



# Instructions for Form 944

## Employer's ANNUAL Federal Tax Return

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

### Future Developments

For the latest information about developments related to Form 944 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form944](http://www.irs.gov/form944).

### What's New

**Forms 944-SS and 944-PR discontinued.** Form 944-SS, Employer's ANNUAL Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, and Form 944-PR, Planilla para la Declaración Federal ANUAL del Patrono, will no longer be issued by the IRS after 2011.

Beginning with tax year 2012, employers who previously filed Form 944-SS or 944-PR will continue to file annually using Form 944 (or Form 944 (SP), Declaración Federal ANUAL de Impuestos del Patrono o Empleador, the Spanish language equivalent of Form 944). Alternatively, employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands may request to file Forms 941-SS, Employer's QUARTERLY Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands, instead of Form 944 or Form 944 (SP). Employers in Puerto Rico may request to file Forms 941-PR, Planilla para la Declaración Federal TRIMESTRAL del Patrono, instead of Form 944 or Form 944 (SP).

**Social security and Medicare taxes for 2012.** The employee tax rate for social security is 4.2%. The employer tax rate for social security remains unchanged at 6.2%. The Medicare tax rate is 1.45% each for the employee and employer, unchanged from 2011. The social security wage base limit is \$110,100. There is no wage base limit for Medicare tax.

Social security and Medicare taxes apply to the wages of household workers you pay \$1,800 or more in cash or an equivalent form of compensation. Social security and Medicare taxes apply to election workers who are paid \$1,500 or more in cash or an equivalent form of compensation.

**VOW to Hire Heroes Act of 2011.** On November 21, 2011, the President signed into law the VOW to Hire Heroes Act of 2011. This new law provides an expanded work opportunity tax credit to businesses that hire eligible unemployed veterans and, for the first time, also makes part of the credit available to certain tax-exempt organizations. Businesses claim the credit as part of the general business credit and tax-exempt organizations claim it against their payroll tax liability using Form 5884-C, Work Opportunity Credit for Qualified Tax-Exempt Organizations Hiring Qualified Veterans. The liability reported on Form 944 is not reduced by the amount of the credit. The credit is available for eligible unemployed veterans who begin work on or after November

22, 2011, and before January 1, 2013. For more information about the credit, visit [www.irs.gov/form5884c](http://www.irs.gov/form5884c).

**Change of address.** Use Form 8822-B, Change of Address—Business, to notify the IRS of an address change.

### Reminders

**Employers can choose to file Forms 941, 941-SS, or 941-PR instead of Form 944.** Employers required to file Form 944, who want to file Forms 941, 941-SS, or 941-PR instead, must notify the IRS they are electing to file quarterly Forms 941, 941-SS, or 941-PR and opting out of filing Form 944. See *What if you want to file Forms 941, 941-SS, or 941-PR instead of Form 944*, later.

**Correcting a previously filed Form 944 or 944-SS.** If you discover an error on a previously filed Form 944 or 944-SS, make the correction using Form 944-X, Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund. Form 944-X is filed separately from Form 944. For more information, see section 13 of Pub. 15 (Circular E), Employer's Tax Guide, or section 9 of Pub. 80 (Circular SS), Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. You may also visit IRS.gov and enter the keywords *Correcting Employment Taxes*.

**Correcting a previously filed Form 944-PR.** If you discover an error on a previously filed Form 944-PR, make the correction using Form 944-X (PR), Ajuste a la Declaración Federal ANUAL del Patrono o Reclamación de Reembolso. Form 944-X (PR) is filed separately from Form 944. For more information, see section 12 of Pub. 179 (Circular PR), Guía Contributiva Federal para Patronos Puertorriqueños. You may also visit IRS.gov and enter the keywords *Correcting Employment Taxes*.

**Paid preparers must sign Form 944.** Paid preparers must complete and sign the paid preparer's section of Form 944.

**COBRA premium assistance credit.** The credit for COBRA premium assistance payments applies to premiums paid for employees involuntarily terminated between September 1, 2008, and May 31, 2010, and to premiums paid for up to 15 months. See the instructions for line 9a, later.

**Federal tax deposits must be made by electronic funds transfer.** You must use electronic funds transfer to make all federal tax deposits. Generally, electronic funds transfers are made using the Electronic Federal Tax Payment System (EFTPS). If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make deposits on your behalf. Also, you may arrange for your financial institution to initiate a same-day wire payment on your behalf. EFTPS is a free service provided by the Department of Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

For more information on making federal tax deposits, see section 11 of Pub. 15 (Circular E), section 8 of Pub. 80

(Circular SS), or section 11 of Pub. 179 (Circular PR). To get more information about EFTPS or to enroll in EFTPS, visit [www.eftps.gov](http://www.eftps.gov) or call one of the following numbers.

- 1-800-555-4477
- 1-800-733-4829 (TDD)
- 1-800-244-4829 (Spanish)
- 303-967-5916 (toll call)

Additional information about EFTPS is also available in Pub. 966, Electronic Federal Tax Payment System: A Guide to Getting Started, or Pub. 966 (SP), Sistema de Pago Electrónico del Impuesto Federal: La Manera Segura de Pagar los Impuestos Federales.



*For an EFTPS deposit to be on time, you must initiate the deposit by 8 p.m. Eastern time the day before the date the deposit is due.*

**Same-day wire payment option.** If you fail to initiate a deposit transaction on EFTPS by 8 p.m. Eastern time the day before the date a deposit is due, you can still make your deposit on time by using the Federal Tax Application (FTA). To use the same-day wire payment method, you will need to make arrangements with your financial institution ahead of time. Please check with your financial institution regarding availability, deadlines, and costs. Your financial institution may charge you a fee for payments made this way. To learn more about the information you will need to provide to your financial institution to make a same-day wire payment, visit [www.eftps.gov](http://www.eftps.gov) to download the *Same-Day Payment Worksheet*.

**Timeliness of federal tax deposits.** If a deposit is required to be made on a day that is not a business day, the deposit is considered timely if it is made by the close of the next business day. A business day is any day other than a Saturday, Sunday, or legal holiday. The term *legal holiday* for deposit purposes includes only those legal holidays in the District of Columbia. Legal holidays in the District of Columbia are provided in Pub. 15 (Circular E).

**Electronic filing and payment.** Now, more than ever before, businesses can enjoy the benefits of filing tax returns and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, the IRS offers you convenient programs to make filing and paying easier. Spend less time and worry on taxes and more time running your business. Use e-file and Electronic Federal Tax Payment System (EFTPS) to your benefit.

- For e-file, visit [www.irs.gov/efile](http://www.irs.gov/efile).
- For EFTPS, visit [www.eftps.gov](http://www.eftps.gov) or call EFTPS at one of the numbers provided under *Federal tax deposits must be made by electronic funds transfer*, earlier.



*If you are filing your tax return or paying your federal taxes electronically, a valid EIN is required at the time the return is filed. If a valid EIN is not provided, the return or payment will not be processed. This may result in penalties.*



*If you were a semiweekly schedule depositor at any time during 2012, you must file a paper Form 944 and Form 945-A, Annual Record of Federal Tax Liability.*

**Electronic funds withdrawal (EFW).** If you file Form 944 electronically, you can e-file and e-pay (electronic funds withdrawal) the balance due in a single step using tax preparation software or through a tax professional. However, **do not** use EFW to make federal tax deposits. For more

information on paying your taxes using EFW, visit the IRS website at [www.irs.gov/e-pay](http://www.irs.gov/e-pay). A fee may be charged to file electronically.

**Credit or debit card payments.** Employers can pay the balance due shown on Form 944 by credit or debit card. **Do not** use a credit or debit card to make federal tax deposits. For more information on paying your taxes with a credit or debit card, visit the IRS website at [www.irs.gov/e-pay](http://www.irs.gov/e-pay). A convenience fee will be charged for this service.

**Employer's liability.** Employers are responsible to ensure that tax returns are filed and deposits and payments are made, even if the employer contracts with a third party. The employer remains liable if the third party fails to perform a required action.

**Where can you get telephone help?** For answers to your questions about completing Form 944, tax deposit rules, or obtaining an employer identification number (EIN) call the IRS at one of the numbers listed below.

- 1-800-829-4933 (Business and Specialty Tax Line) or 1-800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability); Monday–Friday 7:00 a.m.–7:00 p.m. local time (Alaska and Hawaii follow Pacific time; employers in Puerto Rico receive service from 8:00 a.m.–8:00 p.m. local time).
- 267-941-1000 (toll call); Monday–Friday 6:00 a.m.–11:00 p.m. Eastern time.

**Photographs of missing children.** The IRS is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

## General Instructions

Federal law requires employers to withhold taxes from employees' paychecks. Each time wages are paid, employers must withhold — or take out of employees' paychecks — certain amounts for federal income tax, social security tax, and Medicare tax. Under the withholding system, taxes withheld from employees are credited to employees in payment of their tax liabilities.



*References to federal income tax withholding do not apply to employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico.*

Federal law also requires employers to pay any liability for the employer's portion of social security and Medicare taxes. This portion of social security and Medicare taxes is not withheld from employees.

## What Is the Purpose of Form 944?

Form 944 is designed so the smallest employers (those whose annual liability for social security, Medicare, and withheld federal income taxes is \$1,000 or less) will file and pay these taxes only once a year instead of every quarter. These instructions give you some background information about Form 944, who must file Form 944, how to complete it line by line, and when and where to file it.

For more information about annual employment tax filing and tax deposit rules, see Treasury Decision 9566, 2012-8 I.R.B. 389, at [www.irs.gov/irb/2012-08\\_IRB/ar09.html](http://www.irs.gov/irb/2012-08_IRB/ar09.html).


If you want more in-depth information about payroll tax topics, see Pub. 15 (Circular E), Pub. 80 (Circular SS), Pub. 179 (Circular PR), or visit the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and click on the *Employment Taxes* link under *Businesses Topics*.

## Who Must File Form 944?

In general, if the IRS has notified you to file Form 944, you must file Form 944 instead of Forms 941, 941-SS, or 941-PR to report the following amounts.


- Wages you have paid.
- Tips your employees have received.
- Federal income tax you withheld.
- Both the employer's and the employee's share of social security and Medicare taxes.
- Current year's adjustments to social security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance.
- Credit for COBRA premium assistance payments.

If you received notification to file Form 944, you must file Form 944 to report your social security, Medicare, and withheld federal income taxes for the 2012 calendar year unless you contacted the IRS by April 2, 2012, to request to file Forms 941, 941-SS, or 941-PR quarterly instead and received written confirmation that your filing requirement was changed. You must file Form 944 even if you have no taxes to report (or you have taxes in excess of \$1,000 to report) unless you filed a final return. See *If your business has closed...*, later. Also see *What if you want to file Forms 941, 941-SS, or 941-PR instead of Form 944*, later.

 **TIP** *If you have not received notification to file Form 944 but estimate your employment tax liability for calendar year 2013 will be \$1,000 or less and would like to file Form 944 instead of Forms 941, 941-SS, or 941-PR, you can contact the IRS to request to file Form 944. To file Form 944 for calendar year 2013, you must call the IRS at 1-800-829-4933 or 267-941-1000 (toll call) by April 1, 2013, or send a written request postmarked by March 15, 2013. The mailing addresses for written requests are provided below under What if you want to file Forms 941, 941-SS, or 941-PR instead of Form 944. The IRS will send you a written notice that your filing requirement has been changed to Form 944. If you do not receive this notice, you must file Forms 941, 941-SS, or 941-PR for calendar year 2013.*

**New employers** are also eligible to file Form 944 if they will meet the eligibility requirements. New employers filing Form SS-4, Application for Employer Identification Number, or Form SS-4PR, Solicitud de Número de Identificación Patronal (EIN), must complete line 13 of Form SS-4 or SS-4PR indicating the highest number of employees expected in the next 12 months and must check the box on line 14 to indicate whether they expect to have \$1,000 or less in employment tax liability for the calendar year and would like to file Form 944. Generally, if you pay \$4,000 or less in wages subject to social security and Medicare taxes and federal income tax withholding, you are likely to pay \$1,000 or less in employment taxes. Generally, if you are an employer in Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S.

Virgin Islands and you pay \$6,536 or less in wages subject to social security and Medicare taxes, you are likely to pay \$1,000 or less in employment taxes. New employers are advised of their employment tax filing requirement when they are issued their EIN.

 **TIP** *If the IRS notified you to file Form 944 for 2012, file Form 944 (and not Forms 941, 941-SS, or 941-PR) even if your tax liability for 2012 exceeds \$1,000.*

## What if you want to file Forms 941, 941-SS, or 941-PR instead of Form 944?

You must file Form 944 if the IRS has notified you to do so, unless you contact the IRS to request to file quarterly Forms 941, 941-SS, or 941-PR instead. To request to file quarterly Forms 941, 941-SS, or 941-PR to report your social security, Medicare, and withheld federal income taxes for the 2013 calendar year, call the IRS at 1-800-829-4933 or 267-941-1000 (toll call) by April 1, 2013, or send a written request postmarked by March 15, 2013. Written requests should be sent to:

Department of Treasury  
Internal Revenue Service  
Ogden, UT 84201-0038

Department of Treasury  
Internal Revenue Service  
Cincinnati, OH 45999-0038

Select one of the addresses above based on the state filing alignment for returns filed *Without a payment* under *Where Should You File*, later. After you contact the IRS, the IRS will send you a written notice that your filing requirement has been changed. If you do not receive this notice, you must file Form 944 for calendar year 2013. See Rev. Proc. 2009-51, 2009-45 I.R.B. 625, available at [www.irs.gov/irb/2009-45\\_IRB/ar12.html](http://www.irs.gov/irb/2009-45_IRB/ar12.html).

## Who cannot file Form 944?

The following employers **cannot** file Form 944.

- **Employers who are not notified.** If the IRS does not notify you to file Form 944, do not file Form 944. If you would like to file Form 944 instead of Forms 941, 941-SS, or 941-PR, see the *TIP* under *Who Must File Form 944*, earlier.
- **Household employers.** If you employ only household employees, do not file Form 944. For more information, see Pub. 926, Household Employer's Tax Guide, and Schedule H (Form 1040), Household Employment Taxes, or Pub. 179 (Circular PR) and Schedule H-PR (Form 1040-PR), Contribuciones sobre el Empleo de Empleados Domésticos.
- **Agricultural employers.** If you employ only agricultural employees, do not file Form 944. For more information, see Pub. 51 (Circular A), Agricultural Employer's Tax Guide, and Form 943, Employer's Annual Federal Tax Return for Agricultural Employees, or Pub. 179 (Circular PR) and Form 943-PR, Planilla para la Declaración Anual de la Contribución Federal del Patrono de Empleados Agrícolas.

## What if you reorganize or close your business?

### If you sell or transfer your business...

If you sell or transfer your business, you and the new owner must each file a Form 944, 941, 941-SS, or 941-PR, whichever is required, for the year in which the transfer occurred. Report only the wages you paid.

When two businesses merge, the continuing firm must file a return for the year in which the change took place and the other firm should file a **final return**.

Changing from one form of business to another—such as from a sole proprietorship to a partnership or corporation—is considered a transfer. If a transfer occurs, you may need a new EIN. See section 1 of Pub. 15 (Circular E). Attach a statement to your return with all the following information.

- The new owner's name (or the new name of the business).
- Whether the business is now a sole proprietorship, partnership, or corporation.
- The kind of change that occurred (a sale or transfer).
- The date of the change.
- The name of the person keeping the payroll records and the address where those records will be kept.

### If your business has closed...

If you go out of business or stop paying wages to your employees, you must file a **final return**. To tell the IRS that Form 944 for a particular year is your final return, check the box in Part 3 on page 2 of Form 944 and enter the final date you paid wages. Also attach a statement to your return showing the name of the person keeping the payroll records and the address where those records will be kept.

If you participated in a statutory merger or consolidation, or qualify for predecessor-successor status due to an acquisition, you should generally file Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations. See the Instructions for Schedule D (Form 941) to determine whether you should file Schedule D (Form 941) and when you should file it.

## When Must You File?

File Form 944 by January 31, after the end of the calendar year. If you made timely deposits in full payment of your taxes by January 31, you have 10 more calendar days after that date to file your Form 944.

File Form 944 only once for each calendar year. If you filed Form 944 electronically, do not file a paper Form 944. For more information about filing Form 944 electronically, see *Electronic filing and payment*, earlier.

If we receive Form 944 after the due date, we will treat Form 944 as filed on time if the envelope containing Form 944 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 944 filed when it is actually received. See Pub. 15 (Circular E), Pub. 80 (Circular SS), or Pub. 179 (Circular PR) for more information on IRS-designated private delivery services.

If any due date for filing falls on a Saturday, Sunday, or legal holiday, you may file your return on the next business day.

## How Should You Complete Form 944?

Enter your EIN, name, and address in the spaces provided. Also enter your name and EIN at the top of page 2. Do not use your social security number (SSN) or individual taxpayer identification number (ITIN). Generally, enter the business (legal) name that you used when you applied for your EIN. For example, if you are a sole proprietor, enter "Tyler Smith" on the *Name* line and "Tyler's Cycles" on the *Trade name* line. Leave the *Trade name* line blank if it is the same as your *Name* line.

If you use a tax preparer to complete Form 944, make sure the preparer uses your correct business name and EIN.

**Employer identification number (EIN).** To make sure that businesses comply with federal tax laws, the IRS monitors tax filings and payments by using a numerical system to identify taxpayers. A unique nine-digit EIN is assigned to all corporations, partnerships, and some sole proprietors. Businesses needing an EIN must apply for a number and use it throughout the life of the business on all tax returns, payments, and reports.

Your business should have only one EIN. If you have more than one and are not sure which one to use, write to the IRS office where you file your returns (using the *Without a payment* address under *Where Should You File*, later) or call the IRS at 1-800-829-4933 or 267-941-1000 (toll call).

If you do not have an EIN, you may apply for one online. Visit IRS.gov and click on the *Apply for an EIN Online* link under *Tools*. You may also apply for an EIN by calling 1-800-829-4933 or 267-941-1000 (toll call), or you can fax or mail Form SS-4 or SS-4PR to the IRS. If you have applied for an EIN but do not have your EIN by the time a return is due, write "Applied For" and the date you applied in the space shown for the number.



**Always be sure the EIN on the form you file exactly matches the EIN the IRS assigned to your business. Do not use your SSN or ITIN on forms that ask for an EIN. Filing a Form 944 with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.**

**If you change your name or address...** Notify the IRS **immediately** if you change your business name or address.

- **Name change.** Write to the IRS office where you filed your return (using the *Without a payment* address under *Where Should You File*, later) to notify the IRS of any name change. See Pub. 1635, Employer Identification Number: Understanding Your EIN, to see if you need to also apply for a new EIN.
- **Address change.** Complete and mail Form 8822-B, Change of Address—Business, to notify the IRS of an address change.

## Completing and Filing Form 944

Make entries on Form 944 as follows to enable accurate processing.

- Use 12-point Courier font (if possible) for all entries if you are using a typewriter or computer to complete Form 944.
- Do not enter dollar signs and decimal points. Commas are optional. Report dollars to the left of the preprinted decimal point and cents to the right of it.
- Leave blank any data field with a value of zero (except line 7).
- Enter negative amounts using a minus sign (if possible). Otherwise, use parentheses.
- Enter your name and EIN on **all** pages and attachments.

## Other Forms You Must Use

To notify employees about the earned income credit (EIC), employers in the United States must give the employees one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.



- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on the back of Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

For more information, see section 10 of Pub. 15 (Circular E) and Pub. 596, Earned Income Credit (EIC).

## Reconciling Form 944 and Form W-3, W-3SS, or W-3PR

The IRS matches amounts reported on your Form 944 with Form W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR amounts totaled on your Form W-3 or W-3SS, Transmittal of Wage and Tax Statements, or Form W-3PR. Informe de Comprobantes de Retención. If the amounts do not agree, the IRS may contact you. The following amounts are reconciled.

- Federal income tax withholding, if applicable.
- Social security wages.
- Social security tips.
- Medicare wages and tips.

For more information, see section 12 of Pub. 15 (Circular E).

## Must You Deposit Your Taxes?

If your liability for social security, Medicare, and withheld federal income taxes is less than \$2,500 for the year, you can pay the taxes with your return. To avoid a penalty, you should pay in full and file on time. You do not have to deposit the taxes. However, you may choose to make deposits of these taxes even if your liability is less than \$2,500. If your liability for these taxes is \$2,500 or more, you are generally required to deposit the taxes instead of paying them when you file Form 944. See the *Federal Tax Deposit Requirements for Form 944 Filers* chart below. If you do not deposit the taxes when required, you may be subject to penalties and interest.

The \$2,500 threshold at which federal tax deposits must be made is different from the amount of annual tax liability (\$1,000 or less) that makes an employer eligible to file Form 944. Form 944 filers whose businesses grow during the year may be required to make federal tax deposits (see chart below), but they will still file Form 944 for the year.

Federal Tax Deposit Requirements for Form 944 Filers	
If Your Tax Liability is:	Your Deposit Requirement is:
Less than \$2,500 for the year	No deposit required. You may pay the tax with your return. If you are unsure that your tax liability for the year will be less than \$2,500, deposit under the rules below.
\$2,500 or more for the year, but less than \$2,500 for the quarter	You can deposit by the last day of the month after the end of a quarter. However, if your fourth quarter tax liability is less than \$2,500, you may pay the fourth quarter's tax liability with Form 944.
\$2,500 or more for the quarter	You must deposit monthly or semiweekly depending on your deposit schedule. But, if you accumulate \$100,000 or more of taxes on any day, you must deposit the tax by the next business day. See section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR).

**Note.** When you make deposits depends on your deposit schedule, which is either monthly or semiweekly, depending on the amount of your tax liability during the lookback period. The lookback period for Form 944 filers is different than the lookback period for Form 941, 941-SS, and 941-PR filers, so your deposit schedule may have changed. For more information, see section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR).

## What About Penalties and Interest?

### Avoiding penalties and interest

You can avoid paying penalties and interest if you do all of the following.

- Deposit or pay your taxes when they are due.
- File your fully completed Form 944 on time.
- Report your tax liability accurately in Part 2 of Form 944.
- Submit valid checks for tax payments.
- Give accurate Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR to employees.
- File Form W-3, W-3SS, or W-3PR and Copies A of Forms W-2, W-2AS, W-2GU, W-2CM, W-2VI, or Form 499R-2/W-2PR with the Social Security Administration (SSA) on time and accurately.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See sections 11 and 12 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR) for details. Use Form 843, Claim for Refund and Request for Abatement, to request abatement of assessed penalties or interest. Do not request abatement of assessed penalties or interest on Form 944, Form 944-X, 944-X (PR), 944-X (SP), 941-X, or 941-X (PR).

If you receive a notice about a penalty after you file your return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. **Do not** include an explanation when you file your return.



A trust fund recovery penalty may apply if federal income, social security, or Medicare taxes that must be withheld are not withheld or paid. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply when these unpaid taxes cannot be collected from the employer. The trust fund recovery penalty may be imposed on all people the IRS determines to be responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so. For details, see section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR).

## Where Should You File?

Where you file depends on whether you include a payment with your form.

If you are in . . .	Without a payment . . .	With a payment . . .
<b>Special filing address</b> for exempt organizations; federal, state and local governmental entities; and Indian tribal governmental entities; regardless of location	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0044	Internal Revenue Service P.O. Box 37944 Hartford, CT 06176-7944
Connecticut	New Jersey	Department of the Treasury
Delaware	New York	Internal Revenue Service
District of Columbia	North Carolina	Internal Revenue Service
Florida	Ohio	Cincinnati, OH
Georgia	Pennsylvania	45280-4522
Illinois	Rhode Island	45999-0044
Indiana	South Carolina	
Kentucky	Tennessee	
Maine	Vermont	
Maryland	Virginia	
Massachusetts	West Virginia	
Michigan	Wisconsin	
New Hampshire		
Alabama	Missouri	Department of the Treasury
Alaska	Montana	Internal Revenue Service
Arizona	Nebraska	Internal Revenue Service
Arkansas	Nevada	Ogden, UT
California	New Mexico	84201-0044
Colorado	North Dakota	
Hawaii	Oklahoma	
Idaho	Oregon	
Iowa	South Dakota	
Kansas	Texas	
Louisiana	Utah	
Minnesota	Washington	
Mississippi	Wyoming	
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409	Internal Revenue Service P. O Box 37944 Hartford, CT 06176-7944



Your filing address may have changed from that used to file your employment tax return in prior years. Do not send Form 944 or any payments to the Social Security Administration (SSA). Private delivery services cannot deliver to P.O. boxes.

## Specific Instructions

### Part 1: Answer These Questions for This Year



Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico may skip lines 1 and 2.

#### 1. Wages, Tips, and Other Compensation

Enter amounts on line 1 that would also be included in box 1 of your employees' Forms W-2. See the General Instructions for Forms W-2 and W-3 for details.

#### 2. Federal Income Tax Withheld From Wages, Tips, and Other Compensation

Enter the federal income tax that you withheld (or were required to withhold) from your employees on this year's wages, tips, taxable fringe benefits, and supplemental unemployment compensation benefits.



References to federal income tax withholding do not apply to employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, and Puerto Rico.

#### 3. If No Wages, Tips, and Other Compensation are Subject to Social Security or Medicare Tax

If no wages, tips, and other compensation are subject to social security or Medicare taxes, check the box on line 3 and go to line 5. If this question does not apply to you, leave the box blank. For more information about exempt wages, see section 15 of Pub. 15 (Circular E), section 12 of Pub. 80 (Circular SS), or section 15 of Pub. 179 (Circular PR). For religious exemptions, see section 4 of Pub. 15-A, Employer's Supplemental Tax Guide.

#### 4. Taxable Social Security and Medicare Wages and Tips

**4a. Taxable social security wages.** Report the total wages, sick pay, and fringe benefits subject to social security taxes that you paid to your employees during the year.

Enter the amount before deductions. **Do not** include tips on this line. For information on types of wages subject to social security taxes, see section 5 of Pub. 15 (Circular E), section 4 of Pub. 80 (Circular SS), or section 5 of Pub. 179 (Circular PR).

For 2012, the rate of social security tax on taxable wages is 6.2% (.062) for the employer and 4.2% (.042) for the employee, or 10.4% (.104) for both. Stop paying social security tax on and reporting an employee's wages on line 4a when the employee's taxable wages (including tips) reach \$110,100 for the year. However, continue to withhold income and Medicare taxes for the whole year on wages and tips even when the social security wage base of \$110,100 has been reached.

line 4a (column 1)

x .104

line 4a (column 2)

**4b. Taxable social security tips.** Enter all tips your employees reported to you during the year until the total of the tips and wages for an employee reach \$110,100 for the year. Include all tips your employees reported to you even if you were unable to withhold the 4.2% employee's share of social security tax.

Your employee must report cash tips to you by the 10th day of the month after the month the tips are received. The report should include charged tips you paid over to the employee for charge customers, tips the employee received directly from customers, and tips received from other employees under any tip-sharing arrangement. Both directly and indirectly tipped employees must report tips to you. No report is required for months when tips are less than \$20. Employees may use Form 4070, Employee's Report of Tips to Employer (available only in Pub. 1244, Employee's Daily Record of Tips and Report of Tips to Employer), or Form 4070-PR, Informe al Patrono de Propinas Recibidas por el(la) Empleado(a) (available only in Pub. 1244-PR, Registro Diario de Propinas Recibidas por el(la) Empleado(a) e Informe al Patrono), or submit a written statement or electronic tip record.

$$\begin{array}{r} \text{line 4b (column 1)} \\ \times \quad .104 \\ \hline \text{line 4b (column 2)} \end{array}$$

**4c. Taxable Medicare wages and tips.** Report all wages, tips, sick pay, and taxable fringe benefits that are subject to Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax.

The rate of Medicare tax is 1.45% (.0145) each for the employer and employee, or 2.9% (.029) for both. Include all tips your employees reported during the year, even if you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 4c (column 1)} \\ \times \quad .029 \\ \hline \text{line 4c (column 2)} \end{array}$$

For more information on tips, see section 6 of Pub. 15 (Circular E), section 5 of Pub. 80 (Circular SS), or section 6 of Pub. 179 (Circular PR).

**4d. Total social security and Medicare taxes.** Add the social security tax, social security tips tax, and Medicare tax.

$$\begin{array}{r} \text{line 4a (column 2)} \\ \text{line 4b (column 2)} \\ + \text{line 4c (column 2)} \\ \hline \text{line 4d} \end{array}$$

## 5. Total Taxes Before Adjustments

Add the income tax withheld from wages, tips, and other compensation from line 2 and the total social security and Medicare taxes before adjustments from line 4d. Enter the result on line 5.

## 6. Current Year's Adjustments

Enter **tax amounts** that result from current period adjustments. Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 5. Otherwise, use parentheses.

In certain cases, you must adjust the amounts you reported as social security and Medicare taxes in column 2 of lines 4a, 4b, and 4c to figure your correct tax liability for this

year's Form 944. See section 13 of Pub. 15 (Circular E), section 9 of Pub. 80 (Circular SS), or section 12 of Pub. 179 (Circular PR).

If you need to adjust any amount reported on line 6 or 6a from a previously filed Form 944 or 944-SS, complete and file Form 944-X. Form 944-X is an adjusted returns and is filed separately from Form 944. See section 13 of Pub. 15 (Circular E) or section 9 of Pub. 80 (Circular SS).

If you need to adjust any amount reported on line 6 or 6a from a previously filed Form 944-PR, complete and file Form 944-X (PR). Form 944-X (PR) is an adjusted return and is filed separately from Form 944. See section 12 of Pub. 179 (Circular PR).

**Fractions of cents.** Enter adjustments for fractions of cents (due to rounding) relating to the employee share of social security and Medicare taxes withheld. The employee share of amounts shown in column 2 of lines 4a, 4b, and 4c may differ slightly from amounts actually withheld from employees' paychecks due to rounding social security and Medicare taxes based on statutory rates.

**Sick pay.** Enter the adjustment for the employee share of social security and Medicare taxes that were withheld and deposited by your third-party sick pay payer with regard to sick pay paid by the third party. These wages should be included on lines 4a and 4c. If you are the third-party sick pay payer, enter the adjustment for any employer share of these taxes required to be paid by the employer.

**Adjustments for tips and group-term life insurance.** Enter adjustments for both of the following items.

- Any uncollected employee share of social security and Medicare taxes on tips.
- The uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

## 7. Total Taxes After Adjustments

Combine the amounts shown on lines 5 and 6 and enter the result on line 7.

- **If line 7 is less than \$2,500**, you may pay the amount with Form 944 or you may deposit the amount. See section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR) for information about federal tax deposits.
- **If line 7 is \$2,500 or more**, you generally must deposit your tax liabilities by electronic funds transfer. However, if you deposited all taxes accumulated in the first three quarters of the year and your fourth quarter liability is less than \$2,500, you may pay taxes accumulated during the fourth quarter with Form 944. The amount shown on line 7 **must** equal the amount shown on line 13m.

## 8. Total Deposits for This Year

Enter your deposits for this year, including any overpayment that you applied from filing Form 944-X, 944-X (PR), 944-X (SP), 941-X, or 941-X (PR) in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return.

## 9a. COBRA Premium Assistance Payments

Report 65% of the COBRA premiums for assistance eligible individuals. Take the COBRA premium assistance credit on this line only after the assistance eligible individual's 35% share of the premium has been paid. For COBRA coverage provided under a self-insured plan, COBRA premium

assistance is treated as having been made for each assistance eligible individual who pays 35% of the COBRA premium. Do not include the assistance eligible individual's 35% of the premium in the amount entered on this line. For more information on the COBRA premium assistance credit, visit [IRS.gov](http://IRS.gov) and enter the keyword *COBRA*.



*The amount reported on line 9a is treated as a deposit of taxes on the first day of the return period and must not be used to adjust line 13 or Form 945-A.*

## 9b. Number of Individuals Provided COBRA Premium Assistance on Line 9a

Enter the total number of assistance eligible individuals provided COBRA premium assistance reported on line 9a. Count each assistance eligible individual who paid a reduced COBRA premium in the year as one individual, whether or not the reduced premium was for insurance that covered more than one assistance eligible individual. For example, if the reduced COBRA premium was for coverage for a former employee, spouse, and two children, you would include one individual in the number entered on line 9b for the premium assistance. Further, each individual is reported only once per year. For example, an assistance eligible individual who made monthly premium payments during the year would only be reported as one individual.

## 10. Total Deposits and Credits

Add lines 8 and 9a.

## 11. Balance Due

If line 7 is more than line 10, enter the difference on line 11. Otherwise, see *Overpayment*, later.

You do not have to pay if line 11 is less than \$1. Generally, you should have a balance due only if your total taxes after adjustments (line 7) are less than \$2,500. See *If line 7 is \$2,500 or more*, earlier, for an exception.

If line 11 is:

- Less than \$1, you do not have to pay it.
- \$1 or more, but less than \$2,500, you can pay the amount owed with your return. Make your check or money order payable to the "United States Treasury" and write your EIN, "Form 944," and "2012" on the check or money order. Complete Form 944-V, Payment Voucher, and enclose it with your return.
- \$2,500 or more, you must deposit your tax. See *Must You Deposit Your Taxes*, earlier.

You may pay the amount shown on line 11 using EFTPS, a credit or debit card, or electronic funds withdrawal (EFW). **Do not** use a credit or debit card or EFW to pay taxes that were required to be deposited. For more information on electronic payment options, visit the IRS website at [www.irs.gov/e-pay](http://www.irs.gov/e-pay).

If you pay by EFTPS or credit or debit card, file your return using the *Without a payment* address under *Where Should You File*, earlier. **Do not** file Form 944-V.



*If you are required to make deposits and, instead, pay the taxes with Form 944, you may be subject to a penalty.*

## 12. Overpayment

If line 10 is more than line 7, enter the amount on line 12. **Never** make an entry on both lines 11 and 12.

If you deposited more than the correct amount for the year, you can choose to have the IRS either refund the overpayment or apply it to your next return. Check only one box on line 12. If you do not check either box or if you check both boxes, generally we will apply the overpayment to your account. We may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 12 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.

## Complete both pages.

You must complete both pages of Form 944 and sign it on page 2. Failure to do so may delay processing of your return.

## Part 2: Tell Us About Your Deposit Schedule and Tax Liability for This Year

### 13. Check One

If line 7 is less than \$2,500, check the first box on line 13 and go to line 14.

If line 7 is \$2,500 or more, check the second box on line 13. If you are a monthly schedule depositor, enter your tax liability for each month and figure the total liability for the year. If you do not enter your tax liability for each month, the IRS will not know when you should have made deposits and may assess an "averaged" failure-to-deposit penalty. See section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR). If your tax liability for any month is negative (for example, if you are adjusting an overreported liability in a prior month), do not enter a negative amount for the month. Instead, enter zero for the month and subtract that negative amount from your tax liability for the next month.

**Note.** The amount shown on line 13m must equal the amount shown on line 7.

If you are a semiweekly schedule depositor or if you accumulate \$100,000 or more in tax liability on any day in a deposit period, you must complete Form 945-A and file it with Form 944. See the *\$100,000 Next Day Deposit Rule* in section 11 of Pub. 15 (Circular E), section 8 of Pub. 80 (Circular SS), or section 11 of Pub. 179 (Circular PR). Do not complete lines 13a–13m if you file Form 945-A.

## Part 3: Tell Us About Your Business

In Part 3, answer question 14 only if it applies to your business. If it does not apply, leave it blank and go to Part 4.

### 14. If Your Business Has Closed...

If you go out of business or stop paying wages, you must file a **final return**. To notify the IRS that a particular Form 944 is your final return, check the box on line 14 and enter the date you last paid wages in the space provided.



## Part 4: May We Speak With Your Third-party Designee?

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If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 944 with the IRS, check the "Yes" box in Part 4. Enter the name, phone number, and the 5-digit personal identification number (PIN) of the specific person to contact—not the name of the firm that prepared your tax return. The designee may choose any numbers as his or her PIN.

By checking "Yes," you authorize the IRS to talk to the person you named (your designee) about any questions we may have while we process your return. You also authorize your designee to do all of the following.

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain IRS notices that you have shared with your designee about math errors and return preparation. The IRS will not send notices to your designee.

You are not authorizing your designee to bind you to anything (including additional tax liability) or to otherwise represent you before the IRS. If you want to expand your designee's authorization, see Pub. 947, Practice Before the IRS and Power of Attorney.

The authorization will automatically expire 1 year after the due date (without regard to extensions) for filing Form 944. If you or your designee want to terminate the authorization, write to the IRS office for your locality using the *Without a payment* address under *Where Should You File*, earlier.

## Part 5: Sign Here

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Complete all information in Part 5 and sign Form 944 as follows.

- **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 member, partner, 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.

If you have filed a valid power of attorney, your duly authorized agent may also sign Form 944.

**Alternative signature method.** Corporate officers or duly authorized agents may sign Form 944 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/irb/2005-28\\_IRB/ar16.html](http://www.irs.gov/irb/2005-28_IRB/ar16.html).

### Paid Preparer Use Only

A paid preparer must sign Form 944 and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form 944 and is not an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give you a copy of the return in addition to the copy to be filed with the IRS.

If you are a paid preparer, enter your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, enter the firm's name and the EIN of the firm. You can apply for a PTIN online or by filing Form W-12, IRS Paid Preparer Tax Identification Number (PTIN) Application and Renewal. For more information about applying for a PTIN online, visit the IRS website at [www.irs.gov/ptin](http://www.irs.gov/ptin). You cannot use your PTIN in place of the EIN of the tax preparation firm.

Generally, do not 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.

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## How to Order Forms, Instructions, and Publications From the IRS

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Call 1-800-TAX-FORM (1-800-829-3676).



Visit [www.irs.gov/formspubs](http://www.irs.gov/formspubs).