



# TaxNewsFlash

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## IRS to waive estimated tax penalty automatically for 2018

The IRS today issued a release announcing that it is automatically waiving the estimated tax penalty for eligible individual taxpayers (estimated to be approximately 400,000 persons) who had already filed their 2018 federal income tax returns but did not claim the waiver.

The IRS release—[IR-2019-144](#)—states that the IRS will apply this waiver to tax accounts of all eligible taxpayers, and that there is no need for these taxpayers to contact the IRS to apply for or request the waiver.

The IRS in March 2019 issued notices that lowered the usual 90% penalty threshold to 80% for taxpayers whose withholding and estimated tax payments fell short of their total 2018 tax liability, and removed the requirement that estimated tax payments be made in four equal installments, as long as they were all made by January 15, 2019. The 90% threshold was initially lowered to 85% and further lowered to 80%. Read [TaxNewsFlash](#)

Today's announcement reports that the automatic waiver applies to any individual taxpayer who paid at least 80% of their total tax liability through federal income tax withholding or quarterly estimated tax payments but did not claim the special waiver available to them when they filed their 2018 returns.

The IRS also reported that taxpayers that have already paid the penalty will be entitled to and will receive refunds of the penalty amounts.

Taxpayers who have not yet filed their federal tax returns for 2018 are urged by the IRS to claim the penalty waiver on their return.

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