

Instructions for Form CT-1 X



Department of the Treasury
Internal Revenue Service

(Rev. January 2012)

Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund

Section references are to the Internal Revenue Code unless otherwise noted.

What's New?

Future developments. The IRS has created a page on IRS.gov for information about Form CT-1 X and its instructions, at www.irs.gov/formct1x. Information about any future developments affecting Form CT-1 X (such as legislation enacted after we release it) will be posted on that page.

New Tier I Employee (non-Medicare) tax rate. For 2011 Forms CT-1, the Tier I Employee (non-Medicare) tax rate has been reduced from 6.2% to 4.2%.

Reminder

PTIN requirement. Paid preparers must enter their Preparer Tax Identification Number (PTIN) in the *Paid preparer use only* section in Part 5 of Form CT-1 X. For more information, visit the IRS website at www.irs.gov/ptin.

Qualified employer's Tier I tax exemption for 2010 only. Qualified employers are allowed an exemption for their share (6.2%) of Tier I employer tax on compensation paid to qualified employees after March 31, 2010, and before January 1, 2011. Any errors discovered on previously filed 2010 Forms CT-1 for this exemption are corrected on lines 6b, 6c, and 12b of Form CT-1 X.

Qualified employer's Tier I tax credit for 2010 only. Qualified employers are allowed a credit in the second quarter of 2010 for their share (6.2%) of Tier I employer tax on compensation paid to qualified employees after March 18, 2010, and before April 1, 2010. Any errors discovered on previously filed 2010 Forms CT-1 for this credit are corrected on lines 17a and 17b of Form CT-1 X.

General Instructions: Understanding Form CT-1 X

What Is the Purpose of Form CT-1 X?

Use Form CT-1 X to correct errors on a Form CT-1 that you previously filed. Use Form CT-1 X to correct:

- Tier I Employee tax, Tier I Employee Medicare tax, and Tier II Employee tax;
- Tier I Employer tax, Tier I Employer Medicare tax, and Tier II Employer tax;
- Exemption for qualified employer's share of Tier I tax on compensation paid to qualified employees April 1-December 31, 2010; and
- Credit for qualified employer's share of Tier I tax on compensation paid to qualified employees March 19-31, 2010.

Use Form 843, Claim for Refund and Request for Abatement, to request a refund or abatement of assessed interest or penalties.



TIP We use the terms "correct" and "corrections" on Form CT-1 X and in these instructions to include interest-free adjustments under sections 6205 and 6413 and claims for refund and abatement under sections 6402, 6414, and 6404. See Revenue Ruling 2009-39, 2009-52 I.R.B. 951, for examples of how the interest-free adjustment and claim for

refund rules apply in 10 different situations. You can find Rev. Rul. 2009-39, at www.irs.gov/irb/2009-52_IRB/ar14.html.

When you discover an error on a previously filed Form CT-1, you must:

- Correct that error using Form CT-1 X,
- File a separate Form CT-1 X for each Form CT-1 that you are correcting, and
- File Form CT-1 X separately. **Do not** file Form CT-1 X with Form CT-1. But see the exception in the specific instructions for line 20, *Did You Reclassify Any Workers?*, later.

If you did not file a Form CT-1 for one or more years, **do not** use Form CT-1 X. Instead, file Form CT-1 for each of those years. See also *When Should You File Form CT-1 X?*, later.

However, if you did not file Forms CT-1 because you improperly treated workers as independent contractors or nonemployees and are now reclassifying them as employees, see the instructions for line 20, later.

You have additional requirements to complete when filing Form CT-1 X, such as certifying that you filed (or will file) all applicable Forms W-2, Wage and Tax Statements, and Forms W-2c, Corrected Wage and Tax Statements. For corrections of overreported Tier I and Tier II taxes, you must make any certifications that apply to your situation.

Report the correction of underreported and overreported amounts for the same tax period on a single Form CT-1 X, unless you are requesting a refund or abatement. If you are requesting a refund or abatement and are correcting both underreported and overreported amounts, file one Form CT-1 X correcting the underreported amounts only and a second Form CT-1 X correcting the overreported amounts.

You will use the adjustment process if you underreported employment taxes and are making a payment, or if you overreported employment taxes and will be applying the credit to Form CT-1 X. However, see the *Caution*, later, if you are correcting overreported amounts during the last 90 days of a period of limitations. You will use the claim process if you overreported employment taxes and are requesting a refund or abatement of the overreported amount. Follow the chart on the back of Form CT-1 X for help in choosing whether to use the adjustment process or the claim process.

Be sure to provide a detailed explanation on line 21 for each correction that you show on Form CT-1 X.

Where Can You Get Help?

For help filing Form CT-1 X or for questions about RRTA taxes and tax corrections, you can:

- Call the IRS toll-free at 1-800-829-4933 (TTY/TDD for the hearing impaired at 1-800-829-4059),
- Visit www.irs.gov/businesses and click on "Employment Taxes," or
- See Pub. 15 (Circular E), Employer's Tax Guide.

See also *How Can You Order Forms and Publications from the IRS?*, later.

When Should You File Form CT-1 X?

File Form CT-1 X when you discover an error on a previously filed Form CT-1.

However, if your only errors on Form CT-1 relate to RRTA tax liabilities reported in Part II of Form CT-1 or on Form 945-A, Annual Record of Federal Tax Liability, do not file Form CT-1 X. For more information about correcting RRTA tax liabilities

reported in Part II of Form CT-1 or on Form 945-A, see the instructions for Form 945-A.

Due dates. The due date for filing Form CT-1 X depends on when you discover an error and if you underreported or overreported tax. If you underreported tax, see *Underreported tax*, later. For overreported amounts, you may choose to either make an interest-free adjustment or file a claim for refund or abatement. If you are correcting overreported amounts, see *Overreported tax—credit or Overreported tax—claim*, later.

If any due date falls on a Saturday, Sunday, or legal holiday, you may file Form CT-1 X on the next business day. If we receive Form CT-1 X after the due date, we will treat Form CT-1 X as filed on time if the envelope containing Form CT-1 X is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date, or sent by an IRS-designated private delivery service on or before the due date. If you do not follow these guidelines, we will consider Form CT-1 X filed when it is actually received. See Pub. 15 (Circular E) for more information on IRS-designated private delivery services.

Underreported tax. If you are correcting underreported tax, you must file Form CT-1 X by the due date of the return for the return period in which you discovered the error and **pay** the amount you owe when you file. Filing and paying on time generally will ensure that your correction is interest free and not subject to failure-to-pay or failure-to-deposit penalties. See *What About Penalties and Interest?*, later.

If Form CT-1 X is filed late (after the due date of the return for the return period in which you discovered the error), you must attach an amended Form 945-A to Form CT-1 X. Otherwise, the IRS may assess an “averaged” failure-to-deposit penalty. The total tax reported on line M of Form 945-A must match the corrected total tax (line 13 of Form CT-1 combined with any correction reported on line 18 of Form CT-1 X) for the calendar year.

Pay the amount you owe when you file. Doing so will generally ensure that your correction is interest free and not subject to failure-to-pay or failure-to-deposit penalties. See *What About Penalties and Interest?*, later. For details on how to make a payment, see the instructions for line 18, later.

Example—You owe tax. On March 11, 2013, you discover that you underreported \$1,000 of RRTA compensation on your 2011 Form CT-1. File Form CT-1 X and pay the amount you owe by February 28, 2014, because you discovered the error in 2013, and February 28, 2014, is the due date for that year. If you file Form CT-1 X before February 28, 2014, pay the amount you owe when you file.

Overreported tax—credit. If you overreported tax on Form CT-1 and choose to apply the credit to Form CT-1, file Form CT-1 X as soon as possible after you discover the error but more than 90 days before the period of limitations on the credit or refund for Form CT-1 expires. See *Is There a Deadline for Filing Form CT-1 X?*, later.

Example—You want your credit applied to Form CT-1. You filed your 2011 Form CT-1 on February 24, 2012, and payments were timely made. On May 3, 2012, you discover that you overreported tax on your 2011 Form CT-1. You file Form CT-1 X on June 1, 2012. The IRS treats your credit as a tax deposit made on January 1, 2012. When you file your 2012 Form CT-1, include the amount from line 18 of Form CT-1 X on the “Total railroad retirement tax deposits” line of your 2012 Form CT-1.

Overreported tax—claim. If you overreported tax on Form CT-1, you may choose to file a claim for refund or abatement on Form CT-1 X any time before the period of limitations on credit or refund expires on Form CT-1. If you need to correct any underreported amounts, you must file another Form CT-1 X reporting only corrections to the underreported amounts. See *Is There a Deadline for Filing Form CT-1 X?*, later.



TIP If you discovered an error on or before December 31, 2008, but did not report it as a line adjustment on Form CT-1 for any year that ended before 2009 and did not file a claim (Form 843), use Form CT-1 X to correct the error. File Form CT-1 X for the year in which you made the error.

Is There a Deadline for Filing Form CT-1 X?

Generally, you may correct overreported taxes on a previously filed Form CT-1 if you file Form CT-1 X within 3 years of the date Form CT-1 was filed or 2 years from the date you paid the tax reported on Form CT-1, whichever is later. You may correct underreported taxes on a previously filed Form CT-1 if you file Form CT-1 X within 3 years of the date the Form CT-1 was filed. We call each of these time frames a “period of limitations.” For purposes of the period of limitations, Form CT-1 is considered filed on the last day in February of the succeeding year if filed before that date.

Example. You filed your 2010 Form CT-1 on January 28, 2011, and payments were timely made. The IRS treats the return as if it were filed on February 28, 2011. On January 14, 2014, you discover that you overreported RRTA compensation on that form by \$10,000. To correct the error you must file Form CT-1 X by February 28, 2014, which is the end of the period of limitations, and use the claim process.



CAUTION If you file Form CT-1 X to correct overreported amounts in the last 90 days of a period of limitations (after November 30, 2013, in the example above), you must use the claim process. You cannot use the adjustment process. If you also are correcting underreported amounts, you must file another Form CT-1 X to correct the underreported amounts using the adjustment process and pay any tax due.

Where Should You File Form CT-1 X?

Send your completed Form CT-1 X to:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0007

How Should You Complete Form CT-1 X?

Use a Separate Form CT-1 X for Each Year You Are Correcting

Use a separate Form CT-1 X for each Form CT-1 that you are correcting. For example, if you found errors on your Forms CT-1 for 2010 and 2011, file one Form CT-1 X to correct the 2010 Form CT-1. File a second Form CT-1 X to correct the 2011 Form CT-1.

EIN, Name, and Address

Enter your EIN, name, and address in the spaces provided. Also enter your name and EIN on the top of pages 2 and 3, and on any attachments. If your address has changed since you filed your Form CT-1, enter the corrected information and the IRS will update your address of record. Be sure to write your name, EIN, “Form CT-1 X,” and calendar year on the top of any attachments.

Return You Are Correcting

Enter the calendar year of the Form CT-1 you are correcting at the top of page 1. Enter the calendar year on pages 2 and 3 and on any attachments. Be sure to write your name, EIN, “Form CT-1 X,” and calendar year on the top of any attachments.

Enter the Date You Discovered Errors

You **must** enter the date you discovered errors. You discover an error when you have enough information to be able to correct it. If you are reporting several errors that you discovered

at different times, enter the earliest date you discovered them here. Report any subsequent dates and related errors on line 21.

Must You Make an Entry on Each Line?

You must provide all of the information requested at the top of page 1 of Form CT-1 X. You must check one box (but not both) in Part 1. You must check the box on line 3 and any boxes that apply on lines 4 and 5. In Part 3, if any line does not apply, leave it blank. Complete Parts 4 and 5 as instructed.

How Should You Report Negative Amounts?

Form CT-1 X uses negative numbers to show reductions in tax (credits) and positive numbers to show additional tax (amounts you owe).

When reporting a negative amount in columns 3 and 4, use a minus sign instead of parentheses. For example, enter “-10.59” instead of “(10.59).” However, if you are completing the return on your computer and your software only allows you to use parentheses to report negative amounts, you may use them.

How Should You Make Entries on Form CT-1 X?

You can help the IRS process Form CT-1 X timely and accurately if you follow these guidelines.

- Type or print your entries.
- Use Courier font (if possible) for all typed or computer-generated entries.
- Omit dollar signs. You may use commas and decimal points, if desired. Enter dollar amounts to the left of any preprinted decimal point and cents to the right of it.
- Always show an amount for cents. Do not round entries to whole dollars.
- Complete all three pages and sign Form CT-1 X on page 3.
- Staple multiple sheets in the upper-left corner.

What About Penalties and Interest?

Generally, your correction of an underreported amount will not be subject to a failure-to-pay penalty, failure-to-deposit penalty, or interest if you:

- File on time (by the due date of the year in which you discover the error),
- Pay the amount shown on line 18 when you file Form CT-1 X,
- Enter the date you discovered the error, and
- Explain in detail the grounds and facts relied on to support the correction.

No correction will be eligible for interest-free treatment if any of the following apply.

- The underreported amounts relate to an issue that was raised in an examination of a prior period,
- You knowingly underreported your employment tax liability,
- You received a notice and demand for payment, or
- You received a Notice of Determination of Worker Classification.

Overview of the Process

The process for adjusting Form CT-1 or filing a claim to correct a previously filed Form CT-1 is outlined below.

If you underreported the tax. If you underreported the tax on a previously filed Form CT-1, check the box on line 1 and **pay** any additional amount you owe when you file Form CT-1 X. For details on how to make a payment, see the instructions for line 18, later.

Example—You underreported RRTA taxes. On June 21, 2013, you discover an error that results in additional tax on your 2011 Form CT-1. File Form CT-1 X by February 28, 2014, and pay the amount you owe when you file. See *When Should You File Form CT-1 X?*, earlier. **Do not** attach Form CT-1 X to your 2013 Form CT-1. But see the exception in the specific instructions for line 20, *Did You Reclassify Any Workers?*, below.

If you overreported the tax. If you overreported the tax on a previously filed Form CT-1, choose one of the following options.

- **Use the adjustment process.** Check the box on line 1 to apply any credit (negative amount) from line 18 to Form CT-1 for the year during which you file Form CT-1 X.
- **Use the claim process.** Check the box on line 2 to file a claim on Form CT-1 X requesting a refund or abatement of the amount shown on line 18.



To ensure that the IRS has enough time to process a credit for an **overreporting adjustment** in the year during which you file Form CT-1 X, you are encouraged to file Form CT-1 X correcting the overreported amount in the first 11 months of a year. For example, if you discover an overreported amount in December, you may want to file Form CT-1 X in the first 11 months of the next year. However, there must be 90 days remaining on the period of limitations when you file Form CT-1 X. See the Caution, under Is There a Deadline for Filing Form CT-1 X?, earlier. This should ensure that the IRS will have enough time to process the Form CT-1 X so that the credit will be posted before you file Form CT-1, thus avoiding an erroneous balance due notice from the IRS. See the example next.

Example—You want your overreported tax applied as a credit on Form CT-1. On December 22, 2012, you discover you overreported your tax on your 2011 Form CT-1 and want to choose the adjustment process. To allow the IRS enough time to process the credit, you file Form CT-1 X on February 7, 2013.

Specific Instructions

Part 1: Select ONLY One Process

Because Form CT-1 X may be used to file either an adjusted railroad retirement tax return or a claim for refund or abatement, you **must** check one box on either line 1 or line 2. Do not check both boxes.

1. Adjusted Railroad Retirement Tax Return

Check the box on line 1 if you are correcting underreported amounts or overreported amounts and you would like to use the adjustment process to correct the errors.

If you are correcting both underreported amounts and overreported amounts on this form, you **must** check this box. If you check this box, any negative amount shown on line 18 will be applied as a credit (tax deposit) to your Form CT-1 for the year in which you are filing this form. See *Example—You want your overreported tax applied as a credit to Form CT-1*, earlier.

If you owe tax. Pay the amount shown on line 18 when you file Form CT-1 X. Generally, you will not be charged interest if you file on time, pay on time, enter the date you discovered the error, and explain the correction on line 21.

If you have a credit. You overreported RRTA taxes (you have a negative amount on line 18) and want the IRS to apply the credit to Form CT-1 for the period during which you filed Form CT-1 X. The IRS will apply your credit on the first day of the Form CT-1 year during which you filed Form CT-1 X. However, the credit you show on line 18 of Form CT-1 X may not be fully available on your Form CT-1 if the IRS corrects it during processing or you owe other taxes, penalties, or interest. The IRS will notify you if your claimed credit changes or if the amount available as a credit on Form CT-1 was reduced because of unpaid taxes, penalties, or interest.



Do not check the box on line 1 if you are correcting overreported amounts and the period of limitations on credit or refund for Form CT-1 will expire within 90 days of the date you file Form CT-1 X. Instead, check the box on line 2. See Is There a Deadline for Filing Form CT-1 X?, earlier.

2. Claim

Check the box on line 2 to use the claim process if you are correcting **overreported amounts only** and you are claiming a refund or abatement for the negative amount (credit) shown on line 18. Do not check this box if you are correcting ANY underreported amounts on this form.

You must check the box on line 2 if you have a credit and the period of limitations on credit or refund for Form CT-1 will expire within 90 days of the date you file Form CT-1 X. See *Is There a Deadline for Filing Form CT-1 X?*, earlier.

The IRS usually processes claims shortly after they are filed. The IRS will notify you if your claim is denied, accepted as filed, or selected to be examined. See Pub. 556, Examination of Returns, Appeal Rights, and Claims for Refund, for more information.

Unless the IRS corrects Form CT-1 X during processing or you owe other taxes, penalties, or interest, the IRS will refund the amount shown on line 18, plus any interest that applies.

Part 2: Complete the Certifications

You must complete all certifications that apply by checking the appropriate boxes. If all of your corrections relate to underreported amounts, complete line 3 only; skip lines 4 and 5 and go to Part 3. If your corrections relate to overreported amounts, you have a duty to ensure that your employees' rights to recover overpaid Employee RRTA taxes that you withheld are protected. The certifications on lines 4 and 5 address the requirement to:

- Repay or reimburse your employees for the overcollection of Employee RRTA taxes, or
- Obtain consents from your employees to file a claim on their behalf.

For purposes of these certifications, Employee RRTA taxes consist of Tier I Employee tax, Tier I Employee Medicare tax, and Tier II Employee tax. Employer RRTA taxes consist of Tier I Employer tax, Tier I Employer Medicare tax, and Tier II Employer tax.

3. Filing Forms W-2 or Forms W-2c

Check the box on line 3 to certify that you filed or will file Forms W-2 or Forms W-2c, as required, showing your employees' correct wage and tax amounts. See the Instructions for Forms W-2 and W-3 and the Instructions for Forms W-2c and W-3c for detailed information about Forms W-2 and W-2c filing requirements for years prior to 2012. Beginning in 2012, the General Instructions for Forms W-2 and W-3 provide the details for Forms W-2c and W-3c.

You must check the box on line 3 to certify that you filed Forms W-2 or Forms W-2c even if your corrections on Form CT-1 X do not change amounts shown on those forms. For example, if your only correction to Form CT-1 involves misstated tax adjustments (see the instructions for line 16), check the box on line 3 to certify that you already filed all required Forms W-2 and W-2c.

4. Certifying Overreporting Adjustments

If you overreported RRTA tax and checked the box on line 1, check the appropriate box on line 4. You may need to check more than one box. If you obtained written statements from some employees but you could not locate or secure the cooperation of the remaining employees, check all applicable boxes. Provide a summary on line 21 of the amount of the corrections for both the employees who provided written statements and for those who did not.

4a. Check the box on line 4a if your overreported amount includes each affected employee's share of overcollected Employee RRTA taxes. You are certifying that you repaid or reimbursed the prior year Employee RRTA taxes and you received written statements from the employees stating that they did not and will not receive a refund or credit for the prior year taxes.

Example. The following is an example of the written statement that is required from employees.

Employee name _____
Employer name _____
I have received a repayment of \$ _____ as overcollected RRTA taxes for 20____. I have not claimed a refund of or credit for the overcollected taxes from the IRS or, if I did, that claim has been rejected; and I will not claim a refund or a credit of the amount. Under penalties of perjury, I declare that I have examined this statement, including accompanying documents, and, to the best of my knowledge and belief, it is true, correct, and complete.
Employee signature _____
Date _____

Do not send these statements to the IRS. Keep them for your records.

4b. Check the box on line 4b to certify that your overreported amount is only for Employer RRTA taxes on those employees whom you were unable to find or those who would not (or could not) give you a statement described on line 4a.

4c. Check the box on line 4c to certify that your overreported amount is only for RRTA taxes that you did not withhold from your employees.

5. Certifying Claims

If you are filing a claim for refund or abatement of overreported RRTA tax and checked the box on line 2, check the appropriate box on line 5. You may need to check more than one box. If you obtained written statements or consents from some employees but you could not locate or secure the cooperation of the remaining employees, check all applicable boxes. Provide a summary on line 21 of the amount of the corrections for both the employees who provided statements or consents and those who did not.

5a. Check the box on line 5a if your overreported tax includes overcollected Employee RRTA taxes for each affected employee. You are certifying that you repaid or reimbursed to the employees their share of the prior year Employee RRTA taxes and you received written statements from those employees stating that they did not and will not receive a refund or credit for the prior year taxes.

5b. Check the box on line 5b if your overreported tax includes overcollected prior year Employee RRTA taxes for each affected employee and you have not yet repaid or reimbursed the Employee RRTA taxes. You are certifying that you received consent from each affected employee to file a claim on the employee share of those taxes and you received written statements from those employees stating that they did not and will not receive a refund or credit for the overcollected taxes.

Example. The following is an example of the consent and written statement that is required from employees when you are filing a claim for refund and have not yet paid or reimbursed the employee share of taxes.

Employee name _____
Employer name _____
I give my consent to have my employer (named above) file a claim on my behalf with the IRS requesting \$ _____ in overcollected RRTA taxes for 20____. I have not claimed a refund of or credit for the overcollected taxes from the IRS or, if I did, that claim has been rejected; and I will not claim a refund or a credit of the amount. Under penalties of perjury, I declare that I have examined this statement, including accompanying documents, and, to the best of my knowledge and belief, it is true, correct, and complete.
Employee signature _____
Date _____

Do not send these statements to the IRS. Keep them for your records.

In certain situations, you may not have repaid or reimbursed your employees or obtained their consents prior to filing a claim,

such as in cases where the period of limitations on credit or refund is about to expire. In those situations, file Form CT-1 X, but do not check a box on line 5. Tell us on line 21 that you "have not repaid or reimbursed employees or obtained consents." However, you must certify that you have repaid or reimbursed your employees or obtained consents **before** the IRS can grant the claim.

5c. Check the box on line 5c to certify that your overreported tax is only for the Employer RRTA taxes. Affected employees did not give you consent to file a claim for refund for the Employee RRTA taxes, they could not be found, or they would not (or could not) give you a statement described on line 5b.

5d. Check the box on line 5d to certify that your overreported amount is only for RRTA taxes that you did not withhold from your employees.

Part 3: Enter the Corrections for This Year

What Amounts Should You Report in Part 3?

In columns 1 and 2 of lines 6a through 17b, show amounts for **all** of your employees, not just for those employees whose amounts you are correcting.

If a correction that you report in column 4 includes both underreported and overreported amounts (see the instructions for line 19), provide details for each error on line 21.



If you previously adjusted or amended Form CT-1 by using an attached statement, Form CT-1 X, Form 843, an "amended" Form CT-1, by filing a "supplemental" Form CT-1, or because of an IRS examination change, show amounts in column 2 that include those previously reported corrections.

6a Through 6c: Tier I Employer Tax—Compensation

6a. Correcting Total Tier I Employer—Compensation

If you are correcting the compensation (other than tips and sick pay) for the Tier I Employer tax you reported on line 1a of the 2010 Form CT-1 (or line 1 of Forms CT-1 for other years), enter the total corrected amount for **all** employees in column 1. In column 2, enter the amount you originally reported. In column 3, enter the difference between columns 1 and 2. If you (or the IRS) previously corrected the amount reported on line 1a of the 2010 Form CT-1 (or line 1 of Forms CT-1 for other years), enter in column 2 the amount after any previous corrections.

line 6a (column 1)	
<u>-line 6a (column 2)</u>	
line 6a (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .062 (6.2% tax rate) and enter the result in column 4.

line 6a (column 3)	
x .062	
line 6a (column 4)	

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier I Employer compensation decreased.

You reported \$9,000 as Tier I Employer compensation in computing the tax on line 1 of your 2011 Form CT-1. In December of 2012, you discovered that you included \$2,000 in compensation for one of your employees twice. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (from line 1 of Form CT-1)	<u>- 9,000.00</u>
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (6.2%)	<u>x .062</u>
Column 4 (tax correction)	-124.00

Be sure to explain the reasons for this correction on line 21.

Correcting Tier I Employer RRTA Tax Exemption



Lines 6b and 6c apply only to corrections to the 2010 Form CT-1.

Complete lines 6b, 6c, and 12b to correct the payroll tax exemption for your share (6.2%) of Tier I Employer Tax on exempt compensation paid to one or more qualified employees.

You had to be a qualified employer to qualify for the Tier I employer tax exemption. A **qualified employer** is any employer other than federal, state, and any related governmental entities. All public institutions of higher education and Indian tribal governments are also qualified employers. For more information regarding the employer's RRTA tax exemption, visit IRS.gov and enter the keywords "HIRE Act" in the search box.

You could have elected not to claim the Tier I exemption for a qualified employee. The election would have been made by not including that employee's compensation on lines 1c through 1d and line 7c of your 2010 Form CT-1.

A **qualified employee** is an employee who:

- Began employment with you after February 3, 2010, and before January 1, 2011;
- Certified by signed affidavit (Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit, or similar statement) under penalties of perjury that he or she had not been employed for more than 40 hours during the 60-day period (including 2009) ending on the date the employee began employment with you;
- Was not employed by you to replace another employee unless the other employee separated from employment voluntarily or for cause (including downsizing); and
- Was not related to you. An employee is related to you if he or she is your child or a descendent of your child, your sibling or stepsibling, your parent or ancestor of your parent, your stepparent, your niece or nephew, your aunt or uncle, or your in-law. An employee is also related to you if he or she is related to anyone who owns more than 50% of your outstanding stock or capital and profits interest or is your dependent or a dependent of anyone who owns more than 50% of your outstanding stock or capital and profits interest.

Exempt compensation is compensation paid to qualified employees for which you are exempt from paying your share (6.2%) of the Tier I employer tax.

For more information about the employer's Tier I tax exemption, visit IRS.gov and enter the keywords "HIRE Act" in the search box.

6b. Number of qualified employees paid exempt compensation including sick pay April 1-December 31, 2010. Enter on line 6b (column 1) the total corrected number of qualified employees paid compensation including sick pay to which you applied the employer's Tier I tax exemption. Enter on line 6b (column 2) the total number of qualified employees originally reported on line 1c of the previously filed 2010 Form CT-1. On line 6b (column 3), enter the difference between columns 1 and 2.

Be sure to explain the reasons for this correction on line 21.



If you make a correction to line 6b, then you must complete line 6c.

6c. Exempt compensation (other than tips and sick pay) paid to qualified employees after March 31. Enter on line 6c (column 1) the total corrected amount from line 1d of the previously filed 2010 Form CT-1. Enter on line 6c (column 2) the amount you originally reported or as previously corrected.

On line 6c (column 3), enter the difference between columns 1 and 2. If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .062 (6.2% tax rate) and enter that result in column 4. However, to properly show the correction as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. See *Correcting Tier I Employer RRTA Tax Exemption*, earlier, for the definition of qualified employee and exempt compensation.

Be sure to explain the reasons for this correction on line 21.



If you make a correction to line 6c, then you must complete line 6b.

7. Tier I Employer Medicare Tax—Compensation

If you are correcting the compensation (other than tips and sick pay) for the Tier I Employer Medicare tax you reported on line 2 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 7 (column 1)	
-line 7 (column 2)	
line 7 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .0145 (1.45% tax rate) and enter that result in column 4.

line 7 (column 3)	
x .0145	
line 7 (column 4)	

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier I Employer Medicare compensation decreased. Following *Example—Tier I Employer compensation decreased* in the instructions for line 6a, the compensation that you counted twice was also Tier I Employer Medicare compensation. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (from line 2 of Form CT-1)	- 9,000.00
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (1.45%)	x .0145
Column 4 (tax correction)	- 29.00

Be sure to explain the reasons for this correction on line 21.

8. Tier II Employer Tax—Compensation

If you are correcting the compensation (other than tips) for the Tier II Employer tax you reported on line 3 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 8 (column 1)	
-line 8 (column 2)	
line 8 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by the rate stated on line 3 of the Form CT-1 you are correcting and enter that result in column 4. If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier II Employer compensation decreased. Following *Example—Tier I Employer compensation decreased* in the instructions for line 6a, the compensation that you counted twice was also Tier II Employer compensation. Because you are correcting your 2011 Form CT-1 in this example, use the rate from line 3 (12.1%) shown on that return. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (from line 3 of Form CT-1)	- 9,000.00
Column 3 (difference)	- 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (12.1%)	x .121
Column 4 (tax correction)	-242.00

Be sure to explain the reasons for this correction on line 21.

9. Tier I Employee Tax—Compensation

If you are correcting the compensation, including tips reported, but excluding sick pay, for the Tier I Employee tax you reported on line 4 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 9 (column 1)	
-line 9 (column 2)	
line 9 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .042 (4.2% tax rate) for corrections to 2011 Form CT-1 (or by .062 (6.2% tax rate) for corrections to Form CT-1 for other years) and report that result in column 4.

line 9 (column 3)	
x .062**	
line 9 (column 4)	

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

** .042 for 2011 (or .062 for other years)

Be sure to explain the reasons for this correction on line 21.

10. Tier I Employee Medicare Tax—Compensation

If you are correcting the compensation, including tips reported, but excluding sick pay, for the Tier I Employee Medicare tax you reported on line 5 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 10 (column 1)	
-line 10 (column 2)	
line 10 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .0145 (1.45% tax rate) and enter that result in column 4.

line 10 (column 3)	
x .0145	
line 10 (column 4)	

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 21.

11. Tier II Employee Tax—Compensation

If you are correcting the compensation, including tips reported, for the Tier II Employee tax you reported on line 6 of Form

CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 11 (column 1)
~~line 11 (column 2)~~
 line 11 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by the rate stated on line 6 of the Form CT-1 you are correcting and enter that result in column 4. If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier II Employee compensation decreased.

Following Example—Tier I Employer compensation decreased in the instructions for line 6a, the compensation that you counted twice was also Tier II Employee compensation. Because you are correcting your 2011 Form CT-1 in this example, use the rate for line 6 (3.9%) shown on that return. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount) 7,000.00
 Column 2 (from line 6 of Form CT-1) - 9,000.00
 Column 3 (difference) - 2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference) -2,000.00
 Tax rate (3.9%) x .039
 Column 4 (tax correction) -78.00

Be sure to explain the reasons for this correction on line 21.

12a and 12b. Tier I Employer Tax—Sick Pay

12a. Correcting Tier I Employer tax—sick pay

If you are correcting the sick pay for the Tier I Employer tax you reported on line 7a of the 2010 Form CT-1 (or line 7 of Forms CT-1 for other years), enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 12a (column 1)
~~line 12a (column 2)~~
 line 12a (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .062 (6.2% tax rate) and enter that result in column 4.

line 12a (column 3)
 x .062
 line 12a (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier I Employer sick pay increased. You reported \$8,000 as Tier I Employer sick pay in computing the tax on line 7 of your 2011 Form CT-1. In December of 2012, you discovered that you overlooked \$1,000 in sick pay for one of your employees. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount) 9,000.00
 Column 2 (from line 7 of Form CT-1) - 8,000.00
 Column 3 (difference) 1,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference) 1,000.00
 Tax rate (6.2%) x .062
 Column 4 (tax correction) 62.00

Be sure to explain the reasons for this correction on line 21.



Line 12b applies only to corrections to the 2010 Form CT-1.

12b. Exempt sick pay paid to qualified employees April 1-December 31, 2010. Enter the total corrected amount from line 7c of the previously filed 2010 Form CT-1 in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .062 (6.2% tax rate) and enter that result in column 4. However, to properly show the correction as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. See *Correcting Tier I Employer RRTA Tax Exemption*, earlier, for the definitions of qualified employee and exempt compensation.



If you make a correction to line 12b, then you must complete line 12a.

Be sure to explain the reasons for this correction on line 21.

13. Tier I Employer Medicare Tax—Sick Pay

If you are correcting the sick pay for the Tier I Employer Medicare tax you reported on line 8 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)
~~line 13 (column 2)~~
 line 13 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .0145 (1.45% tax rate) and enter that result in column 4.

line 13 (column 3)
 x .0145
 line 13 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 21.

14. Tier I Employee Tax—Sick Pay

If you are correcting the sick pay for the Tier I Employee tax you reported on line 9 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 14 (column 1)
~~line 14 (column 2)~~
 line 14 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .042 (4.2% tax rate) for corrections to 2011 Form CT-1 (or by .062 (6.2% tax rate) for corrections to Form CT-1 for other years) and enter that result in column 4.

line 14 (column 3)
 x .062**
 line 14 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

** .042 for 2011 (or .062 for other years)

Be sure to explain the reasons for this correction on line 21.

15. Tier I Employee Medicare Tax—Sick Pay

If you are correcting the sick pay for the Tier I Employee Medicare tax you reported on line 10 of Form CT-1, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 15 (column 1)
-line 15 (column 2)
line 15 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by .0145 (1.45% tax rate) and enter that result in column 4.

line 15 (column 3)
x .0145
line 15 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.


Be sure to explain the reasons for this correction on line 21.

16. Tax Adjustments

Do not enter an amount on line 16 unless you need to **correct** any current year adjustments reported on line 12 of a previously filed Form CT-1. However, if you need to correct sick pay adjustments for prior years reported on line 12 of a previously filed Form CT-1, include the corrections in the calculations of lines 12 through 15 of Form CT-1 X.


Enter the corrected amount for tax adjustments in column 1. Enter the originally reported or previously corrected current year amount from line 12 of Form CT-1 in column 2. In column 3, enter the difference between columns 1 and 2.

line 16 (column 1)
-line 16 (column 2)
line 16 (column 3)

 *You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on line 12 of Form CT-1.*

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.

On line 21, describe what you misreported on Form CT-1. Tell us which current year adjustments have changed, that is, fractions of cents; uncollected Tier I Employee tax, Tier I Employee Medicare tax, or Tier II Employee tax on tips; or credits for overpayments of penalty or interest paid on tax for earlier years.

 *Only use line 16 to correct adjustments for fractions of cents; uncollected Tier I Employee tax, Tier I Employee Medicare tax, and Tier II Employee tax on tips; or credits for overpayments of penalty or interest previously reported. File a separate Form CT-1 X for each year being corrected.*

17a and 17b. Credit for Exempt Taxes Paid First Quarter of 2010

Complete lines 17a and 17b to adjust the tax credit for Tier I Employer tax on compensation paid to qualified employees from March 19, 2010, through March 31, 2010.

17a. Number of qualified employees paid exempt compensation (including sick pay) March 19-31, 2010. Enter the total corrected number from line 15a of your previously filed 2010 Form CT-1 in column 1. In column 2, enter the amount you originally reported in the previously filed 2010 Form CT-1 or as previously corrected. In column 3, enter the difference between columns 1 and 2. See *Correcting Tier I Employer RRTA Tax Exemption*, earlier, for the definition of qualified employee.

Be sure to explain the reasons for this correction on line 21.

17b. Exempt compensation (other than tips) paid to qualified employees March 19-31, 2010. Enter the total corrected amount from line 15b of your previously filed 2010 Form CT-1 in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. See *Correcting Tier I Employer RRTA Tax Exemption*, earlier, for the definition of exempt compensation.

Multiply the amount in column 3 by .062 (6.2% tax rate) and enter that result in column 4.

Be sure to explain the reasons for this correction on line 21.



Lines 17a and 17b apply only to corrections to the 2010 Form CT-1.

18. Total

Combine the amounts on lines 6a through 17b of column 4. Enter the result on line 18.

Example. You entered “-500.00” in column 4 of line 6a, “-100.00” in column 4 of line 7, and “1,400.00” in column 4 of line 16. Combine these amounts and enter “800.00” in column 4 of line 18.

Line 6a	-500.00
Line 7	-100.00
Line 16	+1,400.00
Line 18	800.00

Your credit. If the amount entered on line 18 is less than zero, for example, “-115.00,” you have a credit because you overreported your RRTA taxes.

- If you checked the box on line 1, **include** this amount on line 14 (“Total railroad retirement tax deposits”) of Form CT-1 for the year during which you filed Form CT-1 X. Do not make any changes to your Record of Railroad Retirement Tax Liability in Part II of Form CT-1 or on Form 945-A, if your Form CT-1 or Form 945-A is filed timely. The amounts reported on the record should reflect your actual tax liability for the period.
- If you checked the box on line 2, you are filing a claim for refund or abatement of the amount shown.

If your credit is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Amount you owe. If the amount entered on line 18 is a positive number, you must pay the amount you owe when you file Form CT-1 X. You may not use any credit that you show on another Form CT-1 X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form CT-1 X, do not file an amended Form 945-A unless you were assessed a failure-to-deposit (FTD) penalty caused by an incorrect, incomplete, or missing Form 945-A. Do not include the tax increase reported on Form CT-1 X on any amended Form 945-A you file.

If you owe tax and are filing a late Form CT-1 X, that is, after the due date for Form CT-1 for the period in which you discovered the error, you must file an amended Form 945-A with the Form CT-1 X. Otherwise, the IRS may assess an “averaged” FTD penalty.

Payment methods. You may pay the amount you owe on line 18 electronically using the Electronic Federal Tax Payment System (EFTPS) or by a check or money order.

- The preferred method of payment is EFTPS. For more information, visit www.irs.gov/e-pay or www.eftps.gov, call EFTPS Customer Service at 1-800-555-4477 toll free, or see Pub. 966, The Secure Way to Pay Your Federal Taxes.
- If you pay by check or money order, make it payable to “United States Treasury.” On your check or money order, be sure to write your EIN, “Form CT-1 X,” and the year corrected.

You do not have to pay if the amount you owe is less than \$1.

Previously assessed FTD penalty. If line 18 reflects overreported tax and the IRS previously assessed an FTD

penalty, you may be able to reduce the penalty. For more information, see the instructions for Form 945-A.

Part 4: Explain Your Corrections for This Year

19. Correction of Both Underreported and Overreported Amounts

Check the box on line 19 if any corrections you entered on lines 6a through 17b in column 3 reflect both underreported and overreported amounts.

Example. If you had an increase to Tier I Employer compensation of \$15,000 for employee A and a decrease to Tier I Employer compensation of \$5,000 for employee B, you would enter \$10,000 on line 6a, column 3. That \$10,000 represents the net change resulting from corrections.

On line 21, you must explain the reason for both the \$15,000 increase and the \$5,000 decrease.

20. Did You Reclassify Any Workers?

Check the box on line 20 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS (or you) determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 21, provide a detailed reason why any worker was reclassified.

Return not filed because you did not treat any workers as employees. If you did not previously file Form CT-1 because you mistakenly treated all workers as independent contractors or as nonemployees, file a Form CT-1 for each delinquent year.

Write "Misclassified Employees" in dark, bold letters across the top margin of page 1 of each Form CT-1. Complete Form CT-1 using the Instructions for Form CT-1. Attach a Form CT-1 X to each Form CT-1. Complete the top of Form CT-1 X, including the date you discovered the error, and provide a detailed explanation on line 21.

21. Explain Your Corrections

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 21, describe in detail each correction you entered in column 4 on lines 6a through 17b. If you need more space, attach additional sheets, but be sure to write your name, EIN, and calendar year on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as "RRTA compensation was overstated" or "administrative/payroll errors were discovered" are insufficient and may delay the processing of your Form CT-1 X because the IRS may need to ask for a more complete explanation.

The following is the information we need in your explanation for each error you are correcting.

- Form CT-1 X line number(s) affected.
- Date you discovered the error.
- Difference (amount of the error).
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

"The \$1,000 difference shown in column 3 of lines 6a and 7 was discovered on May 14, 2012, during an internal payroll audit. We discovered that we included \$1,000 of compensation for one of our employees twice. This correction removes the reported compensation that was never paid."

Part 5: Sign Here

You must complete all three pages of Form CT-1 X and sign it on page 3. If you do not sign, the processing of Form CT-1 X will be delayed.

Who must sign the Form CT-1 X? Form CT-1 X must be signed by one of the following:

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized partner, member, or officer having knowledge of its affairs.
- **Single member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

A duly authorized agent of the taxpayer also may sign Form CT-1 X if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form CT-1 X by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at www.irs.gov/pub/irs-irbs/irb05-28.pdf.

Paid Preparer Use Only

A paid preparer must sign Form CT-1 X and provide the information in the *Paid preparer use only* section of Part 5 if the preparer was paid to prepare Form CT-1 X and is not an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give the employer the return to file with the IRS and include a copy of the return for the employer's records.

If you are a paid preparer, write your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, write the firm's name and the EIN of the firm. You can apply for a PTIN using Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. You cannot use your PTIN in place of the EIN of the tax preparation firm.

Generally, you are not required to complete this section if you are filing the return as a reporting agent and have a valid Form 8655, Reporting Agent Authorization, on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.

How Can You Order Forms and Publications from the IRS?



Call the IRS at 1-800-829-3676.



Visit the IRS website at www.irs.gov/formspubs.

Additional Information

You may find the following products helpful when using Form CT-1 X.

- Form W-2, Wage and Tax Statement
- Form W-3, Transmittal of Wage and Tax Statements
- Instructions for Forms W-2 and W-3
- Form W-2c, Corrected Wage and Tax Statement
- Form W-3c, Transmittal of Corrected Wage and Tax Statements
- Instructions for Forms W-2c and W-3c**
- Form 945-A, Annual Record of Federal Tax Liability
- Form W-11, Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit
- Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal
- Instructions for Form CT-1

- Instructions for Form 843
 - Pub. 15 (Circular E), Employer's Tax Guide
 - Pub. 966, The Secure Way to Pay Your Federal Taxes
- **Beginning in 2012, the Instructions for Forms W-2c and W-3c will be merged into the General Instructions for Forms W-2 and W-3.

Privacy Act and 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. Our authority to ask for information is found in sections 6001, 6011, and 6012(a) and their regulations. Section 6109 requires you to provide your identifying number on the return. If you do not provide the information we ask for, or provide false or fraudulent information, you may be subject to penalties. We may disclose this information to the Department of Justice for civil or criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless

the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form CT-1 X will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	18 hr., 53 min.
Learning about the law or the form	24 min.
Preparing and sending the form to the IRS	43 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 email us at taxforms@irs.gov. Enter "Forms comment" on the subject line or write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, Washington, DC 20224. **Do not** send Form CT-1 X to this address. Instead, see *Where Should You File Form CT-1 X?*, earlier.
