



Estimated Taxes While Living Abroad

Estimated taxes are **quarterly tax payments** you send to the IRS *during the year* on income that **isn't subject to U.S. withholding** — like:

- Freelance/self-employment income
- Foreign employer wages
- Rental income or business income
- Investment or side hustle income

Why Do Expats Need to Pay Estimated Taxes?

Even when living abroad, U.S. citizens must **report and pay taxes on worldwide income**. If you expect to owe **\$1,000 or more** in taxes (after credits and withholdings), you're generally required to make quarterly estimated payments to the IRS during the tax year.



2025 Estimated Tax Deadlines

Quarter	When Income is Earned	Due Date
Q1	Jan 1 – Mar 31	April 15
Q2	Apr 1 – May 31	June 16
Q3	Jun 1 – Aug 31	Sept 15
Q4	Sep 1 – Dec 31	Jan 15, 2026

How to Calculate What You Owe

- **Start with your best guess** at total income for the year.
- Subtract the **Foreign Earned Income Exclusion** (if you qualify) and any **business deductions** or credits.
- Then use [Form 1040-ES](#) or work with a preparer to divide that amount into **4 equal payments**.



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How to Pay

- **Online:** [IRS Direct Pay](#) (U.S. bank account only)
- **Internationally:** Use [IRS EFTPS](#) or a U.S.-based tax software with payment integration
- **Bank transfers from abroad:** May require extra planning or a U.S. account

What If You Miss a Payment?

You may face **IRS penalties and interest**, even if you plan to use the FEIE or Foreign Tax Credit. The safest route is to pay quarterly **based on your best estimates** and reconcile later when you file your return.

Professional Tips

- Track income and expenses monthly — don't wait until the end of the year
- Set calendar reminders for due dates
- Work with a tax professional if your income is irregular or you're unsure how to apply FEIE or FTC
- Save ~25–30% of your income in a separate tax savings account, just in case

Need Support?

If you're self-employed or unsure how much to pay, we can help you calculate your estimated taxes and avoid costly surprises.



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