

Quarterly TAX Calculator

Two types of Accounting Methods:

- 1) Financial Accounting- All Income – All Expenses = Financial Profit/(Loss)
- 2) Tax Accounting- All Income – (Allowable Expenses) = Taxation Profit/(Loss)

WHY CALCULATE QUARTERLY TAX?:

- 1) To avoid Failure to File Penalty - (\$495 – 25% of Income) and
- 2) To avoid Failure to Pay Income Tax- (5% monthly X Amount Due up to 25% annually)

WHEN DUE?:

- 1) 1st Qtr. Due April 15th
- 2) 2nd Qtr. Due June 15th
- 3) 3rd Qtr. Due September 15th
- 4) 4th Qtr. Due (January 15th BUT PAY December 15th)

Annual Rates: **10%=** <\$10,275; **12%=** \$10,276 to \$41,775; **22%=** \$41,776 to \$89,075;
24%= \$89,076 to \$170, 050; **32%=** \$170,051 to \$215,950; **35%=** \$215,951 to \$539,900; **37%=** > \$539,901

FEDERAL TAXATION FOR SMALL BUSINESSES:

	Gross Income-	_____	
Minus	(Allowable Expenses)-	_____	
Equals	Profit or Loss-	=====	
Multiply by:	Federal Tax %-	_____	10% - 37%
Multiply by:	FICA Tax %-	_____	15.3%
	Add Together for		
	What your check to IRS must be:	=====	

NC STATE TAXATION FOR SMALL BUSINESSES:

	Gross Income-	_____	
Minus	(Allowable Expenses)-	_____	
Equals	Profit or Loss-	=====	
Multiply by:	NC State Tax %-	_____	5.25%
	What your check to NCDOR must be:	=====	