Form **940-EZ**

Department of the Treasury
Internal Revenue Service (99)

Employer's Annual Federal Unemployment (FUTA) Tax Return

► **For Paperwork Reduction Act Notice, see page 2.**

OMB No. 1545-1110

1996

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Name (as distinguished from trade name) — Calendar year

Trade name, if any

Address and ZIP code — Employer identification number

*Follow the chart under **Who May Use Form 940-EZ** on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.*

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.) ► $ ____________

B (1) Enter the name of the state where you have to pay contributions . . . . ► ____________

(2) Enter your state reporting number as shown on state unemployment tax return ►

If you will not have to file returns in the future, check here (see **Who Must File** on page 2) **and complete and sign the return** . . . . . ► ☐

If this is an Amended Return, check here . . . . ► ☐

Part I Taxable Wages and FUTA Tax

			Amount paid		
1	Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees			1	
2	Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ► ____________	2			
3	Payments for services of more than $7,000. Enter only amounts over the first $7,000 paid to each employee. Do not include any exempt payments from line 2. Do not use your state wage limitation. The $7,000 amount is the Federal wage base. Your state wage base may be different	3			
4	Total exempt payments (add lines 2 and 3)			4	
5	**Total taxable wages** (subtract line 4 from line 1) . . . . ►			5	
6	**FUTA tax.** Multiply the wages on line 5 by .008 and enter here. (If the result is over $100, also complete Part II.) .			6	
7	Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)			7	
8	**Amount you owe** (subtract line 7 from line 6). This should be $100 or less. Pay to "Internal Revenue Service." ►			8	
9	**Overpayment** (subtract line 6 from line 7). Check if it is to be: ☐ **Applied to next return, or** ☐ **Refunded** ►			9	

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over $100.

Quarter	First (Jan. 1 – Mar. 31)	Second (Apr. 1 – June 30)	Third (July 1 – Sept. 30)	Fourth (Oct. 1 – Dec. 31)	Total for year
Liability for quarter					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Signature ► **Title (Owner, etc.) ►** **Date ►**

Cat. No. 10983G Form **940-EZ** (1996)

DETACH HERE

Form **940-EZ(V)**

Department of the Treasury
Internal Revenue Service

Form 940-EZ Payment Voucher

Use this voucher only when making a payment with your return.

OMB No. 1545-1110

1996

Complete boxes 1, 2, 3, and 4. Do not send cash and do not staple your payment to this voucher. Make your check or money order payable to the **Internal Revenue Service.** Be sure to enter your employer identification number, "Form 940-EZ," and "1996" on your payment.

1 Enter the amount of the payment you are making	**2** Enter the first four letters of your last name (business name if partnership or corporation)	**3** Enter your employer identification number
► $.		

Instructions for Box 2

—Individuals (sole proprietors, trusts, and estates)—Enter the first four letters of your last name.

—Corporations and partnerships—Enter the first four characters of your business name (omit "The" if followed by more than one word).

4 Enter your name

Enter your address

Enter your city, state, and ZIP code

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

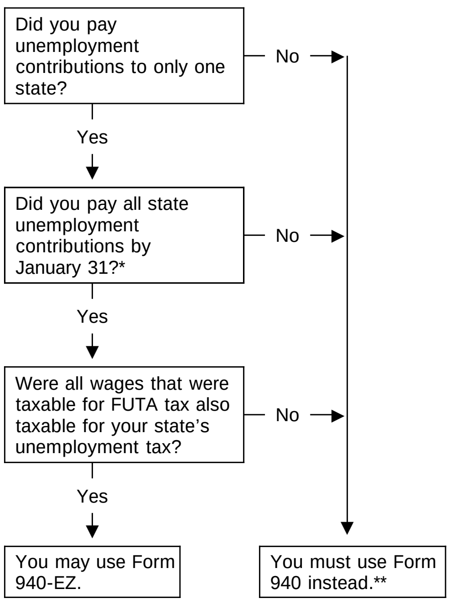
You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by the Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. Estimated average time is: **Recordkeeping—**6 hr., 23 min., **Learning about the law or form—**7 min., and **Preparing and sending the form to the IRS—**34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this office. Instead, see **Where To File** on page 4.

Who May Use Form 940-EZ

The following chart will lead you to the right form to use; however, if you owe FUTA tax only for **household work** in a private home you generally must use Schedule H (see **Household Employers** below).



*If you are a successor employer claiming a credit for state unemployment contributions paid by the prior employer, you must use Form 940.

**If you need to file Form 940 or Schedule H (Form 1040), you can get the form by calling 1-800 TAX-FORM (1-800-829-3676).

Note: *Do not file Form 940-EZ if you have already filed Form 940 for 1996.*

Changes To Note.—The exclusion from FUTA tax of wages paid to H-2(A) visa farmworkers was reinstated as a permanent exclusion for services performed after 1994. If you paid FUTA tax on wages paid to these workers in 1995, file an amended return to get a refund. See **Amended Return** on page 4.

If your total deposits of social security, Medicare, railroad retirement, and withheld income taxes exceeded $50,000 in 1995, beginning July 1, 1997, all depository tax liabilities (including FUTA tax) must be deposited using the **Electronic Federal Tax Payment System** (EFTPS). Call 1-800-945-8400 or 1-800-555-4477 for information.

General Instructions

Purpose of Form.—Use this form to report your annual Federal Unemployment Tax Act (FUTA) tax. FUTA tax, together with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both Federal and state unemployment taxes. **Only the employer pays this tax.** The tax applies to the first $7,000 you pay each employee in a year. The $7,000 amount is the Federal wage base. Your state wage base may be different.

When To File.—Form 940-EZ for 1996 is due by January 31, 1997. However, if you deposited all FUTA tax when due, you may file on or before February 10, 1997.

Who Must File.—The **General Rule (household and agricultural employers see below)** states you must file if either of the following tests applies:

1. You paid wages of $1,500 or more in any calendar quarter in 1995 or 1996; or

2. You had at least one employee for some part of a day in any 20 different weeks in 1995 or 1996.

Count all regular, temporary, and part-time employees. A partnership should not count its partners. If a business changes hands during the year, each employer meeting test 1 or 2 must file. Do not report wages paid by the other.

Household Employers.—File a FUTA tax return **ONLY** if you paid total cash wages of $1,000 or more to any individual in any calendar quarter in 1995 or 1996 for household work in a private home, local college club, or a local chapter of a college fraternity or sorority. Individuals, estates, and trusts that owe FUTA tax for **household work** in a private home, in most cases must file **Schedule H (Form 1040),** Household Employment Taxes, instead of Form 940 or 940-EZ. See the Instructions for Schedule H. In some cases, such as when you employ both household employees and other employees, you may have the option to report social security, Medicare, and withheld Federal income taxes for your household employee(s) on **Form 941,** Employer's Quarterly Federal Tax Return, or **943,** Employer's Annual Tax Return for Agricultural Employees, instead of on Schedule H. If you choose to report on Form 941 or 943, you must use Form 940 or 940-EZ to report FUTA taxes.

Agricultural Employers.—File a FUTA tax return if either of the following tests applies:

1. You paid cash wages of $20,000 or more to farmworkers during any calendar quarter in 1995 or 1996; or

2. You employed 10 or more farmworkers during some part of a day (whether or not at the same time) for at least 1 day during any 20 different weeks in 1995 or 1996.

(Instructions continued on next page.)

Form **940-EZ**

Department of the Treasury
Internal Revenue Service

Employer's Annual Federal Unemployment (FUTA) Tax Return

► For Paperwork Reduction Act Notice, see page 2.

OMB No. 1545-1110

1996

Name (as distinguished from trade name)

Calendar year

Trade name, if any

Address and ZIP code

Employer identification number

EMPLOYER'S COPY

*Follow the chart under **Who May Use Form 940-EZ** on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.*

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.) ► $

B (1) Enter the name of the state where you have to pay contributions . . . . ►
(2) Enter your state reporting number as shown on state unemployment tax return ►

If you will not have to file returns in the future, check here (see **Who Must File** on page 2) **and complete and sign the return** . . . . ► ☐

If this is an Amended Return, check here . . . . ► ☐

Part I Taxable Wages and FUTA Tax

1	Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees		1	
		Amount paid		
2	Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ►	2		
3	Payments for services of more than $7,000. Enter only amounts over the first $7,000 paid to each employee. Do not include any exempt payments from line 2. Do not use your state wage limitation. The $7,000 amount is the Federal wage base. Your state wage base may be different	3		
4	Total exempt payments (add lines 2 and 3)		4	
5	**Total taxable wages** (subtract line 4 from line 1) . . . . ►		5	
6	**FUTA tax.** Multiply the wages on line 5 by .008 and enter here. (If the result is over $100, also complete Part II.) .		6	
7	Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)		7	
8	**Amount you owe** (subtract line 7 from line 6). This should be $100 or less. Pay to "Internal Revenue Service." ►		8	
9	**Overpayment** (subtract line 6 from line 7). Check if it is to be: ☐ **Applied to next return, or** ☐ **Refunded** ►		9	

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over $100.

Quarter	First (Jan. 1 – Mar. 31)	Second (Apr. 1 – June 30)	Third (July 1 – Sept. 30)	Fourth (Oct. 1 – Dec. 31)	Total for year
Liability for quarter					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Signature ► **Title (Owner, etc.) ►** **Date ►**

Count wages paid to aliens admitted on a temporary basis to the United States to perform farmwork, also known as workers with "H-2(A)" visas, to see if you meet either test. However, wages paid to H-2(A) visa workers are not subject to FUTA tax.

Nonprofit Organizations.—Religious, educational, charitable, etc., organizations described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) are not subject to FUTA tax and are not required to file.

Completing Form 940-EZ.—If your FUTA tax for 1996 (line 6) is $100 or less, complete only Part I of the form. If your FUTA tax is over $100, complete Parts I and II. See the instructions for Part II for information on FUTA tax deposits.

Not Liable for FUTA Tax?—If you receive Form 940-EZ and are not liable for FUTA tax for 1996, write "Not Liable" across the front of the form, sign the return, and return it to the IRS.

Note: *If you will not have to file returns in the future, check the box on the line below B(2), complete and sign the return.*

Employer's Name, Address, and Identification Number.—If you are not using a preaddressed Form 940-EZ, type or print your name, trade name, address, and employer identification number (EIN) on the form.

See **Circular E,** Employer's Tax Guide, for details on how to make tax deposits, file a return, etc., if these are due before you get your EIN.

Identifying Your Payments.—When you pay any amount you owe to the IRS (line 8) or make Federal tax deposits, write the following on your check or money order: your EIN, "Form 940-EZ," and the tax year to which the payment applies. This helps us credit your account properly.

Penalties and Interest.—Avoid penalties and interest by making tax deposits when due, filing a correct return, and paying all taxes when due. There are penalties for late deposits and late filing unless you can show reasonable cause. If you file late, attach an explanation to the return.

There are also penalties for willful failure to pay tax, keep records, make returns, and for filing false or fraudulent returns.

Credit for Contributions Paid Into State Funds.—You get a credit for amounts you pay to a state (including Puerto Rico) unemployment fund by January 31. This credit is reflected in the FUTA tax rate (.008) on line 6. The rate is effective through 1998.

"Contributions" are payments that a state requires you, as an employer, to make to its unemployment fund for the payment of unemployment benefits. However, contributions do not include:

- Any payments deducted or deductible from your employees' pay.
- Penalties, interest, or special administrative taxes not included in the contribution rate the state assigned to you.

(Instructions continued on next page.)

- Voluntary contributions you paid to get a lower assigned rate.

Note: *Be sure to enter your state reporting number on line B(2) at the top of the form. The IRS needs this to verify your state contributions.*

Where To File.—In the list below, find the state where your legal residence, principal place of business, office, or agency is located. Send your return to the **Internal Revenue Service** at the address listed for your location. No street address is needed.

Note: *Where you file depends on whether or not you are including a payment.*

Return without payment:	Return with payment:
Florida, Georgia, South Carolina	
Atlanta, GA 39901-0047	P.O. Box 105659 Atlanta, GA 30348-5659
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	
Holtsville, NY 00501-0047	P.O. Box 210 Newark, NJ 07101-0210
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	
Andover, MA 05501-0047	P.O. Box 371324 Pittsburgh, PA 15250-7324
Illinois, Iowa, Minnesota, Missouri, Wisconsin	
Kansas City, MO 64999-0047	P.O. Box 970010 St. Louis, MO 63197-0010
Delaware, District of Columbia, Maryland, Pennsylvania, Puerto Rico, Virginia, U.S. Virgin Islands	
Philadelphia, PA 19255-0047	P.O. Box 8738 Philadelphia, PA 19162-8738
Indiana, Kentucky, Michigan, Ohio, West Virginia	
Cincinnati, OH 45999-0047	P.O. Box 6796 Chicago, IL 60680-6796
Kansas, New Mexico, Oklahoma, Texas	
Austin, TX 73301-0047	P.O. Box 970017 St. Louis, MO 63197-0017
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	
Ogden, UT 84201-0047	P.O. Box 7028 San Francisco, CA 94120-7028
California (all other counties), Hawaii	
Fresno, CA 93888-0047	P.O. Box 60150 Los Angeles, CA 90060-0150
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	
Memphis, TN 37501-0047	P.O. Box 1210 Charlotte, NC 28201-1210

If you have no legal residence or principal place of business in any IRS district, file with the Internal Revenue Service Center, Philadelphia, PA 19255.

Amended Returns.—Use a new Form 940-EZ to amend a previously filed Form 940-EZ. Check the Amended Return box above Part I, enter the amounts that should have been on the original return, and sign the amended return. Attach an explanation of the reasons for amending the original return.

If you were required to file Form 940 but filed Form 940-EZ instead, file the amended return on Form 940. See Form 940 and its instructions.

Specific Instructions

You must complete lines A and B and Part I. If your FUTA tax (line 6) is over $100, you must also complete Part II. Please remember to sign the return.

Line A.—Enter the amount of state unemployment contributions. If your state has given you a 0% experience rate, so there are no required contributions, enter "0% rate" in the space.

Part I. Taxable Wages and FUTA Tax

Line 1—Total payments.—Enter the total payments you made during the calendar year for services of employees, even if the payments are not taxable for FUTA tax. Include salaries, wages, commissions, fees, bonuses, vacation allowances, amounts paid to temporary or part-time employees, and the value of goods, lodging, food, clothing, noncash fringe benefits, and contributions to a 401(k) pension plan. Also, include the amount of tips reported to you in writing by your employees. Enter the amount before any deductions.

How you make the payments is not important to determine if they are wages. Thus, you may pay wages for piecework or as a percentage of profits. You may pay wages hourly, daily, etc. You may pay wages in cash or some other way, such as goods, lodging, food, or clothing. For items other than cash, use the fair market value when paid.

Line 2—Exempt payments.—For FUTA purposes, "wages" and "employment" do not include every payment and every kind of service an employee may perform. In general, payments that are not wages and payments for services that are not employment are not subject to tax. Enter payments such as the following on line 2.

1. Agricultural labor if you did not meet either test in **Agricultural Employers** on page 2.

2. Benefit payments for sickness or injury under a worker's compensation law.

3. Household service if you did not pay total cash wages of $1,000 or more in any calendar quarter in 1995 or 1996, and you included the amount on line 1.

4. Certain family employment.

5. Certain fishing activities.

6. Noncash payments for farmwork or household services in a private home that are included on line 1. Only cash wages to these workers are taxable.

7. Value of certain meals and lodging.

8. Cost of group-term life insurance.

9. Payments attributable to the employee's contributions to a sick-pay plan.

10. Benefits excludable under a section 125 plan (cafeteria plan).

11. Any other exempt service or pay.

For more information, see Special Rules for Various Types of Services and Payments in Circular E.

Line 3—Payments for services of more than $7,000.—Enter the total amounts over $7,000 you paid each employee. For example, if you have 10 employees and paid each $8,000 during the year, enter $80,000 on line 1 and $10,000 on line 3. The $10,000 is the amount over $7,000 paid to each employee. Do not include any exempt payments from line 2 in figuring the $7,000.

Part II. Record of Quarterly Federal Unemployment Tax Liability

Complete this part only if your FUTA tax on line 6 is over $100. To figure your FUTA tax liability, multiply by .008 that part of the first $7,000 of each employee's annual wages you paid during the quarter. Enter the result in the space for that quarter. Your total liability must equal your total tax. If not, you may be charged a failure to deposit penalty.

Record your liability based on when you pay the wages, not on when you deposit the tax. For example, if you pay wages on March 29, your FUTA tax liability on those wages is $200, and you deposit the $200 on April 30, you would record that $200 in the first quarter, not the second.

Depositing FUTA Taxes.—Generally, FUTA taxes are deposited quarterly. If you deposited the right amounts, following these rules, the amount you owe with Form 940-EZ will never be over $100.

If your total deposits of employment taxes (withheld income, social security, Medicare and railroad retirement) exceeded $50,000 in 1995 beginning July 1 1997, you must deposit taxes using the Electronic Federal Tax Payments System (EFTPS). Call 1-800-945-8400 or 1-800-555-4477 for information.

If you are not required to use EFTPS, use **Form 8109,** Federal Tax Deposit Coupon, to deposit FUTA tax in an authorized financial institution or the Federal Reserve bank for your area. Records of your deposits will be sent to the IRS for crediting to your business accounts.

If your liability for any of the first three quarters of 1996 (plus any undeposited amount of $100 or less from any earlier quarter) is over $100, deposit it by the last day of the month after the end of the quarter. If it is $100 or less, carry it to the next quarter; a deposit is not required. If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over $100, deposit the entire amount by January 31, 1997. If it is $100 or less, you can either make a deposit or pay it with your Form 940-EZ by January 31.

Note: *The total amount of all deposits must be shown on line 7.*