

Excess Medicare Tax Credit
(Hospital Insurance Benefits Tax Credit)

▶ **Do not use this form if your wages from all sources total \$51,300 or less.**
▶ **Attach to Form 1040.**

Name(s) shown on Form 1040

Your social security number

Use this form only if during the year:

- (1) You had wages as a Medicare qualified government employee or a railroad employee representative; **and**
- (2) You had wages under the social security program or compensation as a railroad employee; **and**
- (3) The total of the wages in (1) and (2) above exceeds \$51,300.

1	Total taxable wages received as a Medicare qualified government employee and total taxable Railroad Retirement Tax Act compensation for services rendered as an employee representative during the year; or \$51,300, whichever is smaller . Note: <i>If you were employed by two or more government agencies, see the instructions for line 1.</i>		
2	Total social security wages from Form(s) W-2 (other than as a Medicare qualified government employee) plus compensation for services as a railroad employee; or \$51,300, whichever is smaller		
3	Unreported tips subject to social security tax reported on Form 4137 , Social Security Tax on Unreported Tip Income, line 9		
4	Add lines 1, 2, and 3. Enter the total. If the total is \$51,300 or less, stop here; you cannot take the credit. Otherwise, go to line 5 ▶		
5	Multiply the amount on line 4 by .0145. Enter the result		
6	Maximum employee's Medicare tax	\$743	85
7	Subtract line 6 from line 5. Enter the result here. Also include this amount on Form 1040, line 61. On the dotted line next to line 61, write "Form 4469" and show the amount ▶		

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 this 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** 20 minutes
- Learning about the law or the form** 3 minutes
- Preparing the form** 10 minutes
- Copying, assembling, and sending the form to IRS** . 17 minutes

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the Instructions for Form 1040.

Purpose of Form.—For 1990, the maximum Medicare (hospital insurance benefits) tax that may be imposed on an employee is \$743.85 (\$51,300 x .0145). This form enables you as a Medicare qualified government employee or a railroad employee representative to figure any credit for excess Medicare tax. A credit is allowed only if the amount on line 4 of this form is more than \$51,300.

Medicare Qualified Government Employees.—A Medicare qualified government employee is a Federal, state, or local government employee whose wages are subject only to the 1.45% (.0145) Medicare tax.

Federal, state, and local government employees may claim a credit on this form if their combined wages from more than one government agency or their government wages plus wages from other employment that are subject to the full amount of social security or railroad retirement (RRTA) tax exceeds \$51,300.

If, in addition to your government wages, you received wages in excess of \$51,300 from two or more other employers and the full amount of social security or RRRTA tax was withheld, you may be entitled to a credit for excess social security or RRRTA tax. First, figure any excess Medicare tax on this form. Then figure any excess social security tax withheld on the worksheet on page 24 of the Form 1040 Instructions. Only social security tax withheld is entered on line 1 of that worksheet and not the Medicare tax withheld on Medicare qualified government wages. Get **Pub. 505**, Tax Withholding and Estimated Tax, to figure any excess RRRTA tax withheld.

Line 1—Employed by Two or More Government Agencies.—If you worked for more than one government agency during the year and your wages were only subject to the 1.45% Medicare tax, do not follow the instructions on line 1 of this form. Instead, enter your total government wages (but not over \$51,300 for any one agency) on line 1 even if the total exceeds \$51,300. For example, you were paid \$52,000 by X agency and \$20,000 by Y agency. Both agencies withheld the 1.45% Medicare tax from your wages. On line 1 you should enter \$71,300 (\$51,300 + \$20,000), not \$51,300 as the instructions on line 1 state.