

Employer's Annual Federal Unemployment (FUTA) Tax Return

Name (as distinguished from trade name) _____	Calendar year _____
Trade name, if any _____	
Address and ZIP code _____	Employer identification number _____

Follow the chart under **Who May Use Form 940-EZ** on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.) ▶ \$ _____

B (1) Enter the name of the state where you have to pay contributions ▶ _____

(2) Enter your state reporting number as shown on state unemployment tax return. ▶ _____

If you will not have to file returns in the future, check here (see **Who Must File**, on page 2) **complete, and sign the return** ▶

If this is an Amended Return check here ▶

Part I Taxable Wages and FUTA Tax

1 Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees	1			
2 Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ▶ _____	Amount paid			
	2			
3 Payments for services of more than \$7,000. Enter only amounts over the first \$7,000 paid to each employee. Do not include any exempt payments from line 2. Do not use your state wage limitation. The \$7,000 amount is the Federal wage base. Your state wage base may be different	3			
4 Total exempt payments (add lines 2 and 3)	4			
5 Total taxable wages (subtract line 4 from line 1) ▶	5			
6 FUTA tax. Multiply the wages on line 5 by .008 and enter here. (If the result is over \$100, also complete Part II.)	6			
7 Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)	7			
8 Amount you owe (subtract line 7 from line 6). This should be \$100 or less. Pay to "Internal Revenue Service." ▶	8			
9 Overpayment (subtract line 6 from line 7). Check if it is to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded ▶	9			

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over \$100.

Quarter	First (Jan. 1 – Mar. 31)	Second (Apr. 1 – June 30)	Third (July 1 – Sept. 30)	Fourth (Oct. 1 – Dec. 31)	Total for year
Liability for quarter					

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 claimed as a credit was, or is to be, deducted from the payments to employees.

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

DO NOT DETACH

Form 940-EZ Payment Voucher

Complete boxes 1, 2, 6, and 7. **Do not send cash and do not staple your payment to this voucher.** Make your check or money order, with your employer identification number clearly written on it, payable to the **Internal Revenue Service**.

1 Your employer identification number	2 Enter the first four letters of your business name	3 MFT	4 Tax year	5 Transaction code
_____ Do not staple your payment to this voucher.	_____ 6 Your name and address	_____ 7 Amount of payment	\$ _____ . _____ Do not send cash.	

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the correct tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

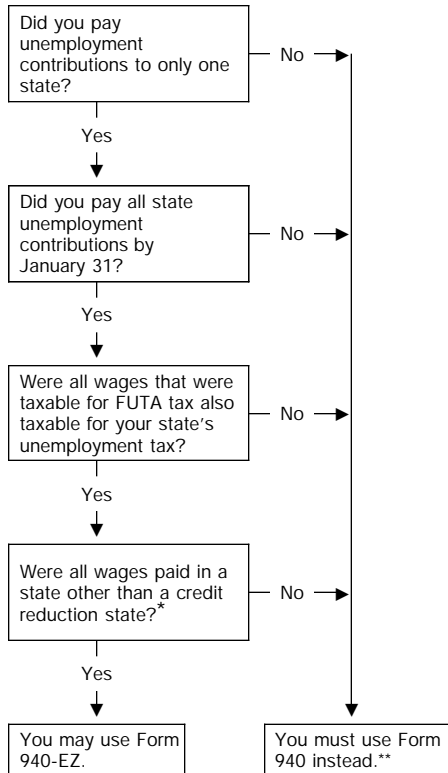
- Recordkeeping** 6 hr., 23 min.
- Learning about the law or the form** 7 min.

Preparing and sending the form to the IRS 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Tax Forms Committee, PC:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-1110), Washington, DC 20503. **DO NOT** send the form to either of these offices. Instead, see **Where To File** on page 4.

Who May Use Form 940-EZ

The following chart will lead you to the right form to use.



* Contact your state unemployment insurance office for credit reduction state information.

** If you need to file Form 940, you can get the form by calling 1-800-829-3676 (1-800-TAX-FORM).

Note: Do not file Form 940-EZ if you have already filed Form 940 for 1994.

General Instructions

Purpose of Form.—Use this form to report your annual Federal Unemployment Tax Act (FUTA) tax. FUTA tax, together with state

unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both Federal and state unemployment taxes. **Only the employer pays this tax.** The tax applies to the first \$7,000 you pay each employee in a year. The \$7,000 amount is the Federal wage base. Your state wage base may be different.

When To File.—Form 940-EZ for 1994 is due by January 31, 1995. However, if you deposited all FUTA tax when due, you may file on or before February 10.

Who Must File

General Rule (household and agricultural employers see below).—File if either of the following applies:

1. You paid wages of \$1,500 or more in any calendar quarter in 1993 or 1994; or
2. You had at least one employee for some part of a day in any 20 different weeks in 1993 or 1994.

Count all regular, temporary, and part-time employees. A partnership should not count its partners. If a business changes hands during the year, each employer meeting test 1 or 2 must file. Do not report wages paid by the other.

Household Employers.—File a FUTA tax return **ONLY** if you paid cash wages of \$1,000 or more in any calendar quarter in 1993 or 1994 for household work in a private home, local college club, or a local chapter of a college fraternity or sorority.

Note: See **Pub. 926, Employment Taxes for Household Employers**, for more information including filled-in examples of Form 940-EZ.

Agricultural Employers.—File a FUTA tax return if either of the following applies:

1. You paid cash wages of \$20,000 or more to farmworkers during any calendar quarter in 1993 or 1994; or
2. You employed 10 or more farmworkers during some part of a day (whether or not at the same time) for at least 1 day during any 20 different weeks in 1993 or 1994.

Count aliens admitted on a temporary basis to the United States to perform farmwork, also known as workers with "H-2(a)" visas, to see if you meet either test. Wages paid to these aliens are not subject to FUTA tax before 1995.

Nonprofit Organizations.—Religious, educational, charitable, etc., organizations described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) are not subject to FUTA tax and are not required to file.

(Instructions continued on next page.)

Employer's Annual Federal Unemployment (FUTA) Tax Return

Name (as distinguished from trade name)

Trade name, if any

Address and ZIP code

Employer identification number

EMPLOYER'S COPY

Follow the chart under Who May Use Form 940-EZ on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.

- A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.)
B (1) Enter the name of the state where you have to pay contributions
(2) Enter your state reporting number as shown on state unemployment tax return.

If you will not have to file returns in the future, check here (see Who Must File, on page 2) complete, and sign the return
If this is an Amended Return check here

Part I Taxable Wages and FUTA Tax

Table with 9 rows for taxable wages and FUTA tax calculations. Includes columns for line numbers and amounts.

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over \$100.

Table with 6 columns for quarterly liability (First, Second, Third, Fourth) and Total for year.

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 claimed as a credit was, or is to be, deducted from the payments to employees.

Signature Title (Owner, etc.) Date

Completing Form 940-EZ.—If your FUTA tax for 1994 (line 6) is \$100 or less, complete only Part I of the form.

If You Are Not Liable for FUTA Tax.—If you receive Form 940-EZ and are not liable for FUTA tax for 1994, write "Not Liable" across the front of the form, sign the return, and return it to the IRS.

Note: If you will not have to file returns in the future, check the box on the line below B(2), complete and sign the return.

Employer's Name, Address, and Identification Number.—If you are not using a preaddressed Form 940-EZ, type or print your name, trade name, address, and employer identification number (EIN) on Form 940-EZ.

See Pub. 937, Employment Taxes, for details on how to make tax deposits, file a return, etc., if these are due before you get your EIN.

Identifying Your Payments.—When you pay any amount you owe to the IRS (line 8) or make Federal tax deposits, write the following on your check or money order: your EIN, "Form 940-EZ," and the tax period to which the payment applies.

Penalties and Interest.—Avoid penalties and interest by making tax deposits when due, filing a correct return, and paying all taxes

when due. There are penalties for late deposits and late filing unless you can show reasonable cause. If you file late, attach an explanation to the return.

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

Credit for Contributions Paid Into State Funds.—You get a credit for amounts you pay to a state (including Puerto Rico) unemployment fund by January 31. This credit is reflected in the FUTA tax rate (.008) shown on line 6. The rate is effective through 1998.

"Contributions" are payments that a state requires you, as an employer, to make to its unemployment fund for the payment of unemployment benefits. However, contributions do not include:

- Any payments deducted or deductible from your employees' pay.
Penalties, interest, or special administrative taxes not included in the contribution rate the state assigned to you.
Voluntary contributions you paid to get a lower assigned rate.

Note: Be sure to enter your state reporting number on line B(2) at the top of the form. We need this to verify your state contributions.

Credit for Successor Employers.—If you are claiming credit as a successor employer, you must use Form 940.

Where To File.—In the list below, find the state where your legal residence, principal place of business, office, or agency is located. Send your return to the **Internal Revenue Service** at the address listed for your location. No street address is needed.

Note: *Where you file depends on whether or not you are including a payment.*

Florida, Georgia, South Carolina

Return without payment:
Atlanta, GA 39901-0047

Return with payment:
P.O. Box 105659
Atlanta, GA 30348-5659

New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)

Return without payment:
Holtsville, NY 00501-0047

Return with payment:
P.O. Box 210
Newark, NJ 07101-0210

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Return without payment:
Andover, MA 05501-0047

Return with payment:
P.O. Box 371324
Pittsburgh, PA 15250-7324

Illinois, Iowa, Minnesota, Missouri, Wisconsin

Return without payment:
Kansas City, MO 64999-0047

Return with payment:
P.O. Box 970010
St. Louis, MO 63197-0010

Delaware, District of Columbia, Maryland, Pennsylvania, Puerto Rico, Virginia, U.S. Virgin Islands

Return without payment:
Philadelphia, PA 19255-0047

Return with payment:
P.O. Box 8738
Philadelphia, PA 19162-8738

Indiana, Kentucky, Michigan, Ohio, West Virginia

Return without payment:
Cincinnati, OH 45999-0047

Return with payment:
P.O. Box 6796
Chicago, IL 60680-6796

Kansas, New Mexico, Oklahoma, Texas

Return without payment:
Austin, TX 73301-0047

Return with payment:
P.O. Box 970017
St. Louis, MO 63197-0017

Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

Return without payment:
Ogden, UT 84201-0047

Return with payment:
P.O. Box 7028
San Francisco, CA 94120-7028

California (all other counties), Hawaii

Return without payment:
Fresno, CA 93888-0047

Return with payment:
P.O. Box 60150
Los Angeles, CA 90060-0150

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee

Return without payment:
Memphis, TN 37501-0047

Return with payment:
P.O. Box 1210
Charlotte, NC 28201-1210

If you have no legal residence or principal place of business in any IRS district, file with the Internal Revenue Service Center, Philadelphia, PA 19255.

Amended Returns.—Use a new Form 940-EZ to amend a previously filed Form 940-EZ. Check the Amended Return box above Part I, enter the amounts that should have been on the original return, and sign the amended return. Attach an explanation of the reasons for amending the original return.

If you were required to file Form 940 but filed Form 940-EZ instead, file the amended return on Form 940. See Form 940 and its instructions.

Specific Instructions

You must complete lines A and B and Part I. If your FUTA tax (line 6) is over \$100, you must also complete Part II. Please remember to sign the return.

Line A.—Enter the dollar amount of state unemployment contributions. If your state has given you a 0% experience rate, so there are no required contributions, write "0% rate" in the space.

Part I. Taxable Wages and FUTA Tax

Line 1—Total payments.—Enter the total payments you made to employees during the calendar year, even if they are not taxable for FUTA tax. Include salaries, wages, commissions, fees, bonuses, vacation allowances, amounts paid to temporary or part-time

employees, and the value of goods, lodging, food, clothing, and noncash fringe benefits. Also, include the amount of tips reported to you in writing by your employees. Enter the amount before any deductions.

How you make the payments is not important to determine if they are wages. Thus, you may pay wages for piecework or as a percentage of profits. You may pay wages hourly, daily, weekly, monthly, or yearly. You may pay wages in cash or some other way, such as goods, lodging, food, or clothing. For items other than cash, use the fair market value when paid.

Line 2—Exempt payments.—"Wages" and "employment" for FUTA purposes do not include every payment and every kind of service an employee may perform. In general, payments that are not wages and payments for services that are not employment are not subject to tax. Enter these payments here to deduct them from total payments (line 1).

Enter such items as the following:

1. Agricultural labor if you did not meet either test in **Agricultural Employers** on page 2.
2. Benefit payments for sickness or injury under a worker's compensation law.
3. Household service if you did not pay cash wages of \$1,000 or more in any calendar quarter in 1993 and 1994.
4. Certain family employment.
5. Certain fishing activities.
6. Noncash payments for farmwork or household services in a private home that are included on line 1. Only cash wages to these workers are taxable.
7. Value of certain meals and lodging.
8. Cost of group-term life insurance.
9. Payments attributable to the employee's contributions to a sick-pay plan.
10. Benefits excludable under a section 125 plan (cafeteria plan).
11. Any other exempt service or pay.

For more information, see Special Rules for Various Types of Services and Products in **Circular E**, Employer's Tax Guide.

Line 3—Enter the total amounts over \$7,000 you paid each employee. For example, if you have 10 employees and paid each \$8,000 during the year, enter \$80,000 on line 1 and \$10,000 on line 3. The \$10,000 is the amount over \$7,000 paid to each employee. Do not include any exempt payments from line 2 in figuring the \$7,000.

Part II. Record of Quarterly Federal Unemployment Tax Liability

Complete this part only if your FUTA tax on line 6 is over \$100. To figure your FUTA tax liability, multiply by .008 that part of the first \$7,000 of each employee's annual wages you paid during the quarter. Enter the result in the space for that quarter.

Your total liability must equal your total tax. If not, you may be charged a failure to deposit penalty.

Record your liability based on when you pay the wages, not on when you deposit the tax. For example, if you pay wages on March 29, your FUTA tax liability on those wages is \$200, and you deposit the \$200 by April 30, you would record that \$200 in the first quarter, not the second.

Depositing FUTA Tax.—Generally, FUTA taxes are deposited quarterly. If you deposited the right amounts, following these rules, the amount you owe with Form 940-EZ will never be over \$100.

Using **Form 8109**, Federal Tax Deposit Coupon, deposit FUTA tax in an authorized financial institution or the Federal Reserve bank for your area. Records of your deposits will be sent to the IRS for crediting to your business accounts.

If your liability for any of the first 3 quarters of 1994 (plus any undeposited amount of \$100 or less from any earlier quarter) is over \$100, deposit it by the last day of the month after the end of the quarter. If it is \$100 or less, carry it to the next quarter; a deposit is not required. If your liability for the 4th quarter (plus any undeposited amount from any earlier quarter) is over \$100, deposit the entire amount by January 31, 1995. If it is \$100 or less, you can either make a deposit or pay it with your Form 940-EZ by January 31.

Note: *The total amount of all deposits must be shown on line 7.*

