your income tax return, a husband and wife should file tax returns in the same manner as they made their estimated installment payments. If you and your spouse made joint estimated payments, file a joint return. If you and your spouse made separate estimated payments, please file separate returns claiming the proper amounts on each return. If you and your spouse need to file differently from the way you submitted your estimated payments, complete the REV-459B, Consent to Transfer, Adjust or Correct PA Estimated Personal Income Tax Account form, to adjust the estimated accounts.

PART 3. PAYMENT DUE DATES

Use the following table to determine the due date and the amount of each installment. You may pay all of your estimated tax with your first payment or pay in installments when due. You may elect to apply your overpayment from your 2012 PA tax return against your 2013 estimated tax liability. If so, the department will apply your approved overpayment to the first installment, unless you notify the PA Department of Revenue in writing to apply your overpayment to another installment. When income is earned unevenly throughout the year, complete the REV-1630, Underpayment of Estimated Tax by Individuals form, to determine if you owe estimated underpayment penalty

FARMERS

If at least two-thirds of your gross income for 2013 is from farming, you may do one of the following:

- Pay all of your estimated tax by Jan. 15, 2014; or
- File your 2013 PA tax return by March 1, 2014 and pay the total tax due. In this case, 2013 estimated tax payments are not required.

PART 4. HOW TO COMPLETE AND USE THE DECLARATION OF ESTIMATED PERSONAL INCOME TAX FORM

Individuals filing declarations for the first time should use the PA-40ESR(I) forms. Thereafter, the PA Department of Revenue will supply preprinted PA-40ES(I) forms. Failure to receive department-provided forms does not relieve taxpayers from filing and paying the tax.

If you first meet the requirement to make estimated tax payments:	The number of required installments is:	And you pay the following percentages of the estimated tax by the date shown or the next business day if the due date falls on a Saturday, Sunday or holiday.			
		April 15, 2013	June 15, 2013	Sept. 15, 2013	Jan. 15, 2014
Before April 1, 2013	4	25%	25%	25%	25%
After March 31, 2013, and before June 1, 2013	3		50%	25%	25%
After May 31, 2013, and before Sept. 1, 2013	2			75%	25%
After Aug. 31, 2013	1				100%

You can eliminate the need to file a paper PA-40ES (I) form by making your estimated payments through electronic funds transfer (EFT) or by using a debit or credit card. For detailed information, visit www.revenue.state.pa.us.

If you do not receive your preprinted PA-40ES(I) forms or they are lost or damaged, you may use the PA-40ESR(I) form, and request preprinted forms by writing to:

PA DEPARTMENT OF REVENUE BUREAU OF INDIVIDUAL TAXES PIT DELINQUENT TAX DIVISION PO BOX 280510 HARRISBURG PA 17128-0510

DO NOT SEND PAYMENTS TO THIS ADDRESS.

Complete the name and identification information on the left-hand side of the coupon. In the right-hand column, enter the fiscal year information, if applicable, as well as the amount of payment or declaration of tax (see instructions in the following paragraph for specific information about how to complete these lines).

There is a separate PA-40ES(I) form for each due date. The due date is in the upper right corner. Please be sure you use the form with the correct due date. Complete and submit the form only if making a payment. To complete the declaration form and pay the estimated tax due:

- Enter the amount calculated on Line 29 of the REV-414(I), Individuals Worksheet, in the Declaration of Estimated Tax block, which is a required entry;
- Enter the amount you are remitting in the Amount of Your Payment area. The Amount of Your Payment is usually determined by taking the Declaration of Estimated Tax block divided by 4. Carryover credits from the previous tax year are deemed to be estimated tax payments made for the first period estimated taxes are due and should be subtracted from the payment amount for that period. Any carryover credit in excess of the amount of estimated taxes due for the first or subsequent period should be subtracted from the second or subsequent period estimated taxes due;
- Make your check or money order payable to the PA Dept. of Revenue:
- Write the last four digits of your Social Security number and "2013 estimated tax payment" on your check or money order. Do not staple or attach your payment to the declaration;
- Mail your declaration and check using the enclosed label provided for your convenience. A preprinted form and label are provided for each installment;
- Fill in the Record of Estimated Tax Payments in Part C of your Individuals Worksheet, REV-414(I).

Do not use PA-40ESR(I) form or any other facsimile form when you can use your preprinted PA-40ES(I) forms. Please use only the properly dated form for each installment payment.

IMPORTANT:

The department personalized each of your PA-40ES(I) forms, Declaration of Estimated Personal Income Tax, with your name and address. To protect you from potential identity theft, your Social Security number has been encrypted on the form. Your PA-40ES(I) forms also have a unique line of information that the department uses to post your payment. DO NOT GIVE YOUR FORMS TO OTHER TAXPAYERS. THIS MAY CAUSE YOUR PAYMENT TO BE APPLIED TO ANOTHER TAXPAYER'S ACCOUNT.

DO NOT MAKE CORRECTIONS ON YOUR PA-40ES (I) FORMS. IF THE PREPRINTED INFORMATION IS INCORRECT, COMPLETE A PA-40ES CORRECTION FORM, (REV-459) and mail it to:

PA DEPARTMENT OF REVENUE BUREAU OF INDIVIDUAL TAXES PIT DELINQUENT TAX DIVISION PO BOX 280510 HARRISBURG PA 17128-0510

DO NOT SEND PAYMENTS TO THIS ADDRESS.

It is possible to make certain changes to your account online. You can change your address or change your spouse's information by visiting www.revenue.state.pa.us. To make changes, you will need your Social Security number along with either your PA driver's license number or tax liability on last year's PA personal income tax return.

The department will only provide new estimated forms when you make a change to your name. Address changes will be made on next year's estimated forms.

PART 5. AMENDING ESTIMATED TAX PAYMENTS

You may have a change in income or credits during the year that requires you to change or amend your estimated payments. To amend your estimated tax liability, first figure your estimated tax using Parts A and B of the estimated tax worksheet. Then subtract any overpayment from your 2012 PA tax return that you applied to your 2013 estimated account. Also, subtract any 2013 estimated payments that you already made. Your declaration of estimated tax should be amended on your PA-40ES(I) form. Make your remaining payments using the instructions for payment due dates on the front of this form.

PART 6. PENALTY

If you do not make sufficient estimated tax payments, you will owe estimated underpayment penalty (interest on the underpayment of estimated taxes for the time period the taxes remained unpaid). PA law imposes this penalty on each installment period when you did not pay at least 90 percent of the actual tax due. You calculate the penalty at the interest rate on the amount underpaid and the number of days that the amount was unpaid, but not beyond the due date for your tax return.

- PA law imposes this penalty when you did not make the payments on time and/or in the required amount.
- PA law imposes this penalty even if you have an overpayment on your 2013 PA tax return.

To calculate this interest penalty, obtain the REV-1630, Underpayment of Estimated Tax by Individuals, form from one of the department's Forms Ordering Services, or by going to the department's website, www.revenue.state.pa.us.

SAFE HARBOR RULES

The department will not impose the penalty when:

- For each installment period, your timely estimated payment, withholding and credits total at least 90 percent of the actual tax due on the income earned or received in each installment period;
- Your total timely estimated payments and credits are at least equal to an amount calculated using the current year's tax rate and the income shown on the prior year's annual PA income tax return (this exception does not apply if you did not file a prior year's tax return or filed as a part-year resident in the prior year); or
- You meet the qualifications for the special exception as described in the REV-1630 form's instructions.

PART 7. FORMS ORDERING SERVICES

If you did not receive your preprinted forms or your forms were lost or damaged, order replacement PA-40ESR(I) forms from one of the telephone numbers below or in writing to one of the addresses below

For answers to common questions or to obtain tax forms, schedules and instructions from the department, you may:

- · Visit the department's website at www.revenue.state.pa.us;
- Send email requests for forms to the department at ra-forms@pa.gov; or
- Call 1-888-PATAXES (1-888-728-2937). Within the local Harrisburg area, call 717-425-2533.

Send written requests for the PA-40ESR(I) form to:

PA DEPARTMENT OF REVENUE TAX FORMS SERVICE UNIT 711 GIBSON BOULEVARD HARRISBURG PA 17104-3218

DO NOT SEND PAYMENTS TO THIS ADDRESS.

Send written requests for new preprinted PA-40ES(I) forms to:

PA DEPARTMENT OF REVENUE BUREAU OF INDIVIDUAL TAXES PIT DELINQUENT TAX DIVISION PO BOX 280510 HARRISBURG PA 17128-0510

DO NOT SEND PAYMENTS TO THIS ADDRESS.

You may also contact a Revenue district office for forms or assistance. These offices are listed on the reverse side of the REV-414 (I), Individuals Worksheet.