

IRS Form 941 Part 1

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) 1

2 Wages, tips, and other compensation 2

3 Federal income tax withheld from wages, tips, and other compensation 3

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

	Column 1	Column 2
5a Taxable social security wages	<input type="text"/>	<input type="text"/> x 0.124 = <input type="text"/>
5b Taxable social security tips	<input type="text"/>	<input type="text"/> x 0.124 = <input type="text"/>
5c Taxable Medicare wages & tips	<input type="text"/>	<input type="text"/> x 0.029 = <input type="text"/>
5d Taxable wages & tips subject to Additional Medicare Tax withholding <input type="text"/>	<input type="text"/>	<input type="text"/> x 0.009 = <input type="text"/>
5e Add Column 2 from lines 5a, 5b, 5c, and 5d	5e <input type="text"/>	

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IRS Form 941 Part 2, page 2

Name (not your trade name) _____ Employer identification number (EIN) _____

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: Line 12 on this return is less than \$2,500 or line 12 (line 10 if the prior quarter was the fourth quarter of 2016) on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 (line 10 if the prior quarter was the fourth quarter of 2016) for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1
 Month 2
 Month 3
 Total liability for quarter Total must equal line 12.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

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IRS Schedule B

- Semiweekly depositor
- Schedule B total liability should match total liability on 941 (Line 12)
- Show liability amounts not the amount you deposited – not always the same
- Attach to Form 941
- Complete EIN, Name, Year & Quarter

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Where to File?

Special Filing Addresses for exempt organizations, federal state and local governmental entities; regardless of location

Form 941:

Without a Payment:

With a Payment:

Department of Treasury Internal Revenue Service Ogden, UT 84201-0005	Internal Revenue Service P.O. Box 37941 Hartford, CT 06176-7941
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page 5 of Form 941 instructions



What to do at end of tax year?

- By January 31:
 - File Form 941 quarter ending 12/31
 - Furnish W-2's to employees
 - Furnish 1099's to recipients
 - File W-2's and W-3 with SSA
 - File 1099's & 1096 with IRS



Form W-2 Reminders

- Boxes 1, 3, and 5 may not be the same
 - Box 3 SS wages could be zero
 - Box 5 Medicare wages could be greater than Box 1, wages
- Box 1 Wages includes all *taxable* wages:
 - fringe benefits, including non-cash fringes
 - taxable benefits from a 125 plan
 - other compensation (awards, stipends, etc.)



Form W-2 Reminders

- Box 12 Deferrals
 - check W-2 instructions for codes, use most current revision
 - If only one code, put in Box 12a, even if code is D. Codes do not relate to boxes.
 - Taxable GTLI over \$50,000; 457(b); non-taxable sick pay
- Box 13 Retirement indicator



W-2/W-3 Review

- If file Form W-2s then must file form W-3
- File Copy A of forms W-2 and W-3 with Social Security Administration
 - Make a copy of form W-3 to keep
 - Do NOT staple or tape form W-3 and forms W-2
- Keep Copy D of W-2 forms
- Copy 1 to State, City, or Local tax department
- Furnish Copies B, C, and 2 of forms W-2 to Employees



SSA Website

- www.ssa.gov/employer
 - Free service
 - File W-2 & W-2C online
 - Verify Employee's SSN
- Need to Register
 - Select Business Services Online (on right)
 - Select Register



File W-2's On-line with SSA

- Create and file "fill-in" versions of Forms W-2 with SSA
- Print out completed copies for employees and for your records
- Form W-3 will be created based on Form W-2s that were inputted
- Don't need to mail W-2 or W-3 to SSA
- Get confirmation forms were filed



What is a 1099-MISC Form?

- Form required to report payments for each person paid during the year:
 - Services performed by someone who is not your employee
 - Rents
 - Other Income Payments



What Is Reported on Form 1099?

- Payments of \$600 or more per calendar year
- Paid in the course of your trade or business
- For Services and not supplies
- Payments to Sole proprietor, partnership, or trusts
- Payments to Corporations if:
 - attorney or health & medical



Payments to Attorneys

- Payments to attorneys includes law firms or other providers of legal services
- Attorney Fees are reported in Box 7
- Gross Proceeds paid to attorney are reported in Box 14 (Settlement Agreement)
- If the attorney is an employee then wages are reported on Form W-2

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Medical & Health Care Payments

- Medical & Health Care Payments are reported in Box 6
- If payment is made to corp.:
 - list corp. as recipient rather than individual providing service
- Exclude reporting payments to:
 - Pharmacies Tax-exempt hospitals
 - Extended Care Facility

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Form W-9

- Provide to every vendor who performs services for your entity (not merchandise)
- Use to request the taxpayer identification number (TIN such as SSN or EIN)
- Identifies type of business
 - Sole proprietor, partnership, Corp.
- Substitute form is acceptable if:
 - Its content is substantial similar to W-9

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Form W-9
Request for Taxpayer Identification Number and Certification

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any):
Exemption from FATCA reporting code (if any):

5 Address (number, street, and apt. or suite no.) See instructions. Requester's name and address (optional)

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Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN, later.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Sign Here: Signature of U.S. person, Date

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W-9 & Backup Withholding

- Solicit Form W-9 when establishing vendor or prior to payment being made
- Payments subject to Backup Withholding (BUW) when:
 - The payment is \$600 or more and
 - The payee failed to furnish his TIN or
 - The Secretary notified the payor the TIN furnished by the payee is incorrect

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Backup Withhold (BUW)

- Withhold Federal Income Tax @ 24% from the reportable payment to the payee
- Report BUW on Form 945, Annual Return of W/H Federal Income Tax (FIT)
- Report in Box 4 on Form 1099 the FIT Withheld
- Publication 1281, BUW for Missing & Incorrect Name/TIN(s)

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Examples when to issue Form 1099

- Lawn care and Tree Service
- Vehicle repair
- Repairs to building– painting, windows, electrical, plumbing, roof, etc.
- Advertising in Newspaper
- Presenter/speaker
- Accountant, Attorney if not your employees

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Examples when not to issue Form 1099

- Products/Merchandise
- Telephone
- Storage
- Tax-exempt organizations
- Corporations unless:
 - Medical or Attorney
- Wages or employee business expense reimbursements

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 LLC

- LLC = Limited Liability Company
 - Not necessarily a corporation
- Could be corporation, partnership or disregarded entity (sole proprietor)
- Use current version of W-9 (Dec. 2017)
 - Separate line for LLC to mark if Partnership, Corporation or S Corp.

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 TIN Matching Program

- E-service product on the IRS website
 - Enter TIN Matching in search box
- Matches 1099 payee information with IRS records prior to submitting forms
- Decrease BUW & Penalty notices
- Must register with E-Service & TIN Matching
- Pub. 2108-A, On-Line TIN Matching Program

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 Penalties on Form 1099

- Failure to File Correct Information Returns
Failure to Furnish Correct Payee Statements
- Each penalty is per information return
- \$50 if filed within 30 days
- \$100 if filed 31 days late – Aug. 1
- \$260 if filed after 8/1 or not at all
- Adjusted for inflation as of 1/1/16

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Question

- How should the Form 1099 be prepared for Recipient's name and TIN?

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Form 1099-Misc

1099-MISC (except for distributions, annuities, or pension, IRA, or 401(k) distributions) \$ _____ 2 Payer's EIN \$ _____		3 Recipient's TIN \$ _____	4 Federal income tax withheld \$ _____	2017 Miscellaneous Income Form 1099-MISC
5 Other income \$ _____		6 Rollover benefits \$ _____	7 Federal income tax withheld \$ _____	
8 Recipient's name Wendy Speelman Speelman Accounting Service		9 Recipient's address (including apt. no.) 123 Tax Road Mansfield, OH 44903		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns.
10 Recipient's federal identification number 31-2345678		11 Recipient's state or province, county, and ZIP or foreign postal code OH 44903		
12 Recipient's account number (see instructions) <input type="checkbox"/> FATCA (see instructions) <input type="checkbox"/> 2nd TIN req.		13 Other income \$ _____		14 Other income \$ _____

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Form 1099 Reminders

When the individual/sole proprietor or single member LLC box is checked on Form W-9:

- The individual name must be used
- It's optional to put DBA name under the individual name
- EIN or SSN can be used

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IRS Tax Information for Govt. Entities

- www.irs.gov
 - File Tab (at top)
 - Government Entities

OR

- www.irs.gov/govts

And then select:

- Tax Information for Federal, State & Local Governments

Either way takes you to

IRS irs.gov

IRS

Help | News | Language | Charities & Nonprofits | Tax Pros

File Pay Refunds Credits & Deductions Forms & Instructions

Get Free Tax Preparation Help Free File

Disaster Relief Get Your Tax Record

Get Answers to Tax Questions Find Out How Much You Owe

Individual Taxpayer ID Number (ITIN) Preparer Tax ID Number (PTIN)

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IRS

Tax Information for Government Entities

Individuals

International Taxpayers

Businesses and Self-Employed

Government Entities

Tax Information for Federal, State, and Local Governments

Federal, State, and Local Governments facilitates cooperation through partnerships with federal, state, and local government agencies for the purpose of meeting their federal tax responsibilities, with a focus on customer service and fairness to all.

Top Tasks

- Section 125 Cafeteria Plan Information
- Group Term Life Insurance Information
- De Minimis Fringe Benefits Information

Tax Information for Tribal Governments

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Govt. Entities Home Page

Tax Information for Federal, State, and Local Governments

English

Individuals
[Getting Started](#)
 The basics to help entities explore their federal tax responsibilities.

International Taxpayers
[Information Returns](#)
 Government entities must provide statements to their employees and report the transactions to the IRS.

Businesses and Self-Employed
[Employer and Pay Related Issues](#)
 Find out what types of issues may arise regarding how to report different types of income and benefits.

Government Entities
[Federal State Local](#)

FSLET Quick Links

- [Webinars for Tax Exempt Government Entities](#)
- [Requesting Educational Services from Tax Exempt Government Entities](#)
- [Forms & Instructions](#)

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How to Find Webinars/Videos

- FSLG Quick Links (far right side of home page)
 - Webinars for Tax Exempt Governments Entities
 - Federal, State & Local Governments
 - Recorded Events

OR

- irsvideos.gov/governments/employers



Webinars for Tax Exempt & Government Entities

Individuals

International Taxpayers

Businesses and Self-Employed

Government Entities

Federal State Local Governments

Indian Tribal Governments

Future Webinars and Recorded Events

Future Webinars
 Check back for upcoming events.

Charities & Non-Profits
 Check back for future announcements. In the meantime, view [Stay Exempt](#) mini-course [recorded events](#).

Federal, State, & Local Governments
 Check back for future announcements. In the meantime, view [recorded events](#).

Indian Tribal Governments

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IRS IRS Video Portal

IRS Video

Individuals Businesses Tax Professionals **Governments** Charities & Non-Profits Español

Search

Affordable Care Act **IRS '16 Notices and Backup Withholding** 3 months ago
 Learn What Backup Withholding is, Who is responsible for Backup Withholding. When Backup Withholding is taken. How Backup Withholding is reported. What a B Notice is. VIDEO 0:27

Benefits **10 Minutes on Filing the Form 941X** 5 months ago
 Learn about when to use the Form 941X, statute of limitations for Form 941, differences between adjustments and claims, finding the Forms you need at IRS.gov. VIDEO 0:37

Employers **Payroll Reporting for Election Workers** 5 months ago
 Learn about who is an election worker, are election workers employees, what taxes should be withheld from payments to an election worker, when are election workers issued a Form W-2. VIDEO 0:24

Retirement Plans **IRC 5000C, Basics for Acquiring Agencies** 1 year ago
 Learn who is responsible for the 26 USC 5000C Excise Tax, what an acquiring agency is, who is a foreign contract party, or FCP, and why Form W-14 is important. VIDEO 0:27

Safeguards **10 Minutes on Reconciling Forms 941, W-2 to Gross Payroll** 1 year ago
 Learn how to reduce the number of Forms W-2 filed, receive fewer notices from the IRS & SSA, find and fix discrepancies before year-end. VIDEO 0:27

Taxes **Backup Withholding: When and Why (Nov. 16, 2016)** 1 year ago
 Learn which payments to vendors might be subject, what kind of tax is backup withholding, when is withholding taken, and how to respond to the CP2100 Notice. VIDEO 0:33

Clarifying the Universal Availability and Other 403(a) Retirement Plan Requirements (Oct 27, 2016) 1 year ago
 Learn about hours of service, changes in employee status, student participation and other 403(a) rules. VIDEO 0:19

Government Information Letter 1 year ago
 Learn how you can prove your "tax exempt" status as a government entity, why government entities do not require a determination letter from the IRS to secure tax-exempt status, and what it means to be a dual-status entity. VIDEO 0:33

How Form W-2 could save you time and money 1 year ago
 What is Form W-2? Why does a vendor need to obtain them? What happens if a vendor refuses to provide one? Where can you learn more? VIDEO 0:27

Why the Form 1099-MISC 1 year ago

irsvideos.gov/governments/employers

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IRS IRS Video Portal

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IRS How to Find Issue Snapshots

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Tax Information for Federal, State, and Local Governments

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