

Subject Payment of estimated tax – corporations

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Date March 26, 2019

Overview

H.F. 2628 would extend the deadline by one month for corporations to make their first estimated payment of tax. Under current law, these payments must be made by the third, sixth, ninth, and twelfth months of a taxable year. For corporations determining taxable income on the basis of a short taxable year, these deadlines are modified under current law to account for the shortened tax year. (The IRS requires a short period tax return when a taxpaying entity is not in existence for a full taxable year or changes its accounting period.)

This bill would move the deadline for the first payment of estimated tax to the fourth month in a taxable year, for corporations determining taxable income under a full or short taxable year.

Summary

Section	Description
1	<p>Amount and time for payment of installments.</p> <p>Extends the first deadline for estimated payment of tax by corporations from the third month to the fourth month of the taxable year.</p> <p>Effective date: Tax year 2020.</p>
2	<p>Short taxable year.</p> <p>For corporations determining taxable income under a short taxable year, extends the first deadline for estimated payment of tax by corporations from the third month to the fourth month of that year.</p> <p>Effective date: Tax year 2020.</p>