

Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 20 min.
- Learning about the law or the form** 10 min.
- Preparing the form** 1 hr., 10 min.
- Copying, assembling, and sending the form to IRS** 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; or the **Office of Management and Budget**, Paperwork Reduction Project (1545-0971), Washington, DC 20503.

Items You Should Note

- The tax rates for 1990 have been adjusted for inflation.
- Beginning with the payment due on April 16, 1990, all filers of Form 1041-ES will send their payment-vouchers to the same location. It is different than the filing location for Form 1041. See Instruction C(4).

Purpose of Form.—Use this form to figure and pay estimated tax for an estate or trust. *Estimated tax* is the amount of tax the fiduciary of an estate or trust expects to owe for the year after subtracting the amount of any tax withheld and the amount of any credits.

This form is primarily for first-time filers. After IRS receives the first payment-voucher, the estate or trust will receive a 1041-ES package with the name, address, and employer identification number pre-printed on the vouchers for the next tax year. Unless the fiduciary is a financial institution subject to the magnetic tape filing requirement, use the pre-printed vouchers. If you, as fiduciary, did not receive any 1990 pre-printed vouchers, use these vouchers.

A. Who Must Make Estimated Tax Payments

Generally, a fiduciary of an estate or trust must pay estimated tax if the estate or trust is expected to owe, after subtracting its withholding and credits, at least \$500 in tax for 1990 and can expect its withholding and credits to be less than the smaller of:

- (1) 90% of the tax shown on the 1990 tax return, or
 - (2) 100% of the tax shown on the 1989 tax return (assuming the return covered all 12 months).
- Exceptions.**—Generally, no estimated tax is due if the income tax return for 1990 will show:
- (1) A tax refund, or
 - (2) A tax balance due of less than \$500.

Also, no estimated tax is due if you are a fiduciary of the estate of a domestic decedent or domestic trust and there was no tax liability on the estate or trust for the full 12 months preceding the tax year. **Note:** *Estates, and grantor trusts which receive the residue of a decedent's estate, are only required to make estimated tax payments for any tax year ending two or more years after the decedent's death.*

Financial institutions that maintain a Treasury Tax and Loan (TT&L) account and administer at least 200 taxable trusts that are required to pay estimated tax, must submit the estimated tax payments on magnetic tape. See Rev. Proc. 89-49, 1989-34 I.R.B. 21, dated 8/21/89.

B. How To Figure Estimated Tax

Use the Estimated Tax Worksheet on page 3, the 1990 Tax Rate Schedule in Instruction F, and the 1989 tax return as a guide for figuring the estimated tax.

Most of the items on the worksheet are self-explanatory. However, the instructions below provide additional information for filling out certain lines.

Line 4—Exemptions.—**Note:** *No exemption is allowed on the final return of an estate or trust.*

Estate.—The estate of a decedent is entitled to a \$600 exemption.

Trust.—Any trust that is required by its governing trust instrument to distribute currently all its income is entitled to a \$300 exemption.

Any trust that is not required by its governing instrument to distribute currently all its income is entitled to a \$100 exemption. Generally, complex trusts will be entitled to a \$100 exemption.

Line 8—Additional taxes.—Enter any additional taxes from:

- **Form 4970**, Tax on Accumulation Distribution of Trusts;
- **Form 4972**, Tax on Lump-Sum Distributions; or
- Section 644 tax on trusts.

Line 10—Credits.—For details on credits you may claim, see **Form 1041**, U.S. Fiduciary Income Tax Return, line 2 of Schedule G, and related instructions.

Line 12—Other taxes.—Enter any other taxes such as recapture of investment credit, and alternative minimum tax.

C. How To Use The Payment-Voucher

Each payment-voucher has the date when the voucher is due for calendar year taxpayers. Please use the correct voucher.

(1) Enter the estate's or trust's name, address, and employer identification number in the spaces provided on the payment-voucher.

(2) Enter the net amount of the payment on line 1 of the payment-voucher. If you paid too much tax on your 1989 Form 1041, you may have chosen to apply the overpayment to your estimated tax for 1990. If so, you may apply all or part of the overpayment to any voucher. **Send the payment-voucher to IRS ONLY when you are making a payment.**

(3) Enclose, but do not staple or attach, your check or money order with the payment-voucher. Make the check or money order payable to "Internal Revenue Service." Please write the estate's or trust's employer identification number and "1990 Form 1041-ES" on the check or money order. Do not include any balance due on your Form 1041 with your check for estimated tax. Please fill in the Record of Estimated Tax Payments on page 3 so you will have a record of your payments.

(4) Mail the payment-voucher to:
Internal Revenue Service
P.O. Box 970002
St. Louis, MO 63197-0002

DO NOT send the payment-voucher to the Internal Revenue Service Center where you file Form 1041.

If the 1990 Form 1041 is filed by January 31, 1991, and the entire balance due is paid at that time, then you do not need to make the payment which would otherwise be due January 15, 1991.

Farmers and fishermen.—If at least two-thirds of gross income for 1989 or 1990 is from farming or fishing, do one of the following:

- Pay the total estimated tax by January 15, 1991; or
- File Form 1041 for 1990 by March 1, 1991, and pay the total tax due. In this case, do not make estimated tax payments for 1990.

Fiscal year.—If your return is on a fiscal year basis, your due dates are the 15th day of the 4th, 6th, and 9th month of your fiscal year and the 1st month of the following fiscal year. If any date falls on a Saturday, Sunday, or legal holiday, use the next regular workday.

D. Penalty for Not Paying Enough Estimated Tax

Generally, if at least (1) 90% (66⅔% for farmers and fishermen) of the 1990 tax liability, (2) 100% of the tax shown on the 1989 return, or (3) 90% of the tax figured by annualizing the taxable income and alternative minimum taxable income, whichever is smallest, is not prepaid, a

penalty for not paying enough estimated tax may be charged. To avoid this, make sure your estimate is as accurate as possible. If you are unsure of the estimate, pay, if necessary, more than 90% (or 66⅔%) of the amount shown on line 16.

If the annualized income installment method under section 6654(d)(2) is used, one less month's income is taken into consideration for computation of estimated taxes. For example, a calendar year trust would compute its first installment due April 16, 1990, based on the annualized income for January and February.

Note: *The penalty may be waived by IRS under certain conditions, such as casualty, disaster, or other unusual circumstances.*

Caution: *You may be required to make payments of past due amounts to avoid further penalty. You may have to make these payments if you do not make your estimated tax payments on time, or if you did not pay the correct amount for a previous payment date.*

Example: On June 1, 1990, you find out that you should have made an estimated tax payment on April 16. You should immediately fill out the payment-voucher due April 16, 1990, and send in the required amount ($\frac{1}{4} \times 1990$ estimated tax).

For more information, see **Publication 505**, Tax Withholding and Estimated Tax.

E. Certain Payments of Estimated Tax Treated as Paid by Beneficiary

The fiduciary (or executor, under certain circumstances) may elect to treat any portion of estimated tax payments as payments made by a beneficiary (and not as payments made by the fiduciary).

Such an amount is treated as a payment of the estimated tax made by the beneficiary which would otherwise be due January 15, 1991.

Time for making election.—The fiduciary must make the election on the 1990 **Form 1041-T**, Transmittal of Estimated Taxes Credited to Beneficiaries. The election must be filed on or before the 65th day after the close of the tax year. See section 643(g).

F. 1990 Tax Rate Schedule

Estates and trusts:

If line 6 of the Worksheet is:

The tax is:

Over—	But not over—		Of the amount over—
\$0	\$5,450	15%	\$0
5,450	14,150	\$817.50 + 28%	5,450
14,150	28,320	3,253.50 + 33%	14,150
28,320	-----	28%	-0-

Line 17—Installment Amount.—Use the following table to determine the due date of each installment and the amount of each installment. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday. You may either pay all of your estimated tax with your first payment or pay in installments when due. An

estate or trust may elect to apply its 1989 overpayment against its 1990 tax. If so, you may apply all or part of the overpayment to any installment.

Note: *Use the "Amended Estimated Tax Schedule" on page 3 to figure your amended estimated tax.*

If the requirement to make estimated tax payments is first met—	The number of installments to make is—	And the estate or trust should pay the following percentages of the estimated tax by the 15th day of the—			
		4th month	6th month	9th month	1st month of the next year
Before the 1st day of the 4th month of the tax year	4	25	25	25	25
After the last day of the 3rd month and before the 1st day of the 6th month of the tax year	3		50	25	25
After the last day of the 5th month and before the 1st day of the 9th month of the tax year	2			75	25
After the last day of the 8th month	1				100

1990 Estimated Tax Worksheet (Do Not File—Keep for Your Records)

1 Enter amount of adjusted total income you expect in 1990		1	
2 Enter income distribution deduction	2		
3 Enter amount of estate tax deduction	3		
4 Enter exemption amount (see line 4 Instructions)	4		
5 Total (add lines 2 through 4)		5	
6 Taxable income of fiduciary (subtract line 5 from line 1)		6	
7 Tax (Figure your tax on line 6 by using the 1990 Tax Rate Schedule, Instruction F, in these Instructions.)		7	
8 Enter any additional taxes (see line 8 Instructions)		8	
9 Total (add lines 7 and 8)		9	
10 Credits (see line 10 Instructions)		10	
11 Balance (subtract line 10 from line 9)		11	
12 Other taxes (see line 12 Instructions)		12	
13 Total (add lines 11 and 12) (Reduce this total by any credit you expect to claim on Form 4136.)		13	
14a Enter 90% (66⅔% for farmers and fishermen) of line 13	14a		
b Enter 100% of the tax shown on your 1989 Form 1041	14b		
c Enter the smaller of lines 14a or 14b		14c	
15 Income tax withheld and estimated to be withheld during 1990 and other credits		15	
16 Balance. —(Subtract line 15 from line 14c.) (Note: If line 13 minus line 15 is less than \$500, you are not required to make estimated tax payments.)		16	
17 Installment Amount. —If the first payment you are required to make is due April 16, 1990, enter ¼ of line 16 (less any 1989 overpayment that you are applying to this installment) here and on line 1 of your payment-voucher(s). Otherwise, see the instructions for line 17. You may round off cents to the nearest whole dollar.		17	

Record of Estimated Tax Payments

Payment number	(a) Date	(b) Amount	(c) 1989 overpayment credit applied	(d) Total amount paid and credited (add (b) and (c))
1				
2				
3				
4				
Total	▶			

Amended Estimated Tax Schedule (Use if estimated tax changes during the year)

1 Amended estimated tax		1	
2a Amount of 1989 overpayment chosen for credit to 1990 estimated tax and applied to date	2a		
b Estimated tax payments to date	2b		
c Total (add lines 2a and 2b)		2c	
3 Unpaid balance (subtract line 2c from line 1)		3	

Tear off here

Form **1041-ES** | **1990**
Payment-
Voucher
 Department of the Treasury
 Internal Revenue Service

Return this voucher with check or money order payable to the Internal Revenue Service.
Please do not send cash or staple your payment to this voucher.

OMB No. 1545-0971

(Calendar year—Due Jan. 15, 1991)

Please write the trust's or estate's EIN and "1990 Form 1041-ES" on your check or money order.

1 Amount of payment \$ ----- 2 Fiscal year filers—enter year ending ----- (month and year)	Please type or print	Employer identification number Name of estate or trust Name and title of fiduciary Address (number and street or P.O. Box) City, state, and ZIP code
File only if you are making a payment of estimated tax.		

Tear off here

Form **1041-ES**

1990

Department of the Treasury
Internal Revenue Service

**Payment-
Voucher**

**Return this voucher with check or money order payable to the Internal Revenue Service.
Please do not send cash or staple your payment to this voucher.**

OMB No. 1545-0971

(Calendar year—Due Sept. 17, 1990)

Please write the trust's or estate's EIN and "1990 Form 1041-ES" on your check or money order.

1 Amount of payment \$ 2 Fiscal year filers—enter year ending (month and year)	Please type or print	Employer identification number
		Name of estate or trust
		Name and title of fiduciary
		Address (number and street or P.O. Box)
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		

Tear off here

Form **1041-ES**

1990

Department of the Treasury
Internal Revenue Service

**Payment-
Voucher**

**Return this voucher with check or money order payable to the Internal Revenue Service.
Please do not send cash or staple your payment to this voucher.**

OMB No. 1545-0971

(Calendar year—Due June 15, 1990)

Please write the trust's or estate's EIN and "1990 Form 1041-ES" on your check or money order.

1 Amount of payment \$ 2 Fiscal year filers—enter year ending (month and year)	Please type or print	Employer identification number
		Name of estate or trust
		Name and title of fiduciary
		Address (number and street or P.O. Box)
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		

Tear off here

Form **1041-ES**

1990

Department of the Treasury
Internal Revenue Service

**Payment-
Voucher**

**Return this voucher with check or money order payable to the Internal Revenue Service.
Please do not send cash or staple your payment to this voucher.**

OMB No. 1545-0971

(Calendar year—Due April 16, 1990)

Please write the trust's or estate's EIN and "1990 Form 1041-ES" on your check or money order.

1 Amount of payment \$ 2 Fiscal year filers—enter year ending (month and year)	Please type or print	Employer identification number
		Name of estate or trust
		Name and title of fiduciary
		Address (number and street or P.O. Box)
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		