

Employer's Annual Tax Return for Agricultural Employees

▶ For more information, see Circular A.
▶ For Paperwork Reduction Act Notice, see page 2.

1995

Enter your name, address, employer identification number, and calendar year of return.

Name (as distinguished from trade name)

Calendar year

Trade name, if any

Employer identification number

Address and ZIP code

If address is different from prior return, check here

If you do not have to file returns in the future, check here

1 Number of agricultural employees employed in the pay period that includes March 12, 1995 . . . ▶	1	
2 Total wages subject to social security taxes (see instructions)	2	
3 Social security taxes (multiply line 2 by 12.4% (.124))	3	
4 Total wages subject to Medicare taxes (see instructions)	4	
5 Medicare taxes (multiply line 4 by 2.9% (.029))	5	
6 Federal income tax withheld (see instructions)	6	
7 Total taxes (add lines 3, 5, and 6)	7	
8 Adjustment to taxes (see instructions)	8	
9 Total taxes as adjusted (line 7 as adjusted by line 8)	9	
10 Advance earned income credit (EIC) payments, if any (see instructions on page 4)	10	
11 Net taxes (subtract line 10 from line 9)	11	
12 Total deposits for 1995, including any overpayment from 1994, as shown in your records	12	
13 Balance due (subtract line 12 from line 11—see instructions). Pay to Internal Revenue Service . ▶	13	
14 Overpayment, if line 12 is more than line 11, enter here ▶ \$		and check if to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded.

- **All filers:** If line 13 is less than \$500, you need not complete line 15 or Form 943-A.
- **Semiweekly schedule depositors:** Complete Form 943-A and check here
- **Monthly schedule depositors:** Complete line 15 and check here

15 Summary of Federal Tax Liability								
Deposit period ending	Tax liability for month		Deposit period ending	Tax liability for month		Deposit period ending	Tax liability for month	
A January 31			F June 30			K November 30		
B February 28			G July 31			L December 31		
C March 31			H August 31			M Total liability for year (add lines A through L)		
D April 30			I September 30					
E May 31			J October 31					

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.

Sign Here

Signature ▶

Print Your Name and Title ▶

Date ▶

Cat. No. 11252K

DETACH HERE

Form 943 Payment Voucher

1995

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 Enter the amount of the payment you are making \$.	2 Enter the first four letters of your business name _____	3 Your employer identification number _____
4 Enter your business name(s) _____ Enter your address _____ Enter your city, state, and ZIP code _____		

Do not staple your payment to this voucher.

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 right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping** 9 hr., 34 min.; **Learning about the law or the form** 22 min.; **Preparing the form** 1 hr., 28 min.; **Copying, assembling, and sending the form to the IRS** 16 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 the Western Area Distribution Center, Attention: Tax Forms Committee, Rancho Cordova, CA 95743-0001. **DO NOT** send the tax form to this office. Instead, see **Where To File** below.

General Instructions

Social Security and Medicare Taxes.—The 1995 wage base is \$61,200 for social security. There is no wage base limit for Medicare.

The social security tax rate is 6.2% and the Medicare tax rate is 1.45% each for the employer and the employee.

Reconciliation of Forms 943 and W-3.—To reduce the discrepancies between amounts reported on Forms W-2, W-3, and 943—

1. Be sure the amounts on **Form W-3**, Transmittal of Wage and Tax Statements, agree with the total amounts from **Forms W-2**, Wage and Tax Statement.
2. Reconcile Form W-3 with your annual Form 943 by comparing amounts reported for—
 - Social security wages, social security tips, and Medicare wages and tips. The amounts may not match if, for example, you made adjustments for a prior year on Form 941c.
 - Social security and Medicare taxes. The amounts shown on the annual Form 943 including the current year adjustments should be approximately twice the amounts shown on Form W-3.
 - Income tax withheld.
 - Advance earned income credit.

As discussed in the line 8 instructions, amounts reported on Forms W-2, W-3, and 943 may not match for valid reasons. If they do not match, determine that the reasons are valid. Keep your reconciliation so you will have a record of why amounts did not match in case there are inquiries.

Additional Information.—Circular A has information you may need for social security tax, Medicare tax, Federal unemployment (FUTA) tax, and withheld income tax. It includes tables showing the income tax to withhold from an employee's wages.

Purpose of Form.—Use Form 943 to report income tax withheld and employer and employee social security and Medicare taxes on farmworkers. If you have household employees working in your private home on your farm operated for a profit, they are considered farm employees. To report social security, Medicare, and income tax withholding on the wages of household employees, you may either:

1. File Schedule H (Form 1040), Household Employment Taxes, with your individual income tax return, or
2. Include the wages with other farm employee wages on Form 943.

If you paid wages to nonfarm workers, do not report these on Form 943. If you paid wages to a household employee in a home that is not on a for-profit farm, you must report the taxes on Schedule H. If you paid wages to other nonfarm workers, report the taxes on **Form 941**, Employer's Quarterly Employment Tax Return. See Pub. 926 for more information about household employees.

See Circular A for more information concerning agricultural employment tax returns.

Who Must File.—File Form 943 if you paid to one or more farmworkers wages subject to social security and Medicare taxes or income tax withholding under the tests discussed below. (For definitions of farmworkers and wages, see Circular A.)

The \$150 Test or the \$2,500 Test.—Employer and employee social security and Medicare taxes are due and the wages are subject to income tax withholding if you meet either test below.

- You pay an employee cash wages of \$150 or more in a calendar year for farmwork.
- The total (cash and noncash) you pay to farmworkers is \$2,500 or more in the calendar year.

Exception for certain hand-harvest laborers: If you pay a farmworker less than \$150 in annual cash wages, those wages are not subject to social security and Medicare taxes even if you pay \$2,500 or more to all your farmworkers, if the farmworker:

- a. Is employed in agriculture as a hand-harvest laborer,
- b. Is paid piece rates in an operation that is usually paid on a piece-rate basis in the region of employment,

c. Commutes daily from his or her home to the farm, and

d. Was employed in agriculture less than 13 weeks in the preceding calendar year (1994).

The amounts you pay these seasonal farmworkers, however, count toward the \$2,500-or-more test for determining the social security and Medicare coverage of other farmworkers. If the \$2,500-or-more test for the group is not met, the \$150-or-more test for an individual still applies.

Exception for household employees.—In 1995, a household worker on your for-profit farm is not subject to social security and Medicare taxes unless you paid that employee cash wages of \$1,000 or more, regardless of the total wages you paid. The amounts you paid to such workers do count in the \$2,500-or-more group test, even if you chose to report their wages on Schedule H (Form 1040).

Social security and Medicare taxes apply to most payments of sick pay, including payments made by third parties such as insurance companies. For details, see **Pub. 15-A**, Employer's Supplemental Tax Guide, and the instructions on Form W-3.

When To File.—For 1995, file Form 943 by January 31, 1996. However, if you made deposits on time in full payment of the taxes due for the year, you may take an additional 10 days from January 31 to file the return.

After you file your first return, we will send you a form every year. If you receive a form for a year in which you are not liable for filing, write "NONE" on line 11 and send the form back to the IRS.

If you stop paying wages during the year, file a final return for 1995. Be sure to mark the box at the top. If you later become liable for any of the taxes, notify the IRS.

Where To File.—Find the state and, if applicable, county location of your legal residence, principal place of business, office, or agency in the list below. Send your return to the **Internal Revenue Service** at the address listed for your location. No street address is needed.

Florida, Georgia, South Carolina

Return without payment:
Atlanta, GA 39901-0018

Return with payment:
P.O. Box 105094
Atlanta, GA 30348-0008

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

Return without payment:
Holtsville, NY 00501-0018

Return with payment:
P.O. Box 254
Newark, NJ 07101-0008

(Continued on next page)

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YOUR COPY

Name ► Employer identification number ►

Address and ZIP code ►

Sale or transfer of business.—If a business is sold or transferred by one employer to another, each must file a separate return. Such a transfer occurs, for example, if a sole proprietor forms a partnership or a corporation. Neither employer should report wages paid by the

other employer. When a statutory merger or consolidation occurs, however, the continuing corporation's obligation to file a Form 943 and report wages is the same as if the continuing corporation and the dissolved corporation or corporations were one person.

If you do not have to file returns in the future, check here.

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14	Overpayment , if line 12 is more than line 11, enter here ► \$ and check if to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded.		

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				K November 30	
				L December 31	
				M Total liability for year (add lines A through L)	

Sign 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.

Signature ► Print Your Name and Title ► Date ►

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Return without payment: Andover, MA 05501-0018
Return with payment: P.O. Box 371475
 Pittsburgh, PA 15250-0008

Illinois, Iowa, Minnesota, Missouri, Wisconsin
Return without payment: Kansas City, MO 64999-0018
Return with payment: P.O. Box 970009
 St. Louis, MO 63197-0008

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia
Return without payment: Philadelphia, PA 19255-0018
Return with payment: P.O. Box 8526
 Philadelphia, PA 19162-0008

Indiana, Kentucky, Michigan, Ohio, West Virginia
Return without payment: Cincinnati, OH 45999-0018
Return with payment: P.O. Box 6538
 Chicago, IL 60680-0008

Kansas, New Mexico, Oklahoma, Texas
Return without payment: Austin, TX 73301-0018
Return with payment: P.O. Box 970015
 St. Louis, MO 63197-0008

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 84201-0018
Return with payment: P.O. Box 7353
 San Francisco, CA 94120-0008

California (all other counties), Hawaii
Return without payment: Fresno, CA 93888-0018
Return with payment: P.O. Box 60819
 Los Angeles, CA 90060-0008

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee
Return without payment: Memphis, TN 37501-0018
Return with payment: P.O. Box 1212
 Charlotte, NC 28201-0008

If you have no legal residence or principal place of business in any state
All returns: Philadelphia, PA 19255-0008

Penalties and Interest.—There are penalties for filing a return late and for paying or depositing taxes late, unless there is reasonable cause. If you are late, please attach an explanation to your return. There are penalties for willful failure to (1) file returns and pay taxes when due, (2) give Form W-2 to employees, or (3) keep records. There are also penalties for filing false returns or submitting bad checks. Interest is charged on taxes paid late at the rate set by law. See Circular A for more details.

Caution: *If income, social security, and Medicare taxes that must be withheld are not withheld or are not paid to the IRS, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid taxes. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business. See Circular A for more details.*

Forms W-2 and W-3.—By January 31, 1996, give Form W-2 to each employee who was working for you at the end of 1995. If an employee stops working for you before the end of the year, give him or her Form W-2 any time after employment ends but no later than January 31 of the following year. If the employee asks you for Form W-2, give

him or her the completed form within 30 days of the request or the last wage payment, whichever is later.

By February 29, 1996, send Copy A of all Forms W-2 with Form W-3 to the Social Security Administration. The address is in the instructions for Form W-3.

Filing on Magnetic Media.—If you prepare 250 or more W-2s in 1 year, you are required to use magnetic media instead of filing Copy A of Form W-2. You can get the rules for reporting W-2 information on magnetic media from the Social Security Administration, OCRO/DEA/Resubmittal Unit, 3-E-10 North Building, Metro West, 300 North Greene Street, Baltimore, MD 21201.

Specific Instructions

Line 1.—Do not include household employees in your private nonfarm home, persons who receive no pay during the pay period, pensioners, or members of the Armed Forces.

Line 2.—Show the total taxable cash wages you paid all your employees for farmwork in the calendar year. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. Report the full cash wages before tax was deducted. If you paid an employee more than \$61,200 in 1995, show only \$61,200 for that employee.

Line 4.—Show the total taxable cash wages you paid all your employees for farmwork in the calendar year. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. Report the full cash wages before tax was deducted.

Line 6.—You must withhold income tax from employees from whom you withhold social security and Medicare taxes. See Circular A. Enter income tax withheld on wages paid to employees. If you are not required to withhold income tax, enter -0-.

Line 8.—Use line 8 to adjust amounts of social security and Medicare taxes reported in the current year or a prior period. (See also *Income tax adjustments* below.)

Current year adjustments. In certain cases, amounts reported as social security and Medicare taxes on lines 3 and 5 must be adjusted to arrive at your correct liability.

Fractions of cents.—If there is a difference between the total tax on line 3 or 5 and the total deducted from your employees' wages because of fractions of cents added or dropped in collecting the tax, report the difference on line 8. If this difference is the only entry, write "Fractions only" in the margin.

Prior period adjustments. Prior period adjustments include errors in social security and Medicare taxes reported on earlier returns or errors in credits for overpayment of penalty or interest paid on tax for an earlier year. If you report both an underpayment and an overpayment, show only the difference. Because any amount shown on line 8 increases or decreases your tax liability, the adjustment must be included on your record of Federal tax liability on Form 943 or 943-A. Your deposit requirements determine which liability report is used. Include the adjustment in the report entry area that corresponds with the date on which the error was found.

Explain any prior period adjustments on line 8 on **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows (a) what the error was, (b) year in which the error was made and the amount of the error, (c) year in which you found the error, (d) that you repaid the employee tax or got each affected employee's written consent to this refund or credit, if the entry corrects an overcollection, and (e) if the entry corrects social security and Medicare taxes overcollected in an earlier year, that you got from the employee a written statement that he or she

has not claimed and will not claim a refund or credit for the amount.

Enter on Form 941c or include in the statement the total wages for all your employees as previously reported and as corrected.

If you are adjusting an employee's social security wages, Medicare wages, or tax withheld for a prior year, you must also file **Form W-2c**, Statement of Corrected Income and Tax Amounts, and **Form W-3c**, Transmittal of Corrected Income and Tax Statements, with the social security office where you filed Forms W-2. You can get these from the IRS.

Income tax adjustments.—Generally, you cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an **administrative error**. An administrative error occurs if the amount you entered on the return is not the amount you actually withheld. See Circular A for more information.

Line 9.—Add line 7 to line 8 if reporting additional taxes. Subtract line 8 from line 7 if reducing taxes previously reported.

Line 10.—Employees who are eligible can receive advance EIC payments with their wages by giving you **Form W-5**, Earned Income Credit Advance Payment Certificate, annually. For details, see Circular A.

Line 12.—Show the total amount deposited for the year, including any overpayment from 1994, as shown in your records.

Line 13.—You should have a balance due only if your total tax liability for the year (line 11) is less than \$500.

Exception. The balance due may be \$500 or more if you are a monthly depositor and are making payments under the **Accuracy of Deposits Rule**, discussed later. If line 11 is \$500 or more and you have deposited all taxes when due, the amount shown on line 13 (balance due) should be zero. Please write your EIN, "Form 943," and "1995" on your check.

Line 14.—If you deposited more than the correct amount for a year, you can have the overpayment refunded or applied to your next return.

Deposit requirements.—In general, you must deposit employer and employee social security and Medicare taxes, and withheld income tax of \$500 or more with an authorized financial institution or a Federal Reserve bank (FRB). Do not send deposits to the IRS or you could be subject to a penalty. Include **Form 8109**, Federal Tax Deposit Coupon, with each deposit. Follow the instructions in the Federal Tax Deposit Coupon Book.

For 1996, if your employment taxes were more than \$47 million in calendar year 1993 or 1994, you must use Electronic Funds Transfer. See Temporary Regulations 31.6302-1T and Rev. Proc. 94-48, 1994-2 C.B. 694.

If you hand-deliver your deposit to an authorized depository on the due date, be sure to deliver it before the depository closes its business day. If you make your deposit with an FRB, it must be made with the one for your area. Also, it must be in a form of payment that the FRB considers to be an immediate credit item. If you need more information, contact an authorized depository or an FRB.

Deposit Rules

These rules determine when you must deposit Federal employment taxes (other than FUTA taxes). They apply to backup withholding; Federal income tax withheld on wages, pensions, and annuities; and social security and Medicare taxes.

You are either a monthly schedule depositor or a semiweekly schedule depositor. The IRS will notify you each November whether you are a monthly or a semiweekly schedule depositor for

the coming calendar year. If you do not receive the notification, you must determine your own deposit status. You determine your status at the beginning of the calendar year based on the total tax you reported on your original Form 943 in the lookback period (explained below).

Lookback Period.—The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for calendar year 1996 is calendar year 1994.

Adjustments to lookback period taxes.—To determine your taxes for the lookback period, use only the tax you reported on the original return (Form 943). **Do not** include adjustments made on a supplemental return filed after the due date of the return. However, if you make adjustments on Form 943, the adjustments are included in the total tax for the period in which the adjustments are reported.

Monthly Deposit Schedule.—If the total tax reported on Form 943 for the lookback period is \$50,000 or less, you are a monthly schedule depositor for the current year. You must deposit employment taxes and taxes withheld on payments made during a calendar month by the 15th day of the following month.

New employers.—If you are a new employer, your taxes for the lookback period are considered to be zero. Therefore, you are a monthly schedule depositor for the year in which you first became an employer (but see the **\$100,000 One-Day Deposit Rule** later).

Semiweekly Deposit Schedule.—If the total tax reported on Form 943 for the lookback period is more than \$50,000, you are a semiweekly depositor for the current year. If you are a semiweekly schedule depositor, you must deposit on Wednesday and/or Friday depending on what day of the week you make payments as shown below:

Payment Days/Deposit Periods	Deposit By
Wednesday, Thursday, and/or Friday	Following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Following Friday

Deposits on Banking Days Only.—If a deposit is required to be made on a Saturday, Sunday, or legal holiday, the deposit is considered to be made timely if it is made by the close of the next banking day.

Semiweekly schedule depositors will always have 3 banking days to make a deposit.

\$100,000 One-Day Deposit Rule.—If you accumulate taxes of \$100,000 or more on any day during a deposit period, you must deposit by the close of the next banking day, whether you are a monthly or a semiweekly schedule depositor.

For purposes of the \$100,000 rule, do not continue accumulating taxes after the end of a deposit period.

If you are a monthly schedule depositor and you accumulate \$100,000 on any day, you become a semiweekly schedule depositor on the next day for the remainder of the calendar year and for the following calendar year.

Accuracy of Deposits Rule.—You will satisfy your deposit obligation if you deposit timely at least 98% of the tax liability or if the deposit shortfall does not exceed \$100. For this rule to apply, you must deposit any underpayment by the shortfall makeup date. See Circular A for the definition of shortfall.

\$500 Exception.—If you accumulate less than a \$500 tax liability during a year, no deposits are required. You may pay with the tax return for the year. However, if you are unsure that you will accumulate less than \$500 for the year, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties.