

**Estimated Income Tax for Fiduciaries***(Section references are to the Internal Revenue Code.)***1993****Paperwork Reduction Act Notice.—**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

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., 23 min.

**Copying, assembling, and sending the form to the 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 both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0971), Washington, DC 20503. DO NOT send payment vouchers to either of these offices. Instead, see **Where To File** on page 2.

**Item To Note**

- The tax rates for 1993 have been adjusted for inflation.

**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 the IRS receives the first payment-voucher, the estate or trust will receive a 1041-ES package with the name, address, and employer identification number preprinted on the vouchers for the next tax year. Unless the fiduciary is a financial institution subject to the magnetic tape filing requirement, use the preprinted vouchers. If you, as fiduciary, did not receive any 1993 preprinted vouchers, use these vouchers. Do not use the vouchers in this package for notifying the IRS of a change of address. If the fiduciary has moved, use **Form 8822**, Change of Address, and send it to

the service center where you file the estate's or trust's tax return.

**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 1993 and can expect its withholding and credits to be less than the smaller of:

1. 90% of the tax shown on the 1993 tax return; or
2. 100% of the tax shown on the 1992 tax return (assuming the return covered all 12 months and a return was filed).

**Limitation on Use of Prior Year's Tax.—**If certain conditions apply, an estate or trust will be limited in its use of the tax shown on its 1992 tax return to figure its estimated tax payments for 1993. Before completing line 14c of the Worksheet on page 3, the fiduciary must determine if the estate or trust is subject to this limitation. An estate or trust is subject to this limitation if all of the following conditions apply:

1. The estate or trust made an estimated tax payment for 1992, 1991, or 1990, or the estate or trust was charged a penalty for not paying estimated tax for any of those years. (Do not include withholding or a credit from the estate's or trust's 1992 tax as a payment of estimated tax.)
2. The estate's or trust's 1993 adjusted gross income (AGI) is expected to exceed \$75,000.
3. The estate's or trust's 1993 modified adjusted gross income is expected to exceed the amount of the AGI shown on the 1992 return by more than \$40,000.

To figure the 1993 modified adjusted gross income, make the following adjustments to the expected 1993 AGI:

- Do not include any taxable gain from a casualty, theft, condemnation, or other involuntary conversion.
- Do not include any 1993 income, gain, loss, or deduction from a partnership in which the estate or trust is not a general partner and owns less than a 10% capital or profits interest or from an S corporation in which the estate or trust owns less than 10% of the stock (by vote or value). Instead,

include the amounts (if any) from these partnerships and S corporations shown on the estate's or trust's 1992 return. This adjustment does not apply to any gain or loss from the disposition of an interest in the partnership or S corporation.

If the estate or trust is subject to the limit on use of the prior year's tax, the estate or trust must make a special computation to figure its required estimated tax payments using the 1993 Estimated Tax Worksheet **Limiting Use of Prior Year's Tax in Pub. 505**, Tax Withholding and Estimated Tax. Generally, this worksheet will allow the estate or trust to base the amount of its payment due April 15, 1993, on its 1992 tax even if its 1993 required annual payment is more than its 1992 tax.

**Exceptions.—**Generally, no estimated tax is due if:

1. The income tax return for 1993 will show a tax balance due of less than \$500; or
2. The estate of a domestic decedent or a domestic trust had no tax liability in the preceding tax year and the preceding tax year was a full 12 months.

**Note:** *Estates (and any trust that was treated as owned by the decedent that received the residue of a decedent's estate under the will, or if no will is admitted to probate, a trust primarily responsible for paying debts, taxes, and other expenses of administration) are only required to make estimated tax payments for any tax year ending 2 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, 1989-2 C.B. 615.

**B. How To Figure Estimated Tax**

Use the 1993 Estimated Tax Worksheet on page 3; the 1993 Tax Rate Schedule in Instruction F on page 4; and the estate's or trust's 1992 tax return as a guide for figuring the 1993 estimated tax.

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

#### Line 4—Exemption.—

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

**Estate.**—A decedent's estate is allowed a \$600 exemption.

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

All other trusts (i.e., complex trusts) are allowed 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 low-income housing credit and alternative minimum tax.

### C. How To Use The Payment-Vouchers

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 and employer identification number; and the fiduciary's name, title, and address 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 1992 Form 1041, you may have chosen to apply the overpayment to your estimated tax for 1993. If so, the overpayment will be applied to the first installment, unless you notify the IRS that the overpayment should be applied against another installment. **Send the payment-voucher to the 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 "1993 Form 1041-ES" on the check or money

order. Do not include any balance due on your Form 1041 with your check for 1993 estimated tax. Please fill in the Record of Estimated Tax Payments on page 4 so you will have a record of your payments.

#### Where To File

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 1993 Form 1041 is filed by February 1, 1994, and the entire balance due is paid at that time, then you do not need to make the payment that would otherwise be due January 18, 1994.

**Farmers and fishermen.**—If at least two-thirds of gross income for 1992 or 1993 is from farming or fishing, do one of the following:

- Pay the total estimated tax by January 18, 1994; or
- File Form 1041 for 1993 by March 1, 1994, and pay the total tax due. In this case, do not make estimated tax payments for 1993.

**Fiscal year.**—If your return is on a fiscal year basis, your due dates are the 15th day of the 4th, 6th, and 9th months 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 1993 tax liability; **(2)** 100% of the tax shown on the 1992 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 the penalty, make sure your estimate is as accurate as possible. If you are unsure of the estimate, you may pay more than 90% (or 66⅔%) of the amount shown on line 16. See **Limitation on Use of Prior Year's Tax** to see if your required installment is affected by the 100% of preceding year's tax "safe harbor."

If the annualized income installment method under section 6654(d)(2) is used, 1 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 15, 1993, based on the annualized income for January and February.

**Note:** The penalty may only be waived by the 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, 1993, you find out that you should have made an estimated tax payment on April 15. You should immediately fill out the payment-voucher due April 15, 1993, and send in the required amount (1/4 x 1993 estimated tax). This amount will be applied toward your estimated tax payment due April 15, 1993. You must still fill out the payment-voucher due June 15, 1993, and send in the required amount for the second installment.

For more information, see Pub. 505.

### 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 that would otherwise be due January 18, 1994.

**Time for making election.**—The fiduciary must make the election on the 1993 **Form 1041-T**, Allocation of Estimated Tax Payments to Beneficiaries. The election must be filed on or before the 65th day after the close of the trust's tax year. See section 643(g).

**1993 Estimated Tax Worksheet (Do Not File—Keep for Your Records)**

1 Enter adjusted total income you expect in 1993 . . . . .	2		1	
2 Enter income distribution deduction . . . . .	3			
3 Enter estate tax deduction . . . . .	4			
4 Enter exemption (see instructions) . . . . .				
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 1993 Tax Rate Schedule, Instruction F, in these instructions.) (If you expect a net capital gain for 1993, use the Tax Computation Using Maximum Capital Gains Rate, below, to figure your tax.) . . . . .			7	
8 Additional taxes (see instructions) . . . . .			8	
9 Total (add lines 7 and 8) . . . . .			9	
10 Credits (see instructions) . . . . .			10	
11 Balance (subtract line 10 from line 9) . . . . .			11	
12 Other taxes (see instructions) . . . . .			12	
13 <b>1993 Estimated Tax.</b> (add lines 11 and 12) (Reduce this total by any credit you expect to claim on Form 4136.)			13	
14a Enter 90% (66 $\frac{2}{3}$ % for farmers and fishermen) of line 13 . . . . .	14a			
b Enter 100% of the tax shown on your 1992 Form 1041 . . . . .	14b			
c <b>Required Annual Payment</b> —Enter the smaller of line 14a or 14b ( <b>Caution:</b> See <i>Limitation on Use of Prior Year's Tax before entering an amount.</i> ) . . . . .			14c	
15 Income tax withheld and estimated to be withheld during 1993 and other credits . . . . .			15	
16 <b>Balance.</b> —(subtract line 15 from line 14c) . . . . . ( <i>Note: If line 13 minus line 15 is less than \$500, you are not required to make estimated tax payments.</i> )			16	
17 <b>Installment Amount.</b> —If the first payment you are required to make is due April 15, 1993, enter $\frac{1}{4}$ of line 16 (minus any 1992 overpayment that you are applying to this installment) here and on line 1 of your payment-voucher(s). (see instructions) You may round off cents to the nearest whole dollar . . . . .			17	

**1993 Tax Computation Using Maximum Capital Gains Rate** (Use this computation if you expect a net capital gain for 1993.)

1 Taxable income (from line 6 of the Worksheet above) . . . . .	1		1	
2 Net capital gain anticipated for 1993 . . . . .	2		2	
3 Subtract line 2 from line 1, but not less than -0- . . . . .	3		3	
4 Enter the greater of line 3 or \$3,750 . . . . .	4		4	
5 Tax on amount on line 4 from the 1993 Tax Rate Schedule. If \$3,750, enter \$562.50 . . . . .	5		5	
6 Subtract line 4 from line 1 . . . . .	6		6	
7 Multiply line 6 by (.28) . . . . .	7		7	
8 Maximum capital gains tax (add lines 5 and 7) . . . . .	8		8	
9 Regular tax on amount on line 1 from the 1993 Tax Rate Schedule . . . . .	9		9	
10 <b>Tax.</b> (Enter the smaller of line 8 or line 9.) Enter here and on line 7 of the Worksheet above . . . . .	10		10	

Tear off here

Form **1041-ES** | **1993**  
 Department of the Treasury | **Payment-**  
 Internal Revenue Service | **Voucher 4**

**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. 18, 1994)

**Please write the trust's or estate's EIN and "1993 Form 1041-ES" on your check or money order.**

1 Amount of payment \$ .....	<b>Please type or print</b>	Employer identification number
2 Fiscal year filers—enter year ending .....		Name of estate or trust
..... (month and year)		Name and title of fiduciary
File only if you are making a payment of estimated tax.		Number, street, and room or suite no.
		City, state, and ZIP code

## F. 1993 Tax Rate Schedule

### Estates and trusts:

If line 6 of the Estimated Tax Worksheet on page 3 is:

The tax is:

Of the amount over—

Over—	But not over—		Of the amount over—
\$0	\$3,750	15%	\$0
3,750	11,250	\$562.50 + 28%	3,750
11,250	-----	2,662.50 + 31%	11,250

**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 have

elect to apply its 1992 overpayment against its 1993 tax. If so, the overpayment will be applied to the first installment, unless you notify the IRS that the overpayment should be applied against another installment.

**Note:** Use the "Amended Estimated Tax Schedule" below 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

### Record of Estimated Tax Payments

Payment number	(a) Date	(b) Amount	(c) 1992 overpayment credit applied	(d) Total amount paid and credited (add (b) and (c))
1				
2				
3				
4				
<b>Total</b>				

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

1	Amended estimated tax		<b>1</b>	
2a	Amount of 1992 overpayment chosen for credit to 1993 estimated tax and applied to date	2a		
		2b		
c	Total (add lines 2a and 2b)		<b>2c</b>	
3	Unpaid balance (subtract line 2c from line 1)		<b>3</b>	

Form **1041-ES**

**1993**

**Payment-  
Voucher 3**

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 Sept. 15, 1993)**

**Please write the trust's or estate's EIN and "1993 Form 1041-ES" on your check or money order.**

<b>1</b> Amount of payment \$ .....  <b>2</b> 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
		Number, street, and room or suite no.
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		

Tear off here

Form **1041-ES**

**1993**

**Payment-  
Voucher 2**

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 June 15, 1993)**

**Please write the trust's or estate's EIN and "1993 Form 1041-ES" on your check or money order.**

<b>1</b> Amount of payment \$ .....  <b>2</b> 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
		Number, street, and room or suite no.
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		

Tear off here

Form **1041-ES**

**1993**

**Payment-  
Voucher 1**

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 April 15, 1993)**

**Please write the trust's or estate's EIN and "1993 Form 1041-ES" on your check or money order.**

<b>1</b> Amount of payment \$ .....  <b>2</b> 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
		Number, street, and room or suite no.
		City, state, and ZIP code
File only if you are making a payment of estimated tax.		