

Instructions for Form 943

2023

Employer's Annual Federal Tax Return for Agricultural Employees

Volume 2 of 2



Department of the Treasury
Internal Revenue Service

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Line 2a. Qualified Sick Leave Wages

Enter the qualified taxable (subject to social security tax) sick leave wages you paid in 2023 to your employees for leave taken after March 31, 2020, and before April 1, 2021. Qualified sick leave wages for leave taken after March 31, 2020, and before April 1, 2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2a when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages reported on line 2a, and qualified family leave wages reported on line 2b, reach \$160,200 for the year. See the instructions for line 4 and line 5 for reporting Medicare tax on qualified sick leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified sick leave

wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA, as enacted under the FFCRA and amended by the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified sick leave wages on lines 2a, 4, and, if applicable, 6. See the instructions for line 12b for information about the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.

Line 2b. Qualified Family Leave Wages

Enter the qualified taxable (subject to social security tax) family leave wages you paid in 2023 to your employees for leave taken after March 31, 2020, and before April 1, 2021. Qualified family leave wages for leave taken after March 31, 2020, and before April 1,

2021, aren't subject to the employer share of social security tax; therefore, the tax rate on these wages is 6.2% (0.062). Stop paying social security tax on and entering an employee's wages on line 2b when the employee's taxable wages, including wages reported on line 2, qualified sick leave wages reported on line 2a, and qualified family leave wages reported on line 2b, reach \$160,200 for the year. See the instructions for line 4 and line 5 for reporting Medicare tax on qualified family leave wages, including the portion above the social security wage base.

For purposes of the credit for qualified sick and family leave wages, qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the Expanded FMLA, as enacted under the FFCRA and amended by

the COVID-related Tax Relief Act of 2020. However, don't include any wages otherwise excluded under section 3121(b) when reporting qualified family leave wages on lines 2b, 4, and, if applicable, 6. See the instructions for line 12b for information about the credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021.

Line 3. Social Security Tax

Multiply line 2 by 12.4% (0.124) and enter the result on line 3.

Line 3a. Social Security Tax on Qualified Sick Leave Wages

Multiply line 2a by 6.2% (0.062) and enter the result on line 3a.

Line 3b. Social Security Tax on Qualified Family Leave Wages

Multiply line 2b by 6.2% (0.062) and enter the result on line 3b.

Line 4. Wages Subject to Medicare Tax

Enter the total cash wages, including qualified sick leave wages paid in 2023 and qualified family leave wages paid in 2023; sick pay; and taxable fringe benefits that are subject to Medicare tax that you paid to your employees for farmwork during the calendar year. Enter the amount before deductions. Don't include the value of noncash items, such as food or lodging, or pay for services other than farmwork. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax. If you, as a qualifying employer, receive an approved Form 4029 from one or more of your employees, enter "Form 4029" on the dotted line next to the entry space.

Line 5. Medicare Tax

Multiply line 4 by 2.9% (0.029) and enter the result on line 5.

Line 6. Wages Subject to Additional Medicare Tax Withholding

Enter all wages, including qualified sick leave wages paid in 2023 and qualified family leave wages paid in 2023; sick pay; and taxable fringe benefits that are subject to Additional Medicare Tax withholding. You're required to begin withholding Additional Medicare Tax in the pay period in which you pay wages in excess of \$200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. Additional Medicare Tax is only imposed on the employee. There is no employer share of Additional Medicare Tax. All wages that are subject to Medicare tax are subject to Additional Medicare Tax withholding if paid in excess of the \$200,000 withholding threshold.

For more information on what wages are subject to Medicare tax, see the chart, *Special Rules for Various Types of Services and Payments*, in section 15 of Pub. 15.

For more information on Additional Medicare Tax, go to [IRS.gov/ADMTfaq](https://www.irs.gov/ADMTfaq).

Line 7. Additional Medicare Tax Withholding

Multiply line 6 by 0.9% (0.009) and enter the result on line 7.

Line 8. Federal Income Tax Withheld



Employers in the U.S. territories skip line 8, since federal income tax is not usually withheld from employee's wages in U.S. territories.

Enter the federal income tax you withheld from your employees on this year's wages, including qualified sick leave wages paid in 2023 for leave taken after March 31, 2020, and before October 1, 2021, and qualified family leave wages paid in 2023 for leave taken after March 31, 2020, and before October 1, 2021. Generally, you must withhold federal income tax from employees from whom you withhold social security and

Medicare taxes. See section 5 of Pub. 51 for more information on withholding rules.

Line 9. Total Taxes Before Adjustments

Add the total social security tax (lines 3, 3a, and 3b),

Medicare tax (line 5), Additional Medicare Tax withholding (line 7), and federal income tax withheld (line 8). Enter the result on line 9.

Line 10. Current Year's Adjustments

Use line 10 to:

- Adjust for rounding of fractions of cents, or
- Adjust for the uncollected employee share of social security and Medicare taxes on third-party sick pay or group-term life insurance premiums paid for former employees. See section 9 of Pub. 51.

Use a minus sign (if possible) to show an adjustment that decreases the total taxes shown on line 9. Otherwise, use parentheses.

Adjustment for fractions of cents. If there is a small difference between total taxes after adjustments and nonrefundable credits (line 13) and total deposits (line 14a), it may be caused by rounding to the nearest cent each time you figured payroll. This rounding occurs when you figure the amount of social security and Medicare taxes to be withheld from each employee's wages. If the fractions-of-cents adjustment is the only entry on line 10, enter "Fractions Only" on the dotted line to the left of the entry space for line 10. This adjustment may be a positive or a negative adjustment.

Adjustment for sick pay. If your third-party payer of sick pay that isn't your agent (for example, an insurance company) transfers the liability for the employer share of the social security and Medicare taxes to you,

enter a negative adjustment on line 10 for the employee share of social security and Medicare taxes that were withheld and deposited by your third-party sick pay payer on the sick pay. If you're the third-party sick pay payer and you transferred the liability for the employer share of the social security and Medicare taxes to the employer, enter a negative adjustment on line 10 for any employer share of these taxes required to be paid by the employer. The sick pay should be included on line 2, line 4, and, if the withholding threshold is met, line 6.

No adjustment is reported on line 10 for sick pay that is paid through a third party as an employer's agent. An employer's agent bears no insurance risk and is reimbursed on a cost-plus-fee basis for payment of sick pay and similar amounts. If an employer uses an agent to pay sick pay, the employer reports the wages on line 2, line 4, and, if the withholding threshold is met, line 6, unless

the employer has an agency agreement with the third-party payer that requires the third-party payer to do the collecting, reporting, and/or paying or depositing employment taxes on the sick pay. See section 6 of Pub. 15-A for more information about sick pay reporting.

Line 11. Total Taxes After Adjustments

Combine the amounts shown on lines 9 and 10 and enter the result on line 11.

Line 12a. Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Enter the amount of the credit from Form 8974, line 12 or, if applicable, line 17.



If you enter an amount on line 12a, you must attach Form 8974.



Form 943 and these instructions use the terms "nonrefundable" and "refundable" when discussing credits.

The term "nonrefundable" means the portion of the credit which is limited by law to the amount of certain taxes. The term "refundable" means the portion of the credit which is in excess of those taxes.

Line 12b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021



*Complete line 12b **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021.*

Certain private employers with fewer than 500 employees that provide paid sick leave under the EPSLA and/or provide paid family leave under the Expanded FMLA are eligible to claim the credit for qualified sick and family

leave wages for leave taken after March 31, 2020, and before April 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b) (1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from Worksheet 1, Step 2, line 2j. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the qualified health plan expenses allocable to those wages, and the employer share of Medicare tax allocable to those wages. The nonrefundable portion of the credit is limited to the employer share of social security tax reported on Form 943, line 3, after that share is first reduced by any credit claimed against the employer share of

social security tax on Form 8974 for the qualified small business payroll tax credit for increasing research activities, any credit to be claimed on Form 5884-C for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans, and/or any credit to be claimed on Form 5884-D for the disaster credit for qualified tax-exempt organizations.

Any credit in excess of the remaining amount of the employer share of social security tax is refundable and reported on Form 943, line 14d. For more information on the credit for qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Qualified health plan expenses allocable to qualified sick and family leave wages.

The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These

qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/PLC).



You must include the full amount (both the nonrefundable and refundable portions) of the credit for qualified sick and family leave wages in your gross income for the tax year that includes the last day of any calendar quarter in which a credit is allowed.

Line 12d. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021



*Complete line 12d **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021.*

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA, as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the requirements under the Expanded FMLA, as

amended for purposes of the ARP, for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. For purposes of this credit, qualified sick leave wages and qualified family leave wages are wages for social security and Medicare tax purposes, determined without regard to the exclusions from the definition of employment under sections 3121(b)(1)–(22), that an employer pays that otherwise meet the requirements of the EPSLA or Expanded FMLA, as enacted under the FFCRA and amended for purposes of the ARP. Enter the nonrefundable portion of the credit for qualified sick and family leave wages from Worksheet 2, Step 2, line 2p.

The credit for qualified sick and family leave wages consists of the:

- Qualified sick leave wages and/or qualified family leave wages;

- Qualified health plan expenses allocable to qualified sick leave and family leave wages;
- Collectively bargained defined benefit pension plan contributions, subject to the qualified leave wage
- limitations, allocable to the qualified sick and family leave wages;
- Collectively bargained apprenticeship program contributions, subject to the qualified leave wage limitations, allocable to the qualified sick and family leave wages; and
- Employer share of social security and Medicare tax allocable to the qualified sick and family leave wages.

The nonrefundable portion of the credit is limited to the employer share of Medicare tax reported on Form 943, line 5, after that share is first reduced by any credit claimed against the employer share of Medicare tax on Form

8974 for the qualified small business payroll tax credit for increasing research activities. You can't claim the credit for leave taken after March 31, 2021, and before October 1, 2021, if you made qualified sick or family leave wages available in a manner that discriminates in favor of highly compensated employees, full-time employees, or employees on the basis of employment tenure. See Highly compensated employee, later, for the definition.

For leave taken after March 31, 2021, and before October 1, 2021, the credit for qualified sick and family leave wages is reduced by the amount of the credit allowed under section 41 (for the credit for increasing research activities) with respect to wages taken into account for determining the credit for qualified sick and family leave wages; and any wages taken into account in determining the credit for qualified sick and family leave wages can't be taken into account as wages

for purposes of the credits under sections 45A, 45P, 45S, and 51. For leave taken after March 31, 2021, and before October 1, 2021, qualified wages also don't include wages that were used as payroll costs in connection with a Shuttered Venue Operator Grant under section 324 of the Economic

Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act; or a restaurant revitalization grant under section 5003 of the ARP.

Employers can receive both a Small Business Interruption Loan under the Paycheck Protection Program and the credit for qualified sick and family leave wages; however, employers can't receive both loan forgiveness and a credit for the same wages. The same wages can't be treated as both qualified sick leave wages and qualified family leave wages.

Any credit in excess of the remaining amount of the employer share of Medicare tax is refundable and reported on Form 943, line 14f. For more information on the credit for

qualified sick and family leave wages, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Qualified health plan expenses allocable to qualified sick leave and family leave

wages. The credit for qualified sick leave wages and qualified family leave wages is increased to cover the qualified health plan expenses that are properly allocable to the qualified leave wages for which the credit is allowed. These qualified health plan expenses are amounts paid or incurred by the employer to provide and maintain a group health plan but only to the extent such amounts are excluded from the employees' income as coverage under an accident or health plan. The amount of qualified health plan expenses generally includes both the portion of the cost paid by the employer and the portion of the cost paid by the employee with pre-tax salary reduction contributions. However, qualified health plan expenses don't include amounts that the employee paid for with after-tax

contributions. For more information, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Collectively bargained defined benefit pension plan contributions. For purposes of qualified sick and family leave wages, collectively bargained defined benefit pension plan contributions are contributions for a calendar quarter that are:

- Paid or incurred by an employer on behalf of its employees to a defined benefit plan, as defined in section
- 414(j), which meets the requirements of section 401(a);
- Made based on a pension contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter.

Pension contribution rate. The pension contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement to a defined benefit plan, as the rate is applied to contribution base units, as defined by section 4001(a) (11) of the Employee Retirement Income Security Act of 1974 (ERISA).

Allocation rules. The amount of collectively bargained defined benefit pension plan contributions allocated to qualified sick leave wages and/or qualified family leave wages during a quarter is the pension contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter.

Collectively bargained apprenticeship program contributions. For purposes of qualified sick and family leave wages, collectively bargained apprenticeship program contributions are contributions for a calendar quarter that are:

- Paid or incurred by an employer on behalf of its employees to a registered apprenticeship program, which is an apprenticeship registered under the National Apprenticeship Act of August 16, 1937, and meets the standards of Federal Regulations under subpart A of Part 29 and Part 30 of title 29;
- Made based on an apprenticeship program contribution rate; and
- Required to be made under the terms of a collective bargaining agreement in effect during the quarter.

Apprenticeship program contribution

rate. The apprenticeship program contribution rate is the contribution rate that the employer is obligated to pay under the terms of a collective bargaining agreement for benefits under a registered apprenticeship program, as the rate is applied to contribution base units, as defined by section 4001(a)(11) of ERISA.

Allocation rules. The amount of collectively bargained apprenticeship program contributions allocated to qualified sick leave wages and/or qualified family leave wages in a quarter is the apprenticeship program contribution rate (expressed as an hourly rate) multiplied by the number of hours qualified sick leave wages and/or qualified family leave wages were provided to employees covered under the collective bargaining agreement during the quarter.

Highly compensated employee. A highly compensated employee is an employee who meets either of the following tests.

1. The employee was a 5% owner at any time during the year or the preceding year.
2. The employee received more than \$135,000 in pay for the preceding year.

You can choose to ignore test (2) if the employee wasn't also in the top 20% of employees when ranked by pay for the preceding year.

Line 12g. Total Nonrefundable Credits

Add lines 12a, 12b, and 12d. Enter the total on line 12g.

Line 13. Total Taxes After Adjustments and Nonrefundable Credits

Subtract line 12g from line 11 and enter the result on line 13. The amount entered on line 13 can't be less than zero.

Line 14a. Total Deposits

Enter your deposits for this year, including any overpayment that you applied from filing Form 943-X, in the current year. Also include in the amount shown any overpayment from a previous period that you applied to this return. Don't include any amount you didn't deposit because you reduced your deposits in anticipation of the credit for qualified sick and family leave wages, as discussed in [Notice 2020-22](#) and [Notice 2021-24](#).

Line 14d. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021



*Complete line 14d **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021.*

Certain private employers with fewer than 500 employees that provide paid sick leave under the EPSLA and/or provide paid family leave under the Expanded FMLA are eligible to claim the credit for qualified sick and family leave wages. Enter the refundable portion of the credit for qualified sick and family leave wages from Worksheet 1, Step 2, line 2k. The credit for qualified sick and family leave wages consists of the qualified sick leave wages, the qualified family leave wages, the qualified health plan expenses allocable to those wages, and the employer share of Medicare tax allocable to those wages. The refundable portion of the credit is allowed after the employer share of social security tax is reduced to zero by nonrefundable credits

that are applied against the employer share of social security tax.

Line 14f. Refundable Portion of Credit for Qualified Sick and Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021



*Complete line 14f **only** if qualified sick leave wages and/or qualified family leave wages were paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021.*

Employers with fewer than 500 employees and certain governmental employers without regard to number of employees (except for the federal government and its agencies and instrumentalities unless described in section 501(c)(1)) are entitled to a credit if they provide paid sick leave to employees that otherwise meets the requirements of the EPSLA, as amended for purposes of the ARP, and/or provide paid family leave to employees that otherwise meets the

requirements under the Expanded FMLA, as amended for purposes of the ARP, for leave taken after March 31, 2021, and before October 1, 2021. Enter the refundable portion of the credit for qualified sick and family leave wages from Worksheet 2, Step 2, line 2q. The refundable portion of the credit is allowed after the employer share of Medicare tax is reduced to zero by nonrefundable credits that are applied against the employer share of Medicare tax.

Line 14h. Total Deposits and Refundable Credits

Add lines 14a, 14d, and 14f. Enter the total on line 14h.

Line 15. Balance Due

If line 13 is more than line 14h, enter the difference on line 15. Otherwise, see the instructions for line 16, later. **Never make an entry on both lines 15 and 16.**

You don't have to pay if line 15 is less than \$1. Generally, you should have a balance due only if your total taxes after adjustments and nonrefundable credits (line 13) are less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the year. However, see section 7 of Pub. 51 for information about payments made under the accuracy of deposits rule.

If you were required to make federal tax deposits, pay the amount shown on line 15 by EFT. If you weren't required to make federal tax deposits or you're a monthly schedule depositor making a payment under the accuracy of deposits rule (see section 7 of Pub. 51), you may pay the amount shown on line 15 by EFT, credit card, debit card, check, money order, or EFW. For more information on electronic payment options, go to [IRS.gov/Payments](https://www.irs.gov/payments).

If you pay by EFT, credit card, or debit card, file your return using the *Without a payment* address under *Where Should You File*, earlier. Don't file Form 943-V, Payment Voucher.

If you pay by check or money order, make it payable to "United States Treasury." Enter your EIN, "Form 943," and the tax period on your check or money order. Complete Form 943-V and enclose it with Form 943.



If you're required to make deposits and instead pay the taxes with Form 943, you may be subject to a penalty.

What if you can't pay in full? If you can't pay the full amount of tax you owe, you can apply for an installment agreement online. You can apply for an installment agreement online if:

- You can't pay the full amount shown on line 15,
- The total amount you owe is \$25,000 or less, and

- You can pay the liability in full in 24 months.

To apply using the Online Payment Agreement Application, go to [IRS.gov/OPA](https://irs.gov/OPA).

Under an installment agreement, you can pay what you owe in monthly installments. There are certain conditions you must meet to enter into and maintain an installment agreement, such as paying the liability within 24 months, and making all required deposits and timely filing tax returns during the length of the agreement.

If your installment agreement is accepted, you will be charged a fee and you will be subject to penalties and interest on the amount of tax not paid by the due date of the return.

Line 16. Overpayment

If line 14h is more than line 13, enter the difference on line 16. **Never make an entry on both lines 15 and 16.**

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 16. If you don't check either box or if you check both boxes, we will generally apply the overpayment to your next return. Regardless of any box you check or don't check on line 16, we may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 16 is less than \$1, we will send you a refund or apply it to your next return only if you ask us in writing to do so.

Line 17. Monthly Summary of Federal Tax Liability

This is a summary of your monthly tax liability, not a summary of deposits made. If line 13 is less than \$2,500, don't complete line 17 or Form 943-A.

Complete line 17 only if you were a **monthly schedule depositor** for the entire year and line 13 is \$2,500 or more. The amount entered on line 17M must equal the amount reported on line 13. If it doesn't, your tax deposits and payments may not be counted as timely. Don't reduce your total liability reported on line 17 by the refundable portion of the credit for qualified sick and family leave wages. Don't change your current year tax liability reported on line 13 by adjustments reported on any Forms 943-X. See section 7 of Pub. 51 for details on the deposit rules. You're a monthly schedule depositor for the calendar year if the amount of your "Total taxes after adjustments and nonrefundable credits" reported for the lookback period is \$50,000 or less. The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for 2024 is 2022.



If you were a semiweekly schedule depositor during any part of the year, don't complete line 17. Instead, complete Form 943-A.

Reporting adjustments from line 10 on line 17. If your net adjustment during a month is negative and it exceeds your total liability for the month, don't enter a negative amount for the month. Instead, enter "-0-" for the month and carry over the unused portion of the adjustment to the next month.

Adjusting tax liability for nonrefundable credits claimed on lines 12a, 12b, and 12d. Monthly schedule depositors and semiweekly schedule depositors must account for nonrefundable credits claimed on lines 12a, 12b, and 12d when reporting their tax liabilities on line 17 or Form 943-A. The total tax liability for the year must equal the amount reported on line 13. Failure to account for nonrefundable credits on line 17 or Form 943-A may cause line 17 or Form

943-A to report more than the total tax liability reported on line 13. Don't reduce your monthly tax liability reported on lines 17A through 17L or your daily tax liability reported on Form 943-A below zero.

Qualified small business payroll tax credit for increasing research activities (line 12a). Beginning with the first quarter of 2023, the qualified small business payroll tax credit for increasing research activities is first used to reduce the employer share of social security tax (up to \$250,000) for the quarter and any remaining credit is then used to reduce the employer share of Medicare tax for the quarter until it reaches zero. In completing line 17 or Form 943-A, you take into account the payroll tax credit against the liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages subject to social security tax to your employees until you use up to

\$250,000 of credit against the employer share of social security tax and you then take into account any remaining payroll tax credit against the liability for the employer share of Medicare tax starting with the first payroll payment of the quarter that includes payments of wages subject to Medicare tax to employees. Consistent with the entries on line 17 or Form 943-A, the payroll tax credit should be taken into account in making deposits of employment tax. If any payroll tax credit is remaining at the end of the quarter that hasn't been used completely because it exceeds \$250,000 of the employer share of social security tax and the employer share of Medicare tax for the quarter, the excess credit may be carried forward to the succeeding quarter and allowed as a payroll tax credit for the succeeding quarter. The payroll tax credit may not be taken as a credit against income tax withholding, the employee share of social security tax, or the employee share of Medicare tax.

Also, the remaining payroll tax credit may not be carried back and taken as a credit against wages paid from preceding quarters that are reported on the same Form 943 or on Forms 943 for preceding years. If an amount of payroll tax credit is unused at the end of the calendar year because it is in excess of the applicable employer share of social security tax and employer share of Medicare tax on wages paid during the applicable quarters in the calendar year, the remaining payroll tax credit may be carried forward to the first quarter of the succeeding calendar year as a payroll tax credit against the applicable employer share of social security tax and employer share of Medicare tax on wages paid in that quarter.

Example. Rose Co. is an employer with a calendar tax year that filed its timely 2022 income tax return on April 18, 2023. Rose Co. elected to take the qualified small business payroll tax credit for increasing research

activities on Form 6765. The third quarter of 2023 is the first quarter that begins after Rose Co. filed the income tax return making the payroll tax credit election. Therefore, the payroll tax credit applies against Rose Co.'s share of social security tax (up to \$250,000) and Medicare tax on wages paid to employees in the third quarter of 2023. Rose Co. is a semiweekly schedule depositor. Rose Co. completes Form 943-A by reducing the amount of liability entered for the first payroll payment in the third quarter of 2023 that includes wages subject to social security tax by the lesser of (1) its share of social security tax (up to \$250,000) on the wages, or (2) the available payroll tax credit. If the payroll tax credit elected is more than Rose Co.'s share of social security tax on the first payroll payment of the quarter, the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used against up to \$250,000 of Rose Co.'s share of social security tax for

the quarter. If the amount of the payroll tax credit exceeds Rose Co.'s share of social security tax (up to \$250,000) on wages paid to its employees in the third quarter, any remaining credit is used against Rose Co.'s share of Medicare tax on the first payroll payment of the quarter and then the excess payroll tax credit would be carried forward to succeeding payroll payments in the third quarter until it is used against Rose Co.'s share of Medicare tax for the quarter. If Rose Co. still has credit remaining after reducing its share of social security tax (up to \$250,000) and Medicare tax for the third quarter, the remainder would be treated as a payroll tax credit against its share of social security tax (up to \$250,000) and Medicare tax on wages paid in the fourth quarter. If the amount of the payroll tax credit remaining exceeded Rose Co.'s share of social security tax (up to \$250,000) and Medicare tax on wages paid in the fourth quarter, it could be carried forward

and treated as a payroll tax credit for the first quarter of 2024.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021 (line 12b).

The nonrefundable portion of the credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021, is limited to the employer share of social security tax on wages paid during the year that is remaining after that share is first reduced by any credit claimed against the employer share of social security tax on Form 8974, line 12, for the qualified small business payroll tax credit for increasing research activities; any credit to be claimed on Form 5884-C, line 11, for the work opportunity credit for qualified tax-exempt organizations hiring qualified veterans; and/or any credit to be claimed on Form 5884-D for the disaster credit for

qualified tax-exempt organizations. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages paid in 2023 against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021, that is remaining at the end of the year because it exceeds the employer share of social security tax is claimed on line 14d as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.

Example. Maple Co. is a monthly schedule depositor that pays employees every Friday. In 2023, Maple Co. had pay dates every Friday starting on January 6, 2023. Maple Co.

paid qualified sick and family leave wages on March 10 and March 17 for leave taken after March 31, 2020, and before April 1, 2021. The nonrefundable portion of the credit for qualified sick and family leave wages for the year is \$1,000. On line 17, Maple Co. will use the \$1,000 to reduce the liability for the January 6 pay date, but not below zero. If any nonrefundable portion of the credit remains, Maple Co. applies it to the liability for the January 13 pay date, then the January 20 pay date, and so forth until the entire \$1,000 is used.

Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (line 12d). The nonrefundable portion of the credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021, is limited to the employer share of Medicare tax on wages

paid during the year that is remaining after that share is first reduced by any credit claimed against the employer share of Medicare tax on Form 8974, line 16, for the qualified small business payroll tax credit for increasing research activities. In completing line 17 or Form 943-A, you take into account the nonrefundable portion of the credit for qualified sick and family leave wages paid in 2023 against the liability for the first payroll payment of the year, but not below zero. Then reduce the liability for each successive payroll payment of the year until the nonrefundable portion of the credit is used. Any credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021, that is remaining at the end of the year because it exceeds the employer share of Medicare tax is claimed on line 14f as a refundable credit. The refundable portion of the credit doesn't reduce the liability reported on line 17 or Form 943-A.



You may reduce your deposits by the amount of the nonrefundable and refundable portions of the credit for qualified sick and family leave wages, as discussed earlier under Reducing your deposits for the credit for qualified sick and family leave wages.

Lines 18 Through 27

The amounts entered on lines 18 through 27 are amounts that you use on the worksheets at the end of these instructions to figure certain credits. If you're claiming these credits, you must enter the applicable amounts.



*Complete lines 18 and 19 **only** if qualified health plan expenses allocable to qualified sick leave wages and/or qualified family leave wages were paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021.*

Line 18. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

Enter the qualified health plan expenses allocable to qualified sick leave wages paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021. This amount is also entered on Worksheet 1, Step 2, line 2b.

Line 19. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages for Leave Taken After March 31, 2020, and Before April 1, 2021

Enter the qualified health plan expenses allocable to qualified family leave wages paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021. This amount is also entered on Worksheet 1, Step 2, line 2f.



*Complete lines 22, 23, and 24 **only** if qualified sick leave wages were paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021.*

Line 22. Qualified Sick Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified sick leave wages you paid in 2023 to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified sick leave wages that were above the social security wage base and any qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for line 12d, earlier, for more information about qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2a.

Line 23. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Wages Reported on Line 22

Enter the qualified health plan expenses allocable to qualified sick leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2b.

Line 24. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Wages Reported on Line 22

Enter the collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions allocable to qualified sick leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2c.



*Complete lines 25, 26, and 27 **only** if qualified family leave wages were paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021.*

Line 25. Qualified Family Leave Wages for Leave Taken After March 31, 2021, and Before October 1, 2021

Enter the qualified family leave wages you paid in 2023 to your employees for leave taken after March 31, 2021, and before October 1, 2021, including any qualified family leave wages that were above the social security wage base and any qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22). See the instructions for line 12d, earlier, for more information about qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2g.

Line 26. Qualified Health Plan Expenses Allocable to Qualified Family Leave Wages Reported on Line 25

Enter the qualified health plan expenses allocable to qualified family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2h.

Line 27. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Wages Reported on Line 25

Enter the collectively bargained defined benefit pension plan contributions and collectively bargained apprenticeship program contributions allocable to qualified family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021. This amount is also entered on Worksheet 2, Step 2, line 2i.

Third-Party Designee

If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 943 with the IRS, check the “Yes” box in the *Third-Party Designee* section. Enter the name, phone number, and five-digit personal identification number (PIN) of the specific person to speak with—not the name of the firm that prepared your tax return. The designee may choose any five numbers as their 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've shared with your designee about math errors and return preparation. The IRS won't send notices to your designee.

You're 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.

The authorization will automatically expire 1 year from the due date (without regard to extensions) for filing your Form 943. If you or your designee wants to terminate the authorization, write to the IRS office for your location using the *Without a payment* address under *Where Should You File*, earlier.

Who Must Sign (Approved Roles)

Complete all information and sign Form 943. The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized partner, member, or officer having knowledge of its affairs.
- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary. Form 943 may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form 943 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 [IRS.gov/irb/2005-28_IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

Paid Preparer Use Only

A paid preparer must sign Form 943 and provide the information in the *Paid Preparer Use Only* section if the preparer was paid to prepare Form 943 and isn't 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're 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. For more information about applying for a PTIN online, go to [IRS.gov/PTIN](https://www.irs.gov/PTIN). You can't use your PTIN in place of the EIN of the tax preparation firm.

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

How To Get Forms, Instructions, and Publications



You can view, download, or print most of the forms, instructions, and publications you may need at [IRS.gov/Forms](https://www.irs.gov/forms). Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/orderforms) to place an order and have forms mailed to you.

Privacy Act and Paperwork Reduction Act

Notice. We ask for the information on Forms 943, 943-A, and 943-V 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 and provides for income tax withholding. These forms are used to report the amount of taxes that you owe. Section 6011 requires you to provide the requested information if the tax applies to you. Section 6109 requires you to provide your identification number. If you fail to

provide this information in a timely manner, or provide false or fraudulent information, you may be subject to penalties.

You're 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. However, section 6103 allows or requires us to disclose this information to others as described in the Code. We may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories to administer their tax laws. We may also disclose this information to other countries under a tax

treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average time for **Form 943** is:

	14 hr.,
Recordkeeping	49 min.

Learning about the law or the form.	40 min.
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Preparing and sending the form to the IRS . .	2 hr.,
	7 min.

The estimated average time for **Form 943-V** is 14 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 send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form 943 to this address. Instead, see *Where Should You File*, earlier.

Worksheet 1. Credit for Qualified Sick and Family Leave Wages Paid in 2023 for Leave Taken After March 31, 2020, and Before April 1, 2021

Keep for Your Records



Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified sick leave wages and/or qualified family leave wages in 2023 for leave taken after March 31, 2020, and before April 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 2 to figure the credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2021, and before October 1, 2021.

Step 1.		Determine the employer share of social security tax after it is reduced by any credit claimed on Form 8974 and any credit to be claimed on Form 5884-C and/or Form 5884-D	
1a	Enter the amount of social security tax from Form 943, line 3	1a	_____
1b	Employer share of social security tax. Multiply line 1a by 50% (0.50)	1b	_____
1c	Enter the amount from Form 8974, line 12, for this year	1c	_____
1d	Enter the amount to be claimed on Form 5884-C, line 11, for this year	1d	_____
1e	Enter the amount to be claimed on Form 5884-D, line 12, for this year	1e	_____
1f	Total nonrefundable credits already used against the employer share of social security tax. Add lines 1c, 1d, and 1e	1f	_____
1g	Employer share of social security tax remaining. Subtract line 1f from line 1b	1g	_____
Step 2.		Figure the sick and family leave credit	
2a	Qualified sick leave wages reported on Form 943, line 2a	2a	_____
2a(i)	Qualified sick leave wages included on Form 943, line 4, but not included on Form 943, line 2a, because the wages reported on that line were limited by the social security wage base	2a(i)	_____
2a(ii)	Total qualified sick leave wages. Add lines 2a and 2a(i)	2a(ii)	_____
2a(iii)	Qualified sick leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(iii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages (Form 943, line 18)	2b	_____
2c	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	Credit for qualified sick leave wages. Add lines 2a(ii), 2a(iii), 2b, and 2c	2d	_____
2e	Qualified family leave wages reported on Form 943, line 2b	2e	_____
2e(i)	Qualified family leave wages included on Form 943, line 4, but not included on Form 943, line 2b, because the wages reported on that line were limited by the social security wage base	2e(i)	_____
2e(ii)	Total qualified family leave wages. Add lines 2e and 2e(i)	2e(ii)	_____
2e(iii)	Qualified family leave wages excluded from the definition of employment under sections 3121(b)(1)–(22)	2e(iii)	_____
2f	Qualified health plan expenses allocable to qualified family leave wages (Form 943, line 19)	2f	_____
2g	Employer share of Medicare tax on qualified family leave wages. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	Credit for qualified family leave wages. Add lines 2e(ii), 2e(iii), 2f, and 2g	2h	_____
2i	Credit for qualified sick and family leave wages. Add lines 2d and 2h	2i	_____
2j	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. Enter the smaller of line 1g or line 2i. Enter this amount on Form 943, line 12b	2j	_____
2k	Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2020, and before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form 943, line 14d	2k	_____

Worksheet 2. Credit for Qualified Sick and Family Leave Wages Paid in 2023 for Leave Taken After March 31, 2021, and Before October 1, 2021

Keep for Your Records



Determine how you will complete this worksheet. (If you're a third-party payer, you must complete this worksheet for each client for which it is applicable, on a client-by-client basis.)

If you paid qualified sick leave wages and/or qualified family leave wages in 2023 for leave taken after March 31, 2021, and before October 1, 2021, complete Step 1 and Step 2. **Caution:** Use Worksheet 1 to figure the credit for qualified sick and family leave wages paid in 2023 for leave taken after March 31, 2020, and before April 1, 2021.

Step 1.		Determine the employer share of Medicare tax after it is reduced by any credit claimed on Form 8974	
1a	Enter the amount of Medicare tax from Form 943, line 5	1a	_____
1b	Employer share of Medicare tax. Multiply line 1a by 50% (0.50)	1b	_____
1c	Enter the amount from Form 8974, line 16, for this year	1c	_____
1d	Employer share of Medicare tax remaining. Subtract line 1c from line 1b	1d	_____
Step 2.		Figure the sick and family leave credit	
2a	Qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 22)	2a	_____
2a(i)	Qualified sick leave wages included on Form 943, line 22, that were not included as wages reported on Form 943, lines 2 and 4, because the qualified sick leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2a(i)	_____
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii)	_____
2a(iii)	Qualified sick leave wages included on Form 943, line 22, that were not included as wages reported on Form 943, line 2, because the qualified sick leave wages were limited by the social security wage base	2a(iii)	_____
2a(iv)	Subtract line 2a(iii) from line 2a(ii)	2a(iv)	_____
2b	Qualified health plan expenses allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 23)	2b	_____
2c	Amounts under certain collectively bargained agreements allocable to qualified sick leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 24)	2c	_____
2d	Employer share of social security tax on qualified sick leave wages. Multiply line 2a(iv) by 6.2% (0.062)	2d	_____
2e	Employer share of Medicare tax on qualified sick leave wages. Multiply line 2a(ii) by 1.45% (0.0145)	2e	_____
2f	Credit for qualified sick leave wages. Add lines 2a, 2b, 2c, 2d, and 2e	2f	_____
2g	Qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 25)	2g	_____
2g(i)	Qualified family leave wages included on Form 943, line 25, that were not included as wages reported on Form 943, lines 2 and 4, because the qualified family leave wages were excluded from the definition of employment under sections 3121(b)(1)–(22)	2g(i)	_____
2g(ii)	Subtract line 2g(i) from line 2g	2g(ii)	_____
2g(iii)	Qualified family leave wages included on Form 943, line 25, that were not included as wages reported on Form 943, line 2, because the qualified family leave wages were limited by the social security wage base	2g(iii)	_____
2g(iv)	Subtract line 2g(iii) from line 2g(ii)	2g(iv)	_____
2h	Qualified health plan expenses allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 26)	2h	_____
2i	Amounts under certain collectively bargained agreements allocable to qualified family leave wages for leave taken after March 31, 2021, and before October 1, 2021 (Form 943, line 27)	2i	_____
2j	Employer share of social security tax on qualified family leave wages. Multiply line 2g(iv) by 6.2% (0.062)	2j	_____
2k	Employer share of Medicare tax on qualified family leave wages. Multiply line 2g(ii) by 1.45% (0.0145)	2k	_____
2l	Credit for qualified family leave wages. Add lines 2g, 2h, 2i, 2j, and 2k	2l	_____
2m	Credit for qualified sick and family leave wages. Add lines 2f and 2l	2m	_____
2n	Enter any credit claimed under section 41 for increasing research activities with respect to any wages taken into account for the credit for qualified sick and family leave wages	2n	_____
2o	Credit for qualified sick and family leave wages after adjusting for other credits. Subtract line 2n from line 2m	2o	_____
2p	Nonrefundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Enter the smaller of line 1d or line 2o. Enter this amount on Form 943, line 12d	2p	_____
2q	Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021, and before October 1, 2021. Subtract line 2p from line 2o and enter this amount on Form 943, line 14f	2q	_____