

# Employer's Annual Federal Unemployment Tax Return

# 1975

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

**10** Total tentative credit (Column 8 plus column 9) . . . . .

**11** Total remuneration (including exempt remuneration) PAID during the calendar year for services of employees

Exempt Remuneration	Approximate number of employees involved	Amount paid
<b>12</b> Exempt remuneration. (Explain each exemption shown, attaching additional sheet if necessary):		
<b>13</b> 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 12)		

**14** Total exempt remuneration . . . . .

**15** Total taxable wages (line 11 less line 14) . . . . .

**16** Gross Federal tax (3.2% of line 15) . . . . .

**17** Enter 2.7% of the amount of wages shown on line 15 . . . . .

**18** Line 10 or line 17 whichever is smaller . . . . .

**19** Net Federal tax (line 16 less line 18) . . . . .

Record of Federal Tax Deposits for Unemployment Tax (Form 508)			
Quarter	Liability by period	Date of deposit	Amount of deposit
First			
Second			
Third			
Fourth			

**20** Total Federal tax deposited . . . . .

**21** Balance due (line 19 less line 20—this should not exceed \$100). Pay to "Internal Revenue Service" . . ▶

**22** 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 on line 18 above, was or is to be deducted from the remuneration of employees.

Date ▶ Signature ▶ Title (Owner, etc.) ▶

(If incorrect make any necessary change.) ▶

Name (as distinguished from trade name) \_\_\_\_\_

Trade name, if any \_\_\_\_\_

Address and ZIP code \_\_\_\_\_

Calendar Year  
**1975**

Employer Identification No. \_\_\_\_\_

T	
FF	
FD	
FP	
I	
T	

# Computation of Credit Against Federal Unemployment Tax

**Experience Rate.**—If a State has granted you an experience rate lower than 2.7 percent for all or part of the taxable year, use columns 1 through 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 of 2.7 percent or higher, use columns 1, 2, 3, 4, 5, and 9 only.

If a State has granted you an experience rate on part of your payroll, enter separately in columns 1, 2, 3, and 9, that part to which the experience rate does not apply.

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

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

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

**Column 3.**—Enter the taxable payroll on which you must pay contributions to the unemployment fund of the State shown in column 1. If you have been granted an experience rate of zero, enter the amount on which you would have had to make contributions if that rate had not been granted.

**Column 4.**—Enter the period(s) of the year to which the experience rate(s) applies.

**Column 5.**—Enter the experience rate(s) the State(s) granted you for the period(s) shown in column 4.

**Column 6.**—Multiply the payroll in column 3 by 2.7 percent and enter the result in column 6.

**Column 7.**—Multiply the payroll in column 3 by the "experience rate" in column 5, and enter the result in column 7.

**Column 8.**—Subtract the amount in column 7 from the amount in column 6 and enter the result in column 8. If zero or less, enter zero (0).

**Column 9.**—Enter in column 9 the amount of contributions actually paid into the State fund.

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

**Special Credit.**—If you are claiming special credit as a successor employer, attach a statement showing (a) the name, address, and employer identification number of your predecessor, (b) how you acquired your predecessor's trade or business (or a separate unit of it), (c) the date you acquired it, (d) each item in columns 1 through 9 that applies to your predecessor, (e) the number of individuals your predecessor employed immediately before the acquisition, whom you also employed immediately after the acquisition, (f) the total remuneration subject to State unemployment compensation your predecessor paid to the employees in (e) above during the calendar year.

The amount of the special credit is determined by (1) adding the "Additional Credit" and "Contributions actually paid to the State" determined for your predecessor in step (d) above, 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 "Taxable Payroll (as defined in State Act)" paid to all individuals in the employ of your predecessor prior to your acquisition during the calendar year.

## Computation of Taxable Wages

**Line 11.**—Total remuneration (including exempt remuneration) PAID during the calendar year for services of employees.—Enter on line 11 the total remuneration for services you paid employees during the calendar year, regardless of whether that remuneration is taxable. It 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 on which you pay the remuneration is immaterial in determining whether it constitutes wages. Thus, you may pay it on the basis of piecework or a percentage of profits, and you may pay it hourly, daily, weekly, monthly, or annually.

You may pay the remuneration in cash or in some other medium, such as goods, lodging, food or clothing. Compute remuneration paid in items other than cash on the basis of the fair value of the items at 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 excepted 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 on line 12.

**Line 12.**—Enter on line 12 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 detailed information with respect to these exemptions, see Circular E, Employer's Tax Guide.

**Line 13.**—Enter on line 13 the approximate number of employees to whom you paid more than \$4,200 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 on line 11 and \$8,000 on line 13.

(For General Instructions, see back of your copy.)



# 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 Service 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 3.2 percent on the first \$4,200 of wages paid to each employee during 1975 and 1976.

**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 at any time had ONE or more employees in any 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 a 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 1975, write "Not Liable" across the front of the form and return it to the Internal Revenue Service. If you are no longer in business at the end of a year, write "Final" in line 22.

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

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

**Due Date of Return.**—Form 940 for calendar year 1975 is due on or before February 2, 1976. However, if you made timely deposits in full payment of the tax due for the year, you may file the return on or before February 10, 1976.

## 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 1160 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 Service district, or if your principal place of business is in Puerto Rico, file Form 940 with the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa. 19155.

**Deposit Requirements.**—You must deposit Federal unemployment tax in an authorized commercial bank or a Federal Reserve bank. Include Federal Tax Deposit Form 508 with each deposit.

You must compute Federal unemployment tax on a quarterly basis. Deposit any amount due on or before the last day of the first month, following the close of the quarter. (If you do not qualify as an employer until the second or third quarter, your 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 1976, compute the total tax by multiplying by .005 that part of the first \$4,200 of each of your employee's annual wages you 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 the amount is \$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 21 will not exceed \$100.

**How to Make Deposits.**—Fill in a preinscribed 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 the commercial bank depository or Federal Reserve bank receives them. A deposit received after the due date will be considered timely if you establish that you mailed it 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 a nonpreaddressed form, 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 you show reasonable cause for the delay. If you file late, attach an explanation.

There are also 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.**—You are entitled to a credit against your Federal unemployment tax for contributions you pay 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 or her employ, to the extent that such payments are made without being deducted or deductible from the remuneration of individuals employed.

You may credit contributions against the tax whether or not you paid them with respect to "employment." You may not take credit for voluntary contributions or for penalties or interest you pay to a State.

Credit for contributions you make 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 you had paid the contributions 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.

Section 3302(e) of the Code provides a special credit 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 the 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.