

ITG News

Indian Tribal
Governments



Keeping First Nations Informed

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Message from the Director

We recently published the results from our fifth annual Customer Satisfaction Survey, and a summary is included in an article in this issue of ITG News. One of the questions posed in the survey seeks tribal input on our role in helping address the individual tax issues faced by tribal members. It has always been cited as an area where we need to improve.

One of the difficulties we face in helping address member issues is that we have no authority over individual federal tax issues. Individual tax matters are assigned to either our Wage and Investment Division or our Small Business/Self-Employed Division. Thus, our role is somewhat limited, but we continue to make efforts to raise issues within the Service and to assist tribal members with information they need to be fully compliant with federal tax requirements. We have also forged a relationship with the Taxpayer Advocate Service that is designed to elevate systemic problems that are adversely impacting tribal members.

One current example of both the problems we all face and the steps we are taking to assist on tribal member issues involves notices that were being issued to tribal members proposing to assert self-employment tax on per capita distributions of net gaming revenues. Although we had developed specific language to describe these distributions on Form 1040, our campuses were issuing notices that proposed to subject these reported payments to social security through the imposition of self-employment tax. This is clearly erroneous. When it was raised to our attention, we took the following steps:

- We contacted the Taxpayer Advocate Service who immediately intervened to correct the computer programming error that was causing the notices to be issued.
- We posted information as the headline on our web site instructing tribes what action to take if tribal members received the erroneous notices.
- We set up internal procedures to collect information from the tribes in regard to the notices and ensure the notices were promptly reversed.

If you have experienced this issue, I apologize on behalf of the Service and urge you to contact your assigned ITG Specialist so that we can resolve the matter. Although ITG cannot control every contact that originates from the Internal Revenue Service, we are committed to resolving unique problems that affect tribes and tribal members.

Christie Jacobs



....ITG is committed to resolving unique issues affecting tribes and tribal members....

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Customer Satisfaction Survey Results Published

The Office of Indian Tribal Governments recently completed its fifth annual customer survey. The survey gave us feedback from our customers that allows us to measure customer satisfaction with our products and services and to determine areas where we need to effect operational changes.

We want to thank everyone who participated. We received 175 responses which was slightly less than the prior year survey response rate. We are pleased that the overall level of satisfaction rose from 76% to 77%, but there were a number of issues surfaced where we are undertaking actions to address concerns raised in the survey. This includes, but is not limited to:

- Continuing to develop specific materials for tribal members and tribal employees which explain tax issues that affect them
- Studying further the causes of dissatisfaction in the Southwest and Pacific Northwest
- Increasing education and outreach efforts with the Navajo Chapters
- Monitoring work processes to improve responsiveness to tribal inquiries by ITG staff
- Improving the clarity of examination letters, communicating future actions that might mitigate problems found during examinations, and improving the timeliness of actions taken by ITG during examinations

This is the first survey where we have asked specific questions in regard to Compliance Checks and Examination interactions with ITG. Since examinations represent a significant percentage of the work done by ITG, we will focus extra efforts in regard to that specific feedback.

Past analysis of the ITG customer base revealed similarities between the Alaska Native Villages and the Navajo Chapters. Both segments tend to be remotely located, have smaller government structures, few large business or gaming operations, and meager staff resources. It has been difficult to determine the needs and/or effect lasting solutions for these particular customers. In the past year, ITG implemented several initiatives in Alaska to increase our visibility and impact among the tribal villages. These improvements included purchasing copies of the tax/accounting software used by the villages to increase ITG understanding of reporting issues/problems arising from this software, adding a regional location code to the database so that work can be assigned geographically to minimize repeated travel to remote locations, and attending large state-run events for the Native Villages to distribute job-aids and information. In addition, ITG organized and conducted major payroll and information reporting educational seminars for tribal employees. The survey shows the positive results of these efforts. The customers in Alaska are now showing satisfaction rates comparable to the rest of the United States, while the Navajo Chapters are still reflecting much lower satisfaction. ITG will seek to apply best practices used in Alaska in a focused effort to better assist the Navajo Chapters.

In addition to the overall measures, we also looked at satisfaction by geographic area and by common themes within the survey. The table on the following page shows that analysis and compares the responses this year with the survey responses from the prior year.

A more complete report on the survey is posted to our web site at www.irs.gov/tribes. We look forward to input at the ongoing Consultation Listening meetings to further assist in determining improvement opportunities. Future issues of ITG News will detail operational changes that we effect in response to the survey feedback.



Customer Satisfaction Survey Scores- by ITG Area

	Eastern		North Central		Southwest		Western		Pacific Northwest		Alaska	
	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007
Burden/ Delivery of Information												
Satisfied	83%	85%	72%	71%	56%	58%	76%	83%	82%	55%	57%	71%
Neutral	9%	11%	21%	16%	26%	18%	16%	10%	15%	40%	29%	19%
Dissatisfied	8%	4%	7%	13%	18%	23%	8%	7%	3%	5%	14%	10%
Collaborate												
Satisfied	72%	72%	58%	65%	60%	57%	71%	68%	48%	39%	42%	62%
Neutral	20%	24%	36%	24%	25%	24%	20%	18%	40%	48%	43%	29%
Dissatisfied	8%	4%	6%	11%	15%	19%	8%	14%	12%	12%	15%	8%
Recognition												
Satisfied	82%	84%	72%	70%	69%	59%	84%	77%	73%	50%	52%	69%
Neutral	11%	14%	22%	23%	20%	34%	10%	13%	23%	36%	38%	24%
Dissatisfied	8%	2%	5%	7%	11%	6%	5%	9%	4%	14%	10%	7%
Protocol/ Horizontal Equity												
Satisfied	88%	82%	71%	90%	69%	66%	79%	83%	66%	57%	57%	72%
Neutral	6%	14%	25%	9%	25%	27%	17%	12%	26%	31%	36%	23%
Dissatisfied	5%	5%	4%	1%	6%	7%	3%	5%	8%	12%	8%	5%
Accuracy/ Timeliness/ Honesty												
Satisfied	73%	69%	49%	65%	55%	51%	72%	74%	63%	47%	48%	61%
Neutral	21%	25%	40%	27%	28%	33%	24%	10%	31%	41%	40%	32%
Dissatisfied	6%	6%	11%	8%	18%	16%	4%	16%	6%	13%	12%	8%
Overall Satisfaction												
Satisfied	88%	90%	78%	76%	73%	59%	86%	86%	85%	56%	59%	75%
Neutral	4%	10%	22%	12%	15%	32%	8%	5%	8%	33%	33%	23%
Dissatisfied	8%	0%	0%	12%	12%	9%	5%	8%	8%	11%	8%	2%
Compliance Action - Overall Satisfaction												
Satisfied		67%		80%		86%		78%		43%		70%
Neutral		17%		7%		0%		9%		33%		22%
Dissatisfied		17%		13%		14%		13%		24%		7%
Compliance Action - Initial Meeting												
Satisfied		78%		95%		92%		90%		71%		87%
Neutral		10%		3%		8%		1%		25%		12%
Dissatisfied		13%		3%		0%		8%		4%		0%
Compliance Action - Subsequent Interactions												
Satisfied		74%		70%		80%		84%		56%		89%
Neutral		17%		13%		0%		4%		36%		11%
Dissatisfied		9%		17%		20%		13%		8%		0%
Compliance Action - Final Resolution												
Satisfied		68%		67%		67%		92%		43%		71%
Neutral		12%		25%		7%		8%		43%		19%
Dissatisfied		20%		8%		27%		0%		14%		10%



Four Convicted for Conspiracy, Tax Evasion, and Theft from the Kickapoo Traditional Tribe of Texas

In mid-October, a federal jury convicted Kickapoo Traditional Tribe of Texas gaming representative Isidro Garza, Jr., his son, former State Representative Timeteo Garza and Kickapoo Lucky Eagle Casino manager Arthur Lee Martin for scheming to steal over \$2 million from the casino as well as the tribe itself. Isidro's wife, Martha Garza, was convicted along with her husband and son of tax evasion and a related conspiracy charge.

In all, the jury convicted:

- Isidro Garza, Jr., of one count of conspiracy to commit theft from an Indian tribal organization and by officers and employees of Gaming Establishments on Indian lands, two substantive counts of theft from an Indian tribal organization, five substantive counts of theft by officers and employees of Gaming Establishments on Indian lands, one count of conspiracy to defraud the Internal Revenue Service, and four counts of tax evasion. As a result, Isidro Garza faces up to 55 years in federal prison.
- Martha Garza of one count of conspiracy to defraud the Internal Revenue Service plus four counts of tax evasion. As a result, Martha Garza faces up to 25 years in federal prison.
- Timeteo Garza of one count of conspiracy to commit theft from an Indian tribal organization and by officers and employees of Gaming Establishments on Indian lands, two counts of theft by officers and employees of Gaming Establishments on Indian lands, and one count of conspiracy to defraud the Internal Revenue Service. As a result, Timeteo Garza faces up to 20 years in federal prison.
- Arthur Lee Martin of one count of conspiracy to commit theft from an Indian tribal organization and by officers and employees of Gaming Establishments on Indian lands, and two counts of theft by officers and employees of Gaming Establishments on Indian lands. As a result, Martin faces up to 15 years in federal prison.

The jury found that between February 13, 1998 and October 28, 2002 the defendants misused tribal credit cards, took cash directly from the casino cash cage, and had checks from tribal and casino accounts written to pay for personal expenses.

On May 17, 2007, Raul Garza, Sr., former chairman of the Kickapoo Traditional Tribe of Texas, was sentenced to three years in federal prison and ordered to pay more than \$2 million restitution for his role in the scheme.

ITG was instrumental in bringing this case forward for prosecution, and we remain committed to helping protect tribal assets for the benefit of tribal members by identifying financial abuses. We are pleased to partner with tribes in this regard, and although the outcomes can have short-term pain, the long term effect should make a clear statement that neither tribes nor the federal government will knowingly permit individuals to use tribal assets for their personal gain.

Reporting Abuses/Schemes

We continue to work with tribes and tribal officials to address financial abuses and schemes being promoted in Indian country. Working together can help ensure the integrity of tribal finances and eliminate the threats posed by individuals with schemes that appear "too good to be true" and often are. If you are aware of financial impropriety or of a promoter advocating a scheme that appears highly suspect, you can contact the ITG Abuse Detection and Prevention Team at (716) 686-4860 or via e-mail at tege.itg.schemes@irs.gov.



Form 1099-MISC: Reporting Payments to Nonemployees

If a worker is not your employee, you are not liable for filing Form W-2 or any employment tax returns with respect to that payee. However, in most cases, you are required to issue and file information returns, such as **Form 1099-MISC**, *Miscellaneous Income*, for amounts you pay in nonemployee compensation.

What types of payments require a Form 1099-MISC to be filed? You must issue **Form 1099-MISC** for each person or business to whom you have paid, in the course of tribal government business, at least \$600 as compensation for services. The form is also required to report rents, prizes and awards, medical and health care payments, and attorney fees or gross proceeds to an attorney.

Examples of SERVICES normally requiring a Form 1099-MISC (if the business is not a corporation):

Accountants	Attorneys	Auditors	Bookkeeping service
Payroll service	Consultants	Advertising	Messenger/Delivery service
Janitorial service	Water & soil tester	Garbage/refuse service	Haulers
Towing	Snow removal	Entertainers	Remodelers
Carpenters	Carpet Installers	Drywallers	Painters
Repairs	Office equipment repairs	Vehicle repairs	Heavy equipment repairs

You should secure a taxpayer identification number from recipients **prior to** making any reportable payments. You can use **Form W-9**, *Request for Taxpayer Identification Number and Certification*, for this purpose. See article on page 6 for further information on Form W-9.

Which payees should be issued Form 1099-MISC? You are required to report payments to individuals, partnerships, estates, trusts, legal and medical service providers. If someone declares that they are a Limited Liability Company (LLC), you would issue them a Form 1099 unless they declare "corporation" as their tax classification. Tax classification means the type of tax and return the LLC will be filing. If a LLC does not provide their tax classification, you should issue them a Form 1099.

Are some payees exempt from the reporting requirements?

You are not required to issue Form 1099-MISC for payments to:

- Tax-exempt organizations and governments
- Vendors for merchandise, freight, storage, and similar items (**but** payments to vendors for **services are reportable**)
- Corporations (**other than** attorney fees, medical and health care payments)
- Rent to real estate agents
- Recipients of scholarships
- Recipients of difficulty-of-care payments

When is Form 1099-MISC due? Make the recipient's copy available by January 31st of the year following the payment(s). You must send copies to the IRS by February 29th along with Form 1096 *Annual Summary and Transmittal of U.S. Information Returns*. However, if you file electronically, the due date is March 31st. Penalties apply for late filing.

What if Form 1099-MISC is not issued or is not correct? You may be subject to penalties for failure to file information returns or to furnish them to the recipients. Tribal government entities are not exempt from these penalties. In addition, if you fail to obtain a correct taxpayer identification number from the recipient, you will be required to withhold 28% from future payments. If you fail to backup withhold when required, you will be liable for the tax.

Under what circumstances do I issue Form 1099-MISC to an employee? None. If someone meets the tests to be your employee, all compensation, benefits, reimbursements, etc., paid in the course of that work should be reported on Form W-2 and are subject to withholding. Only services as an independent contractor that are completely separate from employment would be reported on Form 1099-MISC.

See [Instructions for Forms 1099, 1098, 5498, and W-2G](http://www.irs.gov), available at www.irs.gov, for further information.



Revised Form W-9 and LLCs

Form W-9 is used by persons required to file information returns with the IRS to get the payee's correct name and Taxpayer Identification Number (TIN). For individuals, the TIN is generally a social security number (SSN). For business, the TIN is generally an Employer Identification Number (EIN).

A new revision (Oct 2007) of Form W-9 *Request for Taxpayer Identification Number and Certification* is shown below. Please note that the boxes for entity types has been expanded. The form now requires a Limited Liability Company (LLC) to designate whether they are 1) a disregarded entity, 2) a corporation, or 3) a partnership.

An LLC is a relatively new entity created by state statute. The IRS did not create a new tax classification for the LLC when it was created by the states; instead IRS uses the tax entity classifications it has always had for business taxpayers: sole proprietor (disregarded entity), corporation, or partnership. An LLC is always classified by the IRS as one of these types of taxable entities. A single member LLC that is a "disregarded entity" does not need an EIN and should use the name and taxpayer identification number (TIN) of the single member owner for federal tax purposes.

Form 1099 and LLC. If the completed Form W-9 returned from an LLC has declared that they are a "disregarded entity," when you complete their Form 1099, you must show the owner's name on the first name line. On the second name line, you may enter the LLC's name. Use the owner's TIN. Do not enter the disregarded entity's EIN when you complete their Form 1099.

Form W-9 (Rev. October 2007) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification	Give form to the requester. Do not send to the IRS.
Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	
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 your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> on page 3.		Social security number
Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.		or Employer identification number
Part II Certification		
Under penalties of perjury, I certify that:		
1. 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 2. 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 3. I am a U.S. citizen or other U.S. person (defined below).		
Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.		
Sign Here	Signature of U.S. person ▶	Date ▶



Successful Training at BIA Provider's Conference

On November 28, 2007, the office of Indian Tribal Governments (ITG) held an Employment Tax Workshop during the Bureau of Indian Affairs' (BIA) Provider's Conference held at the Egan Center in Anchorage.

The workshop was split into four different sessions. The topic for the morning session concerned payroll tax matters and the proper treatment of employees. Employment tax withholding and federal filing requirements were discussed. Emphasis during the second session was the proper treatment of independent contractors (non-employees). Meeting the rules for per diem and travel reimbursement was discussed during the third session. The final session dealt with pull tab filing requirements.

Eighty-eight (88) individuals attended the morning session while sixty-seven (67) were in attendance in the afternoon. Feedback from the participants was very favorable. ITG Specialists Judy Pearson, Mary Jo Audette, and Diane Nesvick presented the workshops.

ITG Specialists for Alaska

<u>name</u>	<u>location</u>	<u>phone/fax</u>	<u>e-mail</u>
Judy Pearson	Anchorage	Ph 907-271-6949 Fax 907-271-6664	Judy.M.Pearson@irs.gov
Mary Jo Audette	Anchorage	Ph 907-271-6874 Fax 907-271-6413	Mary.J.Audette@irs.gov
Diane Nesvick	Anchorage	Ph 907-271-6917 Fax 907-271-6664	Diane.M.Nesvick@irs.gov
Joe Kincaid Manager	Portland	Ph 503-326-2381 Fax 503-326-7441	Joe.Kincaid@irs.gov

Tax Tools for Tribes

You can order our comprehensive reference CD-ROM containing Publication 4268 (Employment Tax Guide for Tribes), Publication 3908 (Gaming Tax Law for Indian Tribal Government), Publication 15 (Employer's Tax Guide), Publication 15-A (Employer's Supplemental Tax Guide), ITG News issuance for your area for the last 8 quarters, a "primer" for federal tax issues affecting individual Native Americans, and a guide on "Helpful Hints to Avoid Penalties".

E-Mail us at ITG.TaxTools@irs.gov and provide your mailing address and the number of CD-ROM copies you would like to receive.



April 2008 Training in Anchorage

FOR:	Tribal employees <ul style="list-style-type: none">• new to payroll taxes, or• needing a basic refresher
WHAT:	2½-day Basic Employment Tax Workshop
WHEN:	April 15 th , 16 th , & 17 th , 2008
WHERE:	Internal Revenue Service 949 East 36th Avenue Anchorage, AK
COST:	Free; however, you must provide your own lodging and transportation costs.

Items on the agenda will include:

- Defining Employees vs. Independent Contractors
- Computing the correct taxes for payroll
- Completing Form 941 Quarterly Employment Tax Return
- Completing Alaska Quarterly Contribution Reports
- Making federal tax deposits
- Due dates of tax returns
- Completing Forms W-2/W-3 and 1099/1096
- Reconciling Forms 941 and W-2 at year end
- Avoiding penalties
- Meeting rules for an Accountable Plan for Per Diem & Travel Reimbursements
- Pull-tab filing requirements

On the afternoon of day three, we will be available for one-on-one meetings. These meetings are optional, but if you wish to discuss any federal tax matters (i.e. notices, unfiled returns, balances due, liens, penalties, etc.), please make an appointment when you make your seat reservation.

If you are interested in attending, please contact us via e-mail or fax:

Judy.M.Pearson@irs.gov

Fax # (907) 271-6664

Space is limited so reserve your seat as soon as possible.



Do You Qualify for the Earned Income Tax Credit (EITC)?

Each year, thousands of Alaskans are eligible for the Earned Income Tax Credit (EITC) but don't realize they qualify or don't know how to claim it. They may be missing an opportunity to pay less federal income tax, pay no tax, or receive a refund.

The EITC, a tax credit available to low-income workers and families, is a valuable tool for taxpayers who work but don't earn high incomes and struggle to make ends meet. The EITC can be as much as \$4,716 depending on your income and family situation. If you are eligible for the EITC, you can receive a refund even if you owe no tax at all.

The rules governing who can claim the EITC can be complicated. This article describes some of the eligibility requirements.

Claimants must have a valid Social Security number. In addition, taxpayers must meet certain residency and filing criteria.

Investment income cannot be more than \$2,900. The Alaska Permanent Fund Dividend is not "investment income" for EITC purposes. However, taxable Native Corporation dividends are considered investment income.

A taxpayer's total income from work must be at least \$1, and earned income and adjusted gross income (AGI) must both be less than:

- \$12,590 with no qualifying child (\$14,590 if married filing jointly)
- \$33,241 with one qualifying child (\$35,241 if married filing jointly)
- \$37,783 with more than one qualifying child (\$39,783 if married filing jointly)

It is not necessary for families to have children when claiming the credit, but, if they do claim a child for EITC qualification purposes, the qualifying child must:

- Be a son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them. (An adopted child is treated as the taxpayer's biological child. A foster child is any child placed with the taxpayer by an authorized placement agency, including a tribal court.)
- Be under age 19 or under age 24 and a full time student at the end of the year. (A qualifying child may be any age if he or she is permanently and totally disabled.)
- Have lived with the taxpayer in the United States for more than half of the year 2007.

Only one person may claim a qualifying child for the EITC. Further details regarding the rules and guidelines for a qualifying child can be found in IRS Publication 596, *Earned Income Credit*. If claimants think they might qualify for EITC and would like assistance, they can call 1-800-829-1040 or go to www.irs.gov/eitc and select "EITC Assistant."

Self-Assess Your Federal Tax Compliance Risks

Tribal entities can now self-assess their federal tax compliance and work with ITG to address any problems they uncover. Entities electing to participate receive a fillable template from ITG and are provided with the name of a local ITG Specialist who will serve as their resource during the process.

Information on the program, as well as an on-line request form, is available through the "Enhancing Federal Tax Compliance" link on the right-hand of the ITG web site landing page at www.irs.gov/tribes or you can make an inquiry about the program via e-mail to tege.itg.tefac@irs.gov.



Federal Tax Calendar for First Quarter 2008

January 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3 * Make a deposit for 12/26-12/28	4 * Make a deposit for 12/29-1/1	5
6	7	8	9 Make a deposit for 1/2-1/4	10 Employees report December tip income to employers if \$20 or more	11 * Make a deposit for 1/5-1/8	12
13	14	15 ** Make a deposit for December if under the monthly deposit rule	16 * Make a deposit for 1/9-1/11	17	18 * Make a deposit for 1/12-1/15	19
20	21	22	23	24 * Make a deposit for 1/16-1/18	25 * Make a deposit for 1/19-1/22	26
27	28	29	30 * Make a deposit for 1/23-1/25	31	<div style="border: 1px solid black; padding: 5px; transform: rotate(-2deg); display: inline-block;"> <p style="color: red; margin: 0;">Issue W-2s, W-2Gs, and 1099s to recipients by January 31st.</p> </div>	

February 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat	
					1 * Make a deposit for 1/26-1/29	2	
3	4	5	6 * Make a deposit for 1/30-2/1	7	8 * Make a deposit for 2/2-2/5	9	
10	11 Employees report January tip income to employers if \$20 or more	12	13 * Make a deposit for 2/6-2/8	14	15 * Make a deposit for 2/9-2/12 ** Make a deposit for January if under the monthly deposit rule	16	
17	18	19	20	21 * Make a deposit for 2/13-2/15	22 * Make a deposit for 2/16-2/19	23	
24	25	26	27 * Make a deposit for 2/20-2/22	28	29 * Make a deposit for 2/23-2/26	<div style="border: 1px solid black; padding: 5px; transform: rotate(-2deg); display: inline-block;"> <p style="color: red; margin: 0;">File W-2s with SSA and 1099s with IRS by February 29th.</p> </div>	

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

**= Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.



March 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5 * Make a deposit for 2/27-2/29	6	7 * Make a deposit for 3/1-3/4	8
9	10 Employees report February tip income to employers if \$20 or more	11	12 * Make a deposit for 3/5-3/7	13	14 * Make a deposit for 3/8-3/11	15
16	17 ** Make a deposit for February if under the monthly deposit rule	18	19 * Make a deposit for 3/12-3/14	20	21 * Make a deposit for 3/15-3/18	22
23	24	25	26 * Make a deposit for 3/19-3/21	27	28 * Make a deposit for 3/22-3/25	29
30	31					

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule. NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.
 **= Make a Monthly Deposit if you qualify under that rule.

Return Filing Dates

January 2nd

- > File Form 730 and pay the tax on applicable wagers accepted during November 2007.

January 31st

- > File Form 941 for the 4th quarter of 2007. If all deposits are paid on time and in full, file by February 11th.
- > If pre-qualified for simplified payroll filing, file Form 944. If all deposits are fully paid on time, file by February 11th.
- > File Form 940 for 2007 if liable for Federal Unemployment Tax (not participating or current with state unemployment tax). If all deposits are paid on time and in full, file by February 11th.
- > File Form 730 and pay the tax on applicable wagers accepted during December.
- > File Form 945 for 2007. If all deposits are paid on time and in full, file by February 11th.
- > File Form 943 for 2007 (agricultural entities). If all deposits are paid on time and in full, file by February 11th.

February 28th

- > File information returns for all payments reported to recipients on Forms 1099, 1098, 5498, and W-2G, using Form 1096 as a transmittal. If filing these forms electronically, file by March 31st.

February 29th

- > File Form W-3, along with copy A of Forms W-2 you issued for 2007. File by March 31st if filing electronically.
- > File Form 730 and pay the tax on applicable wagers accepted during January.
- > File Form 8027 if you are a large food and beverage establishment. File by March 31st if filing electronically.

March 31st

- > File Form 730 and pay the tax on applicable wagers accepted during February.

Year-end Reconciliation Worksheet for Forms 941, W-2, and W-3

- Annual amounts from payroll records should match the total amounts reported on all Forms 941 for the year.
- Total amounts reported on all Forms 941 for the year should match the sum of the same data fields shown in the W-3 totals.
- If these amounts do not match, recheck records and identify necessary adjustments.

column a	column b	column c	column d	column e	column f	column g
COMPARISON AREA	941 Line #	Form 941 (all 4 quarters)	W-2, W-3 Box #	W-2s (total of all forms)	Amount on W-3	Difference (col c minus col e)
Compensation	Line 2		Box 1			
Federal Income Tax	Line 3		Box 2			
Social Security Wages	Line 5a Column 1		Box 3			
Social Security Tips	Line 5b Column 1		Box 7			
Social Security Tax	Line 5a + 5b Column 2					
Social Security Tax comparison computation	Line 5a + 5b divided by 2		Box 4			
Medicare Wages	Line 5c Column 1		Box 5			
Medicare Tax	Line 5c Column 2					
Medicare Tax comparison computation	Line 5c divided by 2		Box 6			