

# Employer's Quarterly Federal Tax Return

American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands

▶ See Circular SS for more information concerning employment tax returns.

OMB No. 1545-0029

Name (as distinguished from trade name) \_\_\_\_\_ Date quarter ended \_\_\_\_\_

Trade name, if any \_\_\_\_\_ Employer identification number \_\_\_\_\_

Address (number and street) \_\_\_\_\_ City, state, and ZIP code \_\_\_\_\_

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If address is different from prior return, check here  **IRS Use**

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5						
6	7	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	10	10	10

If you do not have to file returns in the future, check here  and enter date final wages paid ▶ \_\_\_\_\_

If you are a seasonal employer, see **Seasonal employers** on page 2 and check here . . . . .

Complete Line 1 for First Quarter Only			
1	Number of employees (except household) employed in the pay period that includes March 12th . . . . .		1
2-5			
6	Taxable social security wages . . . . .	6a	× 12.4% (.124) = 6b
	Taxable social security tips . . . . .	6c	× 12.4% (.124) = 6d
7	Taxable Medicare wages and tips . . . . .	7a	× 2.9% (.029) = 7b
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b) . . . . .	8	
9	Adjustment of social security and Medicare taxes (see instructions for required explanation). Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =	9	
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions). <b>This should equal line 17, col. (d), below or line D of Schedule B (Form 941)</b>	10	
11-13			
14	Total deposits for quarter, including overpayment applied from prior quarter . . . . .	14	
15	<b>Balance due</b> (subtract line 14 from line 10). See instructions . . . . .	15	
16	<b>Overpayment.</b> If line 14 is more than line 10, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return <b>OR</b> <input type="checkbox"/> Refunded.		

- **All filers:** If line 10 is less than \$1,000, you need not complete line 17 or Schedule B (Form 941).
- **Semiweekly schedule depositors:** Complete Schedule B (Form 941) and check here . . . . .
- **Monthly schedule depositors:** Complete line 17, columns (a) through (d), and check here. . . . .

17 Monthly Summary of Federal Tax Liability. Do not complete if you were a semiweekly schedule depositor.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ \_\_\_\_\_ Print Your Name and Title ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

## Changes To Note

**Threshold for deposit requirement increased from \$500 to \$1,000.** Effective July 1, 1998, if your net taxes for the quarter (line 10) are less than \$1,000, you are not required to make deposits and may pay the taxes with Form 941-SS.

**Electronic deposit requirement.** If your total deposits of social security, Medicare, railroad retirement, and withheld Federal income taxes were more than \$50,000 in 1996, you must make electronic deposits for all depository tax liabilities that occur after 1997. When determining whether you exceeded the \$50,000 threshold, combine deposits of only the following tax returns you filed: Forms 941, 941-M, 941-PR, 941-SS, 943, 945, and CT-1. If you were required to deposit by electronic funds transfer in prior years, continue to do so in 1998. The **Electronic Federal Tax Payment System (EFTPS)** must be used to make electronic deposits. If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. However, if you were first required to use EFTPS on or after July 1, 1997, no penalties for failure to use EFTPS will be imposed for tax liabilities that occur on or before December 31, 1998. Taxpayers who are not required to make electronic deposits may voluntarily participate in EFTPS. For information on EFTPS, you may write to:

Department of the Treasury  
Internal Revenue Service  
EFTPS Enrollment Processing  
P.O. Box 4210  
Iowa City, IA 52244-4210

You may also call 303-706-6585 for information.

**Social security wage base for 1998.** Stop withholding social security tax after an employee reaches \$68,400 in taxable wages.

## General Instructions

**Purpose of form.** Use this form to report social security and Medicare taxes for workers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

**Circular SS, Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands (Pub. 80),** explains the requirements for withholding, depositing, and paying social security and Medicare taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS. See **Pub. 15-A, Employer's Supplemental Tax Guide**, for information on sick pay paid by third-party payers.

**Who must file.** If you have one or more employees, you must file a return for the first quarter in which you pay wages subject to social security and Medicare taxes, and for each quarter thereafter. Use Form 941-SS if your principal place of business is in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands, or if you have employees who are subject to income tax withholding for these jurisdictions.

Once you have filed a return, a preaddressed Form 941-SS will be sent to you every 3 months. If the form fails to reach you, request one in time to file.

**Seasonal employers.** Employers are not required to file for quarters when they regularly have no tax liability because they have paid no wages. To alert the IRS that you

will not have to file a return for one or more quarters during the year, check the **Seasonal employer** box above line 1 on Form 941-SS. The IRS will mail you two Forms 941-SS once a year after March 1. The preprinted information will not include the date the quarter ended. **You must enter the date the quarter ended when you file the return.** The IRS generally will not inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the **Seasonal employer** box on every quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.

**Note:** *If you go out of business or stop paying wages, file a final return. Be sure to fill in the entries above line 1. See Form W-3SS for information on the earlier due dates for the expedited furnishing and filing of Form W-2AS, W-2GU, W-2CM, or W-2VI when a final Form 941-SS is filed.*

**When to file.** A return must be filed for each quarter of the calendar year, as follows:

Quarter	Ending	Due Date
Jan.-Feb.-Mar.	March 31	April 30
Apr.-May-June	June 30	July 31
July-Aug.-Sept.	Sept. 30	Oct. 31
Oct.-Nov.-Dec.	Dec. 31	Jan. 31

If you made deposits on time in full payment of the taxes for a quarter, you have 10 more days after the above due date to file. If the due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the next business day.

**Where to file.** Internal Revenue Service Center, Philadelphia, PA 19255.

**Where to obtain forms.**

*American Samoa.* Department of Treasury, Income Tax Division, Government of American Samoa, Executive Office Bldg., First Floor, Pago Pago, AS 96799.

*Guam.* Department of Revenue and Taxation, Government of Guam, Building 13-1 Mariner Avenue, Tiyan Barrigada, GU 96913.

*Commonwealth of the Northern Mariana Islands.* Administrator, CNMI Social Security System, Saipan, MP 96960.

*U.S. Virgin Islands.* V.I. Bureau of Internal Revenue, 9601 Estate Thomas, Charlotte Amalie, St. Thomas, VI 00802. Employers in the U.S. Virgin Islands can now call 1-800-829-1040 to contact the IRS.

**Employer identification number (EIN), name, and address.** Use the preaddressed Form 941-SS mailed to you. If you lose it, request another.

If you are liable for social security and Medicare taxes and have not applied for an EIN, file a **Form SS-4, Application for Employer Identification Number**, available upon request. Do not show your social security number on forms calling for an EIN.

If you do not have an EIN by the time a return is due, write "Applied for" and the date you applied in the space shown for the number. If you do not have a number by the time a tax deposit is due, send your payment to the Internal Revenue Service Center where you file your returns. Make it payable to the Internal Revenue Service and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. For more information about an EIN, see **Pub. 583, Starting a Business and Keeping Records**.

**Note:** *Always make certain that the EIN on the form you file matches the EIN assigned to your business by the IRS. Filing a Form 941-SS with an incorrect EIN or using another business' EIN may result in penalties and delays in processing your return.*

**Forms W-2AS, W-2GU, W-2CM, W-2VI, and W-3SS.** By January 31, furnish Forms W-2AS, W-2GU, W-2CM, or W-2VI to employees who worked for you the previous year.

By the last day of February, send Copy A of all Forms W-2AS, W-2GU, W-2CM, and W-2VI issued for the previous year to the SSA. Send them with Copy A of Form W-3SS.

By the last day of February, send Copy 1 of all Forms W-2AS with Copy 1 of Form W-3SS to the American Samoa Tax Office, Government of American Samoa, Pago Pago, AS 96799.

**Penalties and interest.** There are penalties for filing a return late and paying or depositing taxes late, unless reasonable cause is shown for the delay. If you are late in doing any of these, attach an explanation to your return.

There are also penalties for failure to (1) furnish Forms W-2AS, W-2GU, W-2CM, or W-2VI to employees and file copies with the SSA, (2) keep records, and (3) deposit taxes when required. In addition, there are penalties for willful failure to file returns and pay taxes when due and for filing false returns or submitting bad checks.

Interest is charged on taxes paid late at the rate set by law. See Circular SS for additional information.

**Caution:** *A trust fund recovery penalty may apply if social security and Medicare taxes that must be withheld are not withheld or are not paid to the IRS. Under this penalty, certain officers or employees of a corporation, employees of a sole proprietorship, or certain members or employees of a partnership become personally liable for payment of the taxes and are penalized an amount equal to the unpaid taxes. See section 9 of Circular SS for more details.*

## Special Instructions for Employers of Agricultural and Household Employees

**Agricultural employees.** Agricultural wages must be reported on **Form 943, Employer's Annual Tax Return for Agricultural Employees**, and not on Form 941-SS.

**Household employees.** Employers who report wages on household employees, see Circular SS and **Pub. 926, Household Employer's Tax Guide**.

## How To Make Deposits

If your total taxes (line 10) are \$1,000 or more for the quarter, you must deposit your tax liabilities at an authorized financial institution with **Form 8109, Federal Tax Deposit Coupon**, or by using the Electronic Federal Tax Payment System (EFTPS). See above for the electronic deposit requirements and section 9 of Circular SS for information and rules concerning Federal tax deposits.

**Reconciliation of Forms 941-SS and W-3SS.** Certain amounts reported on the four quarterly Forms 941-SS for 1998 should agree with the Form W-2AS, W-2GU, W-2CM, or W-2VI, totals reported on the 1998 Form W-3SS, or with information filed with the SSA on equivalent magnetic media reports. The amounts that should agree are social security wages, social security tips, and Medicare wages and tips. If the totals do not agree, the IRS will require you to explain any differences and correct any errors.

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▶ See Circular SS for more information concerning employment tax returns.

OMB No. 1545-0029

Name (as distinguished from trade name) \_\_\_\_\_ Date quarter ended \_\_\_\_\_

Trade name, if any \_\_\_\_\_ Employer identification number \_\_\_\_\_

Address (number and street) \_\_\_\_\_ City, state, and ZIP code \_\_\_\_\_

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If address is different from prior return, check here  **IRS Use**

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5						
6	7	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	10	10	10

If you do not have to file returns in the future, check here  and enter date final wages paid ▶ \_\_\_\_\_

If you are a seasonal employer, see **Seasonal employers** on page 2 and check here . . . . .

**Complete Line 1 for First Quarter Only**

<b>1</b> Number of employees (except household) employed in the pay period that includes March 12th . . . . .				<b>1</b>
<b>2-5</b>				
<b>6</b> Taxable social security wages . . . . .	<b>6a</b>		× 12.4% (.124) =	<b>6b</b>
Taxable social security tips . . . . .	<b>6c</b>		× 12.4% (.124) =	<b>6d</b>
<b>7</b> Taxable Medicare wages and tips . . . . .	<b>7a</b>		× 2.9% (.029) =	<b>7b</b>
<b>8</b> Total social security and Medicare taxes (add lines 6b, 6d, and 7b) . . . . .				<b>8</b>
<b>9</b> Adjustment of social security and Medicare taxes (see instructions for required explanation). Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =				<b>9</b>
<b>10</b> Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions). <b>This should equal line 17, col. (d), below or line D of Schedule B (Form 941)</b>				<b>10</b>
<b>11-13</b>				
<b>14</b> Total deposits for quarter, including overpayment applied from prior quarter . . . . .				<b>14</b>
<b>15</b> <b>Balance due</b> (subtract line 14 from line 10). See instructions . . . . .				<b>15</b>
<b>16</b> <b>Overpayment.</b> If line 14 is more than line 10, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return <b>OR</b> <input type="checkbox"/> Refunded.				

- **All filers:** If line 10 is less than \$1,000, you need not complete line 17 or Schedule B (Form 941).
- **Semiweekly schedule depositors:** Complete Schedule B (Form 941) and check here . . . . .
- **Monthly schedule depositors:** Complete line 17, columns (a) through (d), and check here. . . . .

<b>17 Monthly Summary of Federal Tax Liability.</b> Do not complete if you were a semiweekly schedule depositor.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ \_\_\_\_\_ Print Your Name and Title ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

## Specific Instructions

**Line 1—Number of employees.** Complete for the January–March calendar quarter only. Do not include household employees, persons who received no pay during the pay period, pensioners, or members of the Armed Forces.

**Line 6a—Taxable social security wages.** Show the total wages (before deductions and excluding tips) subject to social security tax that you paid to each employee during the quarter. Include any employee tax you paid for your employees rather than deducting it from their wages. Also include any sick pay and taxable fringe benefits subject to social security taxes. After you reach \$68,400 for an employee in 1998, including tips, do not report any amount you later pay the employee in the year. See the line 7a instructions for Medicare tax. If none of the payments are subject to social security tax, enter -0-.

**Line 6c—Taxable social security tips.** Cash tips, including tips paid over by you to the employee for charge customers, that total \$20 or more in a month must be reported to you by the employee by the 10th day of the next month. Show the total amount of tip income the employee reported during the quarter on written reports or **Forms 4070**, Employee's Report of Tips to Employer, regardless of whether the employee tax (6.2% of total) has been withheld. When the combined total of tips and wages reported for social security tax purposes reaches \$68,400, no additional tips should be reported on this line. For more details, see Circular SS.

**Line 7a—Taxable Medicare wages and tips.** Report all wages and tips subject to the Medicare tax. If none of the payments are subject to the Medicare tax, enter -0-. Include all tips your employees reported during the quarter, even if you were not able to withhold the employee tax (1.45%). However, see the line 9 instructions below.

**Line 9—Adjustment of social security and Medicare taxes.**

**Current period adjustments.** In certain cases, amounts reported as social security and Medicare taxes on lines 6b, 6d, and 7b must be adjusted to arrive at your correct tax liability.

The most common current period adjustment is the **fractions of cents** (rounding) adjustment. Each pay period, you round off fractions of cents when computing social security and Medicare tax withholding for each employee. This rounding can result in a difference between the actual amount of tax withheld and deposited (with your share) and the amount of total tax on line 8. If there is a difference due to fractions of cents rounding, report it as an adjustment on line 9 and in the "Fractions of Cents" entry space.

Information on current period adjustments for tips, group-term life insurance premiums paid for former employees, and sick pay paid by a third-party payer is available in section 13 of **Circular E**, Employer's Tax Guide.

**Prior period adjustments.** Use line 9 to correct errors in tax reported on an earlier return. If you report both an underpayment and an overpayment, show only the net difference. Enter the adjustments for sick pay and fractions of cents (see instructions above) in the appropriate line 9 entry spaces. Enter the amount of all other adjustments in the "Other" entry space, and enter the total of the three types of adjustments in the line 9 entry space to the right. Except for current period adjustments, explain any amount on line 9 on **Form 941c**, Supporting Statement To Correct Information, or attach an equivalent supporting statement.

Because Form W-2AS, W-2GU, W-2CM, or W-2VI is used by the SSA to post the employee's wages to his or her earnings record, you must give a corrected form to the employee if a form was issued showing any incorrect information. Use **Form W-2c**, Corrected Wage and Tax Statement. Give employees Copies B and C of Form W-2c. Send Copy A of the Form W-2c, together with **Form W-3c**, Transmittal of Corrected Wage and Tax Statements, to the Social Security Administration.

**Line 10—Adjusted total of social security and Medicare taxes.** Add line 9 to line 8 if line 9 is positive. Subtract line 9 from line 8 if line 9 is negative.

**Line 15—Balance due. You do not have to pay if line 15 is under \$1.** You should have a balance due only if your total tax liability for the quarter (line 10) is less than \$1,000. (However, see section 9 of Circular SS regarding payments made under the accuracy of deposits rule.) If line 10 is \$1,000 or more and you have deposited all taxes when due, the amount shown on line 15 (balance due) should be zero. Pay to the Internal Revenue Service. Enter your EIN, "Form 941-SS," and the tax period on your payment.

**Caution:** *If you fail to make deposits as required and instead pay these amounts with your return, you may be subject to a penalty.*

**Line 16—Overpayment.** If you deposited more than the correct amount for a quarter, you can have the overpayment refunded or applied to your next return. Also, the IRS may apply your overpayment to any past due tax account under your EIN. If line 16 is under \$1, we will send a refund or apply it to your next return only on written request.

**Line 17—Monthly summary of Federal tax liability. Note:** *This is a summary of your monthly tax liability, not a summary of deposits made. If line 10 is less than \$1,000, do not complete line 17 or Schedule B (Form 941).*

Complete line 17 only if you are a monthly schedule depositor (see Circular SS, section 9, for more details on the deposit rules). You are a monthly schedule depositor for the calendar year if your Form 941-SS taxes (line 10) reported for the lookback period are not more than \$50,000. The lookback period is the four consecutive quarters ending on June 30 of the prior year. For 1998, the lookback period begins July 1, 1996, and ends June 30, 1997. If you reported more than \$50,000 during the lookback period or accumulated \$100,000 or more on any day during a month, do not complete columns (a) through (d) of line 17. Instead, complete and attach Schedule B (Form 941).

**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. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages. This form is used to determine the amount of the taxes that you owe. Section 6011 requires you to provide the requested information if the tax is applicable to you. Section 6109 requires you to provide your employer identification number (EIN). Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. If you fail to provide this information in a timely manner, you may be subject to penalties and interest.

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 this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 7 hr., 54 min.; **Learning about the law or the form**, 18 min.; **Preparing and sending the form to the IRS**, 25 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 tax form to this address. Instead, see **Where to file** on page 2.

