

Benefits of the Form 944 Annual Filing Program

◆Employers can file a single return rather than four per year.

◆Most employers can make a single payment with their return unless they are required to make deposits.



New Form 944 for 2006
*File Just One,
Consider it Done!*

For more information:

The latest Form 944 is available on IRS.gov at:
<http://www.irs.gov/businesses/small/article/0,,id=146224,00.html>.

The instructions will be available in the near future at [www.IRS.gov](http://www.irs.gov).

Comments on the Form 944 Annual Filing Program can be sent to the IRS at: Form944Program@irs.gov

File Just One, Consider it Done!

Form 944 Employer's Annual Federal Tax Return

New Form 944 for 2006
Putting YOUR Ideas to Work!

**Annual Employment Tax
Filing for
Small Employers**
First Return Due January 31, 2007



IRS

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New Form 944 Program Overview

File Just One, Consider it Done!

Objective of New Form 944

- To reduce burden on the smallest of small business taxpayers by allowing certain employers to file one Employment Tax (ET) return per year, as well as pay the ET due with the return.

Implementation of New Form 944

- The new Form 944 is available for calendar year 2006 with the first return due January 31, 2007.

Annual Filing Eligibility

- *Who's eligible?* Those employers whom the IRS notifies in writing are to file Form 944. Letters will be mailed around February 1, 2006 to eligible Form 944 filers.
- *Who might qualify to receive notification to file Form 944?* Those small employers whose total annual ET liability is \$1,000 or less.
- *What about new employers?* Beginning in January 2006, new employers who have a total annual ET liability of \$1,000 or less (approximately \$4,000 or less in annual wages) can indicate so on Form SS-4 when applying for EINs. The IRS will advise the employer of their filing requirement in the notice assigning their EIN.

Annual Filing/Paying Requirements

- Identified employers must file Form 944, *Employer's Annual Federal Tax Return*, by January 31 each year for the preceding calendar year's tax liability. Form 944 filers will not file any Forms 941 for that year.
- Form 944 filers can pay their total ET liability by January 31 each year, unless they are required to make Federal Tax Deposits (FTDs).
- Employers whose businesses grow during the year and whose tax liability is \$2,500 or more, will need to make FTDs in accordance with the deposit rules to avoid FTD penalties. They will file the Form 944 for the year.

Events Making the Employer Ineligible for Annual Filing in a Subsequent Year

- Employer exceeds the threshold amount of \$1,000 total ET liability for the year.

Note: Employers will be sent a notice advising them of the change to a Form 941 quarterly filing requirement.

Special Circumstances

- Designated 944 filers who believe their business will grow to a total annual tax liability of more than \$1,000 or those who want to electronically file Forms 941, should contact the IRS no later than April 1, 2006 to be reestablished as a Form 941 filer for calendar year 2006.
- Form 944 does not apply to **Schedule H** or **Form 943** filers.

Benefits of the Form 944 Annual Filing Program

This filing program offers small employers significant burden reduction:

- Employers can file a single return rather than four per year and most can pay with their return unless they are required to make deposits.