

2019 MI-1041ES, Michigan Estimated Income Tax for Fiduciary and Composite Filers

Who Must File Estimated Tax Payments

Fiduciaries of an estate or trust (resident or nonresident), generally must pay estimated tax if the estate or trust is expected to owe more than \$500 after subtracting withholding and credits.

Composite filers are required to pay estimated tax for each participant whose share of tax liability is expected to exceed \$500 after exemptions and credits.

Fiduciary Filers

If the estate or trust owes more than \$500, estimated payments may not have to be made if the estate or trust expects the 2019 withholding to be at least:

- 90 percent of the total tax for 2019, OR
- 100 percent of the total tax shown on the 2018 return, OR
- 110 percent of the total 2018 tax if the estate's or trust's taxable income for 2018 is more than \$150,000. To figure the estate or trust's federal taxable income, see the instructions for line 22 of the U.S. Form 1041.

Financial institutions that act as a fiduciary for 250 or more trusts shall submit Michigan estimated payments on magnetic tape. Institutions acting as fiduciary for more than 49 and fewer than 250 trusts may make an irrevocable agreement to file magnetically. For more information, refer to the *Transmittal for Magnetic Media Reporting* (Form 447) at www.michigan.gov/taxes.

Exceptions:

- Generally, no estimated tax is due if the estate or trust is due a refund or has a balance due of \$500 or less.
- There is no estimated tax due on an estate or a trust that had no tax liability for the full 12 months preceding the tax year.

- Estates do not have to pay estimated tax for the first two years.

Composite Filers

Flow-through entities (FTEs) who file a *Michigan Composite Individual Income Tax Return* (Form 807) may have to file estimated tax vouchers and pay estimated tax on behalf of each participant. Estimated payments should only be remitted for those members who will participate in the composite filing.

Payment Due Dates

Fiduciaries and composite filers may pay in full with the first voucher, due April 15, 2019. Fiduciaries and composite filers may also pay in equal installments due on or before April 15, 2019, June 17, 2019, September 16, 2019 and January 15, 2020.

Generally, all fiduciaries of trusts must report on a calendar year. Report the same year that is being reported for federal estimated payments.

Fiscal-year returns must be adjusted so all dates correspond with the fiscal year. The first estimated payment is due on the 15th day of the fourth month after the fiscal year ends.

Fiscal-year filer due dates apply regardless of the tax years of composite return participants.

Where to Mail Payments

Make the check payable to "State of Michigan." Enter the **FEIN of the estate, trust or composite** and "2019 MI-1041ES" on the front of the check. To ensure accurate processing of the return, send one check for each return.

Detach here and mail with your payment. Do not fold or staple the voucher.

2019 MICHIGAN MI-1041ES		Due Date for Calendar Year Filers	
Estimated Income Tax Voucher for Fiduciary and Composite Filers			
Issued under authority of Public Act 281 of 1967, as amended. See instructions for filing guidelines.			
Filer <input type="checkbox"/> Fiduciary <input type="checkbox"/> Composite		Filer's Full Federal Employer Identification No. (FEIN)	
Estate/Trust and Fiduciary Name, Title and Address or Composite Filer Name and Address		WRITE PAYMENT AMOUNT HERE	
		\$ _____ 00	
		MAIL TO:	
		Michigan Department of Treasury P.O. Box 30774 Lansing, MI 48909	
		Enclose check payable to "State of Michigan." Write the FEIN of the estate, trust or composite filer and "2019 MI-1041ES" on the check. Do not fold or staple.	

Mail check with the MI-1041ES form for that installment. Do not staple the check to the form.

Send check and voucher to:

Michigan Department of Treasury
P.O. Box 30774
Lansing, MI 48909

Late Payments or Underpayments

If a fiduciary or composite filer fails to make required estimated payments, pays late or underpays in any quarter, Treasury may charge penalty and interest. Penalty is 25 percent of the tax due (minimum \$25) for failing to file estimated payments or 10 percent (minimum \$10) for failing to pay enough with estimates or paying late. If payment is late, penalty and interest must be added to the amount due. The interest rate is 1 percent above the prime rate and is computed daily. The rate is adjusted on July 1 and January 1.

When Income Changes During the Year

If estimated payments for the estate, trust or composite filer have already been made, amend the estimate on the next installment voucher. Apply the increase or decrease equally over the remaining installments. To avoid amending the fourth installment voucher, file the 2019 income tax return before February 1, 2020. With this option, it is not necessary to file the fourth installment voucher (due January 15, 2020).

If no estimated payments have been made, use the chart below to see which period the tax is due.

<u>If the change occurs:</u>	<u>Pay on or before:</u>
Jan. 1 through March 31	April 15, 2019
April 1 through May 31	June 17, 2019
June 1 through Aug. 31	Sept. 16, 2019
Sept. 1 through Dec. 31	Jan. 15, 2020

Worksheet Instructions for Estates and Trusts

Estimate the estate’s or trust’s 2019 income. Use the 2018 Michigan and U.S. fiduciary income tax returns for the estate or trust for reference (even if not yet completed). Michigan uses federal taxable income of the fiduciary to figure tax. See form MI-1041 for allowable additions and subtractions. Enter the estimated taxable income on line 1.

After completing lines 1 and 2, finish the worksheet by following the instructions on each line. Refer to the

corresponding sections in the tax instruction booklets for additional guidance.

After completing the worksheet, call 517-636-4486 if additional assistance is needed to determine the required estimates. Assistance is available using TTY through the Michigan Relay Service by calling 711.

Estimated Tax Computation Worksheet
Keep for Your Records

- | | |
|--|----------|
| 1. Enter estimated 2019 income subject to tax (from U.S. Form 1041)..... | 1. _____ |
| 2. Tax. Multiply line 1 by 4.25% (0.0425) | 2. _____ |
| 3. Enter all estimated credits..... | 3. _____ |
| 4. Estimated tax due. Subtract line 3 from line 2 | 4. _____ |
| 5. Estimated payment due. Divide the amount on line 4 by 4, or by the number of estimated vouchers to be filed (see instructions). Enter here and on each voucher..... | 5. _____ |

NOTE: Apply the 2018 overpayment credit to the first voucher. Any unused credit must then be applied to the second voucher and following vouchers, until the entire credit is used.