

SCHEDULE A—Computation of Credit Against Federal Unemployment Tax

Name of State (1)	State reporting number as shown on employer's State contribution returns (2)	Taxable payroll (As defined in State act) (3)	Experience rate period (4)		Experience rate (5)	Contributions had rate been 2.7% (col. 3 × 2.7%) (6)	Contributions payable at experience rate (col. 3 × col. 5) (7)	Additional credit (col. 6 minus col. 7) (8)	Contributions actually paid to State (9)
			From—	To—					
Totals									

10. Total tentative credit (Column 8 plus column 9)
11. Enter 2.7% of the amount of wages shown in Item 13 below
12. Credit allowable (Item 10 or 11 whichever is smaller). Enter here and in Item 15

EMPLOYERS—Do Not Use This Space—CONTINUE BELOW

State reporting number as shown on employer's State contribution returns	Taxable payroll (As defined in State act)	Experience rate period		Experience rate	Dates and amounts of contributions actually paid to State after January 31	Contributions actually paid to State before February 1
		From—	To—			

To the Internal Revenue Service:
I hereby certify that, except as noted above, the records of this office agree with the entries made by the employer in columns (2), (3), (4), (5), and (9) of Schedule A, and that all contributions were paid before February 1.

Signature of State Officer Name of State

Employer's name, address, identification number and calendar year. (If not correct please change.)

Name (as distinguished from trade name) _____

Trade name, if any _____

Address and ZIP code _____

Name (as distinguished from trade name) _____

Trade name, if any _____

Address and ZIP code _____

Calendar Year **1973**

Identification No. _____

Calendar Year **1973**

Identification No. _____

T	FP
FF	I
FD	TOT

13. Total taxable wages paid during calendar year (From Schedule B, on other side)	
14. Gross Federal tax (3.28% of Item 13)	
15. Less: Credit (State taxes paid and additional credit) from Item 12, Schedule A	
16. Item 14 less Item 15	
17. Total Federal tax deposited (From Schedule C, on other side)	
18. Balance Due (Item 16 less Item 17). Pay to "Internal Revenue Service"	

19. If no longer in business at end of year, write "FINAL" here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that no part of any payment made to a State unemployment fund which is claimed as a credit in Item 15 above, was or is to be deducted from the remuneration of employees.

HOW TO PREPARE SCHEDULE A—Computation of Credit Against Federal Unemployment Tax

Experience Rate.—If you have been granted an "experience rate" lower than 2.7 percent by a State for the whole, or part, of the taxable year, use columns 1 thru 9. If you have not been granted an "experience rate," use columns 1, 2, 3, and 9 only. If you have been granted an "experience rate" higher than 2.7 percent, use columns 1, 2, 3, 4, 5, and 9 only.

If a State has granted an experience rate on part of your payroll, that part to which the experience rate does not apply should be entered separately, using columns, 1, 2, 3, and 9 for this purpose.

If you were granted an "experience rate" for a part of the year only, or your "experience rate" was changed during the year, show in the proper columns the period of the year to which each separate rate applied, the payroll, rate of contributions, and required contributions with respect to each such period.

Column 1.—Enter the name of the State or States (including Puerto Rico) to which contributions were required to be paid.

Column 2.—Enter your State reporting number as shown on your State contribution return. If you had employment in more than one State, enter the reporting number assigned to you by each such State.

Column 3.—Enter the taxable payroll on which you are required to pay contributions into the unemployment fund of the State indicated in column 1. If you have been granted an "experience rate" of zero, enter the amount upon which you would have been required to make contributions had such rate not been granted.

Column 4.—Enter the period or periods of the year to which the "experience rate" or rates apply.

Column 5.—Enter the "experience rate" or rates granted to you by the State or States for the period or periods shown in column 4.

Column 6.—Section 3302(b) of the Code requires a determination of the amount of contributions an employer with an "experience rate" would have been required to pay if throughout the taxable year he had been subject to the highest rate applied by the State or to a rate of 2.7 percent, whichever rate is lower. For the purpose of this return, assume that the highest rate applied under the State law in the taxable year was not lower than 2.7 percent and use that rate in computing the amount shown in column 6. If the highest rate applied by the State was lower than 2.7 percent, the additional credit computed with respect to such State will be reduced accordingly.

Item 10.—Enter the sum of columns 8 and 9. Also include the amount of any special credit as explained below.

Special Credit.—If special credit is claimed as a successor employer, attach a statement showing (a) the name, address, and employer identification number of the predecessor, (b) the method of acquisition of the predecessor's trade or business (or a separate unit thereof), (c) the date on which the acquisition occurred, (d) each of the items of information in columns 1 through 9 of Schedule A applicable to the predecessor, (e) the number of individuals employed by the predecessor immediately prior to the acquisition who also were employed by the successor employer immediately after the acquisition, (f) the total amount of remuneration, subject to the unemployment compensation law of a State, paid to such employees by the predecessor during the calendar year.

The amount of the special credit is determined by (1) adding the amounts determined for the predecessor (in step (d), above) as "Additional credit" and as "Contributions actually paid to State" and (2) multiplying this total by a fraction of which the numerator is the amount determined in step (f) above, and the denominator is the amount determined (in step (d), above) as "Taxable Payroll (as defined in State Act)."

HOW TO PREPARE SCHEDULE B—Computation of Taxable Wages

Line 1.—Total remuneration (including exempt remuneration) PAID during the calendar year for services of employees.—Enter in line 1 of Schedule B the total amount of remuneration for services paid to employees during the calendar year, regardless of whether such remuneration is taxable. Such remuneration should include salaries, wages, commissions, fees, bonuses, vacation allowances, salaries and wages paid to temporary or part-time employees, the value of goods, lodging, food and clothing, and all amounts deducted from employees' wages as employee tax or as deductions for other reasons. The basis upon which the remuneration is paid is immaterial in determining whether the remuneration constitutes wages. Thus, it may be paid on the basis of piecework, or a percentage of profits; and it may be paid hourly, daily, weekly, monthly, or annually.

The medium in which the remuneration is paid is also immaterial. It may be paid in cash or in something other than cash, as for example, goods, lodging, food, or clothing. Remuneration paid in items other than cash should be computed on the basis of the fair value of such items at the time of payment.

Exempt remuneration.—The terms "wages" and "employment" as defined for Federal unemployment tax purposes do not include every payment of remuneration to an employee and every kind of service which an employee may perform. In general, any remuneration which is excluded from "wages" and any remuneration for services which are exempted from "employment," are not included in the total wages subject to the tax. These remuneration payments may be deducted from the total remuneration paid only if they are identified in Schedule B.

Line 2.—Enter in line 2 such items as (1) agricultural labor, (2) benefit payments for sickness or injury, under a workmen's compensation law, insurance plan and certain employer plans, (3) domestic service, (4) family employment, (5) certain fishing activities, and (6) any other exempt payments or services. For more definite information with respect to these exemptions, see Circular E, Employer's Tax Guide.

Line 3.—Enter in line 3 the approximate number of employees who received more than \$4,200 from you during the year and the aggregate amount of the excess above \$4,200 paid to all of those employees. For example, assume that you had 10 employees, and that you paid each of them \$5,000 during the year. \$50,000 should be included in line 1 and \$8,000 in line 3.

SCHEDULE B—Computation of Taxable Wages (See Schedule B instruction above)

1. Total remuneration (including exempt remuneration) PAID during the calendar year for services of employees . . .			\$
Exempt Remuneration (List each type of exemption)			Approximate number of employees involved Amount paid
2. Exempt remuneration (Explain each exemption shown, attaching additional sheet if necessary):			
3. Remuneration in excess of \$4,200. (Enter only the excess over the first \$4,200 paid to individual employees exclusive of exempt amounts entered on line 2)			
4. Total exempt remuneration			
5. Total taxable wages (line 1 minus line 4). Enter this amount in item 13 on other side			\$

SCHEDULE C—Record of Federal Tax Deposits

Serial Number of Form 508	Date of deposit	Amount	Serial Number of Form 508	Date of deposit	Amount	Serial Number of Form 508	Date of deposit	Amount

Total tax deposited (also enter in item 17 on other side) ▶

General Instructions

Additional instructions for withholding, depositing, paying, and reporting Federal income tax, social security taxes, and Federal unemployment tax, are contained in Circular E, Employer's Tax Guide, available free from any Internal Revenue office.

Refer to Circular E to find which employers must file Form 940, the types of payments defined by law as wages, and the kind of services covered by the Federal Unemployment Tax Act.

Purpose of Form 940.—This form is for the annual reporting of tax under the Federal Unemployment Tax Act. Federal unemployment tax is paid by the employer. It is not deductible from wages paid employees. The tax rate is 3.28 percent on the first \$4,200 of wages paid to each employee during 1973. The tax rate is 3.2 percent on the first \$4,200 of wages paid to each employee during 1974.

Who Must File.—Every employer who during the current or preceding calendar year paid wages of \$1,500 or more in any calendar quarter, or had ONE or more employees at any time in each of 20 calendar weeks must file Form 940. Count all regular, temporary, and part-time employees. A partnership should not count its partners. If there is a change of ownership or other transfer of the business during the year, each employer who during the current or preceding calendar year paid wages of \$1,500 or more in calendar quarter, or had ONE or more employees at any time in each of 20 calendar weeks must file Form 940, but neither should report wages paid by the other.

If you receive a preaddressed form and are not liable for Federal unemployment tax for 1973, write "Not Liable" across the front of the form and return it to Internal Revenue. If you are no longer in business at the end of a year, write "Final Return" in Item 19.

If the business was sold or transferred during the year, attach a statement showing the name, and address and employer identification number (if known) of the new owner.

Once you have filed a Form 940, you will be sent a preaddressed form near the close of each calendar year. If you do not receive a form, request one from any Internal Revenue office in time to file when due.

Due Date of Return.—Form 940 for calendar year 1973 is due on or before January 31, 1974. However, if timely deposits were made in full payment of the tax due for the year, the return may be filed on or before February 10, 1974.

Where to file.

If your principal business, office, or agency is located in

Use this address

New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Internal Revenue Service Center 1040 Waverly Avenue Holtsville, New York 11799
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Internal Revenue Service Center 310 Lowell Street Andover, Massachusetts 01812
District of Columbia, Delaware, Maryland, Pennsylvania	Internal Revenue Service Center 11601 Roosevelt Boulevard Philadelphia, Pennsylvania 19155

Alabama, Florida, Georgia, Mississippi, South Carolina	Internal Revenue Service Center 4800 Buford Highway Chamblee, Georgia 30006
Michigan, Ohio	Internal Revenue Service Center Cincinnati, Ohio 45298
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Internal Revenue Service Center 3651 S. Interregional Hwy. Austin, Texas 78740
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Internal Revenue Service Center 1150 West 1200 South St. Ogden, Utah 84201
Illinois, Iowa, Missouri, Wisconsin	Internal Revenue Service Center 2306 E. Bannister Road Kansas City, Missouri 64170
California, Hawaii	Internal Revenue Service Center 5045 East Butler Avenue Fresno, California 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Internal Revenue Service Center 3131 Democrat Road Memphis, Tennessee 38110

If you have no legal residence or principal place of business in any Internal Revenue district, or if your principal place of business is in Puerto Rico, file Form 940 with Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

Requirements for Deposits.—Federal unemployment tax must be deposited with an authorized commercial bank or a Federal Reserve bank. A Federal Tax Deposit Form 508 must accompany each deposit.

Federal unemployment tax must be computed on a quarterly basis. Any amount due must be deposited on or before the last day of the first month following the close of the quarter. (For those who do not qualify as an employer until the second or third quarter, deposit requirements do not begin until the end of the second or third quarter, respectively.)

To determine whether you must make a deposit for any of the first three quarters in 1974, compute the total tax by multiplying by .005 that part of the first \$4,200 of each employee's annual wages that was paid during the quarter.

If the amount subject to deposit (plus the amount subject to deposit for any prior quarter but not deposited) is more than \$100, deposit it during the first month following the quarter. If \$100 or less, you do not have to deposit it, but you must add it to the amount subject to deposit for the next quarter.

If the tax reportable on Form 940 less amounts deposited for the year is more than \$100, you must deposit the entire amount. If your tax for the year (less any deposits) is \$100 or less, you may either deposit the tax or send payment with Form 940.

If you deposited the proper amounts in accordance with these rules, the balance due on line 18 will not exceed \$100.

How to Make Deposits.—Fill in a pre-inscribed Federal Tax Deposit Form 508 in accordance with its instructions.

Send the Federal tax deposit form and your tax deposit to any commercial bank depository or Federal Reserve bank. Make your check or money order payable to that bank.

The timeliness of deposits is determined by the date received in a commercial bank depository or Federal Reserve bank. A deposit received after the due date will be considered timely if you establish it was

mailed two or more days before the due date.

Employer's Name, Address, and Identification Number.—Use the preaddressed Form 940 mailed to you. If you must use one not preaddressed, type or print your name, trade name, address, and employer identification number on it.

Penalties and Interest.—Avoid penalties and interest by filing a correct return and paying the proper amount of tax when due. The law provides a penalty for late filing unless reasonable cause is shown for the delay. If you file late, attach an explanation.

There also are penalties for willful failure to pay tax, keep records, and make returns and for filing false or fraudulent returns.

Credit for Contributions Paid into State Funds.—Employers are entitled to a credit against their Federal unemployment tax for contributions paid into a certified State unemployment compensation fund on or before the due date of Form 940.

The term "contributions" means payments required by a State law to be made into an unemployment fund by any person on account of having individuals in his employ, to the extent that such payments are made by him without being deducted or deductible from the remuneration of individuals in his employ.

Contributions may be credited against the tax whether or not they are paid with respect to "employment." But credit may not be taken for voluntary contributions or for penalties or interest paid to a State.

The credit for contributions made after the due date (or extended due date) for filing Form 940 may not exceed 90 percent of the amount that would have been allowable if the contributions were paid on or before the due date.

Employers who have been granted an experience rate lower than 2.7 percent by a State for the whole or part of the year are entitled to an "additional credit." This is equal to the difference between actual contributions and the amount they would have been required to contribute at (1) the highest rate applied by the State, or (2) 2.7 percent, whichever is lower.

Under Section 3302(e) a special credit is provided if an employer during any calendar year acquires substantially all of the property used in the trade or business (or in a separate unit of a trade or business) of another person who is not an "employer" and immediately after the acquisition the successor employs in his trade or business one or more individuals who immediately prior to the acquisition were employed in the trade or business of the predecessor. This special credit is not allowable to any successor employer whose predecessor also is an "employer," nor is it allowable to a corporation acquiring the trade or business of another corporation in a statutory merger or consolidation. The amount of the special credit is based on the amount of remuneration, subject to the unemployment compensation law of a State, paid by the predecessor to those employees who were employed by the predecessor immediately before the transfer of the trade or business (or separate unit thereof) and who also were employed by the successor immediately after the transfer.

The total credit allowable under Section 3302 may not exceed 2.7 percent of taxable wages.

Page 4

SCHEDULE B—Computation of Taxable Wages (See Schedule B instructions on page 2)

1. Total remuneration (including exempt remuneration) PAID during the calendar year for services of employees . . .			\$
Exempt Remuneration (List each type of exemption)			Approximate number of employees involved Amount paid
2. Exempt remuneration (Explain each exemption shown, attaching additional sheet if necessary):			
3. Remuneration in excess of \$4,200. (Enter only the excess over the first \$4,200 paid to individual employees exclusive of exempt amounts entered on line 2)			
4. Total exempt remuneration			
5. Total taxable wages (line 1 minus line 4). Enter this amount in Item 13 on other side			\$

SCHEDULE C—Record of Federal Tax Deposits

Serial Number of Form 508	Date of Deposit	Amount	Serial Number of Form 508	Date of Deposit	Amount	Serial Number of Form 508	Date of Deposit	Amount

Total tax deposited (also enter in item 17 on other side) ▶