

## **1099 Self Employment & Estimated Tax Payments**

### **What is a 1099 Contract Worker?**

A 1099 contractor, also known as an independent contractor, is a classification assigned to certain US workers. The “1099” reference identifies the tax form that businesses must file with the Internal Revenue Service (IRS). The independent contractor can write off all reasonable and necessary business expenses.

The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax. You can use the link directly below, to read more about self-employment tax.

<https://www.irs.gov/businesses/small-businesses-self-employed/self-employment-tax-social-security-and-medicare-taxes>

To make your own tax payments online by credit card or by check, please visit:

<https://www.irs.gov/payments/direct-pay> (pay by check)

<https://www.irs.gov/payments/pay-taxes-by-credit-or-debit-card> (pay by debit or credit card)

### **Which taxes must be paid?**

As an independent contractor, an individual is self-employed. In addition to any state and federal income taxes, people who earn at least \$400 US Dollars each year must pay self-employment taxes to help finance Social Security for retirement & Medicare for health-related benefits. The charge for these taxes varies, depending on the person’s household income, but it’s usually a percentage of what he or she earns. You can refer to the link below, for an article of a list of common tax mistakes to avoid.

<https://turbotax.intuit.com/tax-tips/self-employment-taxes/beginners-tax-guide-for-the-self-employed/L2HLojrj5>

### **We are not legal tax consultants or give legal advice.**

We strongly suggest you consult with your tax professional for tax advice because everyone’s tax situation is different. We may time to time host financial education seminars, but it is not legal advice. Filing your taxes correctly is of utmost importance. InterKom Virtual Solutions is not liable for any tax situations you make.

**Paying quarterly Estimated Tax Payments.** <https://www.irs.gov/faqs/estimated-tax>

✓ **When are quarterly estimated tax payments due?**

**Answer:**

For estimated tax purposes, the year is divided into four payment periods. Each period has a specific payment due date. If you don't pay enough tax by the due date of each payment period, you may be charged a penalty even if you're due a refund when you file your income tax return at the end of the year.

If you mail your estimated tax payment and the date of the U.S. postmark is on or before the due date, the IRS will generally consider the payment to be on time. If you use [IRS Direct Pay](#), you can make payments up to 8 p.m. Eastern time on the due date. If you use a [credit or a debit card](#), you can make payments up to midnight on the due date.

## When to Pay Estimated Tax

Payment Period	Due Date
January 1 – March 31	April 15
April 1 – May 31	June 15
June 1 – August 31	September 15
September 1 – December 31	January 15* of the following year. *See January payment in Chapter 2 of <a href="#">Publication 505, Tax Withholding and Estimated Tax</a>
Fiscal Year Taxpayers	If your tax year doesn't begin on January 1, see the special rules for fiscal year taxpayers in Chapter 2 of <a href="#">Publication 505</a>
Farmers and Fishermen	See Chapter 2 of <a href="#">Publication 505</a>

**Note:** If the due date for making an estimated tax payment falls on a Saturday, Sunday, or legal holiday, the payment will be on time if you make it on the next day that's not a Saturday, Sunday, or legal holiday.