Note: *The draft you are looking for begins on the next page.*

Caution: *DRAFT—NOT FOR FILING*

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Most forms and publications have a page on IRS.gov: IRS.gov/Form1040 for Form 1040; IRS.gov/Pub501 for Pub. 501; IRS.gov/W4 for Form W-4; and IRS.gov/ScheduleA for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at IRS.gov/FormsComments. Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click here.

2023

Instructions for Form 8959

Department of the Treasury
Internal Revenue Service

Additional Medicare Tax

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

Future Developments

For the latest information about developments related to Form 8959 and its instructions, such as legislation enacted after they were published, go to *IRS.gov/Form8959*.

What's New

Form 1040-PR references removed from Form 8959. Form 1040-PR is no longer available to file for tax years beginning after 2022. If you are required to file Form 1040-SS and you prefer your forms in Spanish, you may now file new Form 1040-SS (sp).

Reminders

Missing or incorrect Form W-2. Your employer is required to furnish Form W-2, Wage and Tax Statement, to you no later than January 31, 2024. If you don't receive your Form W-2 by early February, see Tax Topic 154 to find out what to do. Tax topics are available at *IRS.gov/TaxTopics*. Even if you don't get a Form W-2, you must still figure your Additional Medicare Tax. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

Forms W-2 of U.S. territories. References to Form W-2 on Form 8959 and in these instructions also apply to Forms W-2AS, W-2CM, W-2GU, W-2VI, and 499R-2/W-2PR. However, for Form 499R-2/W-2PR, Medicare wages and tips are reported in box 22 and Medicare tax withheld is reported in box 23.

General Instructions

Purpose of Form

Use Form 8959 to figure the amount of Additional Medicare Tax you owe and the amount of Additional Medicare Tax withheld by your employer, if any. You will carry the amounts to one of the following returns.

- Form 1040.
- Form 1040-SR.
- Form 1040-NR.
- Form 1040-SS.

Attach Form 8959 to your return.

CAUTION *If you are filing Form 8959, you must file one of the forms listed earlier.*

Additional Medicare Tax. A 0.9% Additional Medicare Tax applies to your Medicare wages, Railroad Retirement Tax Act (RRTA) compensation, and self-employment income above a threshold amount. The threshold amounts are listed in the *Threshold Amounts for Additional Medicare Tax* chart.

Threshold Amounts for Additional Medicare Tax

Note. The threshold amounts below aren't indexed for inflation.

Filing Status	Threshold Amount
Married filing jointly	$250,000
Married filing separately	$125,000
Single	$200,000
Head of household	$200,000
Qualifying surviving spouse	$200,000

Medicare wages and self-employment income are combined to determine if your income exceeds the threshold. A self-employment loss shouldn't be considered for purposes of this tax. RRTA compensation should be separately compared to the threshold.

Your employer is responsible for withholding the 0.9% Additional Medicare Tax on your Medicare wages or RRTA compensation paid in excess of $200,000 in a calendar year. Your employer is required to begin withholding Additional Medicare Tax in the pay period in which your wages or compensation for the year exceed $200,000 and continue to withhold it in each pay period for the remainder of the calendar year.

More information. The IRS and the Treasury Department have issued final regulations (T.D. 9645) on the Additional Medicare Tax. The final regulations are available at *IRS.gov/irb/2013-51_IRB#TD-9645*. For more information on Additional Medicare Tax, go to *IRS.gov/ADMTfaqs*.

Who Must File

You must file Form 8959 if one or more of the following applies to you.

- Your Medicare wages and tips on any single Form W-2 (box 5) are greater than $200,000.
- Your RRTA compensation on any single Form W-2 (box 14) is greater than $200,000.
- Your total Medicare wages and tips plus your self-employment income, if any (including the Medicare wages and tips and self-employment income of your spouse, if married filing jointly), are greater than the threshold amount for your filing status in the *Threshold Amounts for Additional Medicare Tax* chart.
- Your total RRTA compensation and tips (Form W-2, box 14) (including the RRTA compensation and tips of

your spouse, if married filing jointly) is greater than the threshold amount for your filing status in the *Threshold Amounts for Additional Medicare Tax* chart.

Your Medicare wages include your wages and tips from Form W-2, box 5; your tips from Form 4137, line 6; and your wages from Form 8919, line 6.

Your self-employment income includes amounts from Schedule SE, Part I, line 6. But negative amounts shouldn't be considered for purposes of Form 8959.

If your Medicare wages, RRTA compensation, or self-employment income is adjusted, you may need to correct your liability, if any, for Additional Medicare Tax. When correcting Additional Medicare Tax liability, attach a corrected Form 8959 to your original return or amended return, as applicable. If you are correcting Medicare wages or RRTA compensation, also attach Form W-2 or Form W-2c, Corrected Wage and Tax Statement.

Amounts Subject to Additional Medicare Tax

All wages that are subject to Medicare tax are subject to Additional Medicare Tax to the extent they exceed the threshold amount for your filing status. 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 (Circular E), Employer's Tax Guide.

Your employer must withhold Additional Medicare Tax on wages it pays to you in excess of $200,000 for the calendar year, regardless of your filing status and regardless of wages or compensation paid by another employer.

All RRTA compensation that is currently subject to Medicare tax is subject to Additional Medicare Tax to the extent it exceeds the threshold amount for your filing status. A railroad employer must withhold Additional Medicare Tax on compensation it pays to you in excess of $200,000 for the calendar year, regardless of your filing status and regardless of wages or compensation paid by another employer.

You can't ask your employer to stop Additional Medicare Tax withholding if it is required to withhold it. If you don't owe Additional Medicare Tax, you can claim a credit for any withheld Additional Medicare Tax against the total tax liability shown on your tax return by filing Form 8959.

If you have both wages and self-employment income, the threshold amount for applying Additional Medicare Tax on the self-employment income is reduced (but not below zero) by the total amount of Medicare wages received. There is no equivalent rule for RRTA compensation. See *Examples*, later.

There are no special rules for Additional Medicare Tax for nonresident aliens and U.S. citizens living abroad. Wages, RRTA compensation, and self-employment income that are subject to Medicare tax will also be subject to Additional Medicare Tax if in excess of the applicable threshold.

Examples

The following examples will assist you in understanding and figuring your Additional Medicare Tax.

Example 1. Ann, a single filer, has $130,000 in self-employment income and $0 in wages. Ann isn't liable for Additional Medicare Tax and doesn't need to file Form 8959 because her self-employment income is less than the $200,000 threshold for single filers.

Example 2. Bob, a single filer, has $220,000 in self-employment income and $0 in wages. Bob is liable for Additional Medicare Tax on $20,000 ($220,000 in self-employment income minus the threshold of $200,000). Bob must file Form 8959.

Example 3. Carl, a single filer, has $145,000 in self-employment income and $130,000 in wages. Carl's wages don't exceed $200,000. Therefore, Carl's employer didn't withhold Additional Medicare Tax. However, the $130,000 of wages reduces the self-employment income threshold to $70,000 ($200,000 threshold minus the $130,000 of wages). Carl is liable for Additional Medicare Tax on $75,000 of self-employment income ($145,000 in self-employment income minus the reduced threshold of $70,000). Carl must file Form 8959.

Example 4. Don, who is married and files married filing separately, has $150,000 in self-employment income and $200,000 in wages. Don's wages don't exceed $200,000. Therefore, Don's employer didn't withhold Additional Medicare Tax. However, Don is liable for Additional Medicare Tax on $75,000 of wages ($200,000 in wages minus the $125,000 threshold for a married filing separately return). In addition, the $200,000 of wages reduces the self-employment income threshold to $0 ($125,000 threshold minus the $200,000 of wages). Don is also liable for Additional Medicare Tax on $150,000 of self-employment income ($150,000 in self-employment income minus the reduced threshold of $0). Don must file Form 8959.

Example 5. Erin and Frank are married and file jointly. Erin has $150,000 in wages and Frank has $175,000 in wages. Neither Erin nor Frank has wages that exceed $200,000. Therefore, their employers didn't withhold Additional Medicare Tax. However, their combined $325,000 in wages exceeds the $250,000 threshold for joint filers. Erin and Frank are liable for Additional Medicare Tax on $75,000 of wages ($325,000 in wages minus the $250,000 threshold). Erin and Frank must file Form 8959.

Example 6. George and Helen are married and file jointly. George has $190,000 in wages and Helen has $150,000 in compensation subject to RRTA taxes. Neither George nor Helen has wages or compensation that exceeds $200,000. Therefore, their employers didn't withhold Additional Medicare Tax. George and Helen don't combine their wages and RRTA compensation to determine whether they are in excess of the $250,000 threshold for a joint return. George and Helen aren't liable for Additional Medicare Tax because George's wages aren't in excess of the $250,000 threshold and Helen's RRTA compensation isn't in excess of the $250,000 threshold.

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Example 7. Ishmael and Judy are married and file jointly. Ishmael has $160,000 in self-employment income and Judy has $140,000 in compensation subject to RRTA taxes. Judy's compensation didn't exceed $200,000. Therefore, Judy's employer didn't withhold Additional Medicare Tax. The $140,000 of RRTA compensation doesn't reduce the threshold at which Additional Medicare Tax applies to self-employment income. Ishmael and Judy aren't liable for Additional Medicare Tax because Ishmael's self-employment income isn't in excess of the $250,000 threshold and Judy's RRTA compensation isn't in excess of the $250,000 threshold.

Income Tax Withholding and Estimated Tax Payments for 2024

Depending upon your filing status, wages, RRTA compensation, and self-employment income, you may owe more than the amount that was withheld by your employer. If you anticipate having a liability for Additional Medicare Tax for 2024, you may request that your employer withhold an additional amount of income tax. You make the request by filing a new Form W-4, Employee's Withholding Certificate, with your employer. The additional income tax withholding will be applied against the taxes shown on your tax return, including any Additional Medicare Tax liability. You can't request additional withholding specifically for Additional Medicare Tax. For more information on tax withholding, see Pub. 505.

To the extent Additional Medicare Tax isn't withheld by your employer, you must pay the tax. If you anticipate that you will owe Additional Medicare Tax for 2024 but won't satisfy the liability through withholding, you may need to make estimated tax payments. You should consider your estimated total tax liability in light of your wages, compensation, and self-employment income and the threshold amount for your filing status when determining whether estimated tax payments are necessary. Any estimated tax payments you make will apply to any and all taxes on your tax return, including any Additional Medicare Tax. You can't designate any estimated tax payments specifically for Additional Medicare Tax.

If you intend to file a joint return for 2024 and you anticipate that the combined wages and self-employment income of you and your spouse are going to be more than $250,000, you may want to request additional withholding on Form W-4 and/or make estimated payments. If you are in a community property state and plan to file as married filing separately, see Pub. 555 for more information on the treatment of withheld income taxes.

In general, you don't have to make estimated tax payments if you expect that your 2024 return will show a tax refund or a tax balance due of less than $1,000. If you expect to owe $1,000 or more in tax for 2024 after subtracting your withholding and refundable credits, see Form 1040-ES (or Form 1040-ES (NR) if a nonresident alien) and Pub. 505 for a worksheet you can use to see if you have to make estimated tax payments. For more details, see Pub. 505.

Estimated tax penalty. You may be subject to a penalty for failure to make estimated tax payments if you owe Additional Medicare Tax and wait to pay the tax with your tax return. See Form 2210 (or Form 2210-F for farmers and fishermen) and its separate instructions to determine if the penalty applies to you.

Specific Instructions

Name(s). Print or type your name (and your spouse's name if filing a joint return) exactly as it is entered on your return.

Social security number. The social security number on this form should match the social security number on your tax return. If you are married and filing a joint return, enter the first social security number that appears on your return.

Part I—Additional Medicare Tax on Medicare Wages

If you (and your spouse if filing a joint return) didn't have Medicare wages, skip Part I and go to Part II.

Line 1

Enter your Medicare wages and tips from box 5 of your Form W-2. If you have more than one Form W-2, enter the total of the amounts from box 5 of all Forms W-2. If you are filing a joint return, also include your spouse's wages and tips.

Line 2

Enter unreported tips from line 6 of Form 4137, Social Security and Medicare Tax on Unreported Tip Income. If you are filing a joint return, also include the amount from line 6 of your spouse's Form 4137.

Penalty for not reporting tips. If you didn't report tips to your employer as required, you may be charged a penalty equal to 50% of the social security, Medicare, and Additional Medicare taxes due on those tips. You can avoid this penalty if you can show that your failure to report tips to your employer was due to reasonable cause and not due to willful neglect. To do so, you can attach a statement to your return explaining why you didn't report them or submit a statement in response to a notice regarding a proposed penalty assessment. For more information about tip reporting, see Pub. 531.

Line 3

Enter wages from line 6 of Form 8919, Uncollected Social Security and Medicare Tax on Wages. If you are filing a joint return, also include the amount from line 6 of your spouse's Form 8919.

Line 7

Multiply line 6 by 0.9% (0.009). This is your Additional Medicare Tax on your wages. Enter the result on this line and go to Part II.

Part II—Additional Medicare Tax on Self-Employment Income

If you (and your spouse if filing a joint return) didn't have self-employment income, skip Part II and go to Part III.

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Line 8

Enter your self-employment income from Schedule SE, Part I, line 6. Combine amounts from this line if you have multiple Schedules SE.

Line 13

Multiply line 12 by 0.9% (0.009). This is your Additional Medicare Tax on self-employment income. Enter the result on this line and go to Part III.

Example. Kathleen and Liam are married and file a joint return. Kathleen has $130,000 in wages (included on line 4 of Form 8959). Liam has $140,000 in self-employment income (included on line 8 of Form 8959). The $130,000 of Kathleen's wages reduces Liam's self-employment income threshold to $120,000 ($250,000 threshold minus the $130,000 of wages, as figured on lines 9 through 11 of Form 8959). Kathleen and Liam are liable for Additional Medicare Tax on $20,000 of Liam's self-employment income ($140,000 in self-employment income minus the reduced threshold amount of $120,000, as figured on line 12 of Form 8959). Kathleen and Liam owe Additional Medicare Tax of $180.00 ($20,000 x 0.9% (0.009), as figured on line 13 of Form 8959). Kathleen and Liam must file Form 8959.

Part III—Additional Medicare Tax on Railroad Retirement Tax Act (RRTA) Compensation

If you (and your spouse if filing a joint return) didn't have RRTA compensation, skip Part III and go to Part IV.

Line 14

Enter the total of your RRTA compensation and tips. The amount of RRTA compensation for a railroad employee is reported on Form W-2, box 14. If you have more than one Form W-2, enter the total of the RRTA compensation amounts from box 14 of all Forms W-2. If you are filing a joint return, also include your spouse's RRTA compensation. An employee representative subject to RRTA taxes should include the total compensation subject to Tier 1 Medicare tax as reported on line 2 of Form CT-2 (include the total of the compensation amounts from line 2 of all Forms CT-2 filed for 2023).

Line 17

Multiply line 16 by 0.9% (0.009). This is your Additional Medicare Tax on RRTA compensation. Enter the result on this line and go to Part IV.

Part IV—Total Additional Medicare Tax

Line 18

Include the amount from line 18 on the following line of your tax return.

- Line 11 of Schedule 2 (Form 1040).
- Line 5 of Part I of Form 1040-SS.

Part V—Withholding Reconciliation

Use Part V to figure the amount of Additional Medicare Tax on wages and RRTA compensation withheld by your employer.

If you (and your spouse if filing a joint return) didn't have Medicare wages or RRTA compensation, leave Part V blank.

Line 19

Enter the amount of Medicare tax withheld, if any, reported on Form W-2, box 6. If you have more than one Form W-2, add the amounts in box 6 of all your Forms W-2 and enter the total here. If you are filing a joint return, include your spouse's Medicare tax withheld.

Also include any uncollected Medicare tax on tips from Form W-2, box 12, code B, and any uncollected Medicare tax on the taxable cost of group-term life insurance over $50,000 (for former employees) from Form W-2, box 12, code N. If you have more than one Form W-2, add the amounts in box 12, codes B and N, of all your Forms W-2 and enter the total here. If you are filing a joint return, also include these amounts, if any, from your spouse's Form(s) W-2. However, don't include any amounts reported on Form W-2, box 12, codes B and N, for uncollected RRTA Medicare tax.

Note. Both Medicare tax and Additional Medicare Tax withholding are reported together on Form W-2, box 6.

Line 23

Enter the amount of Additional Medicare Tax withheld, if any, reported on Form W-2, box 14. If you have more than one Form W-2, add the amounts in box 14 of all your Forms W-2 and enter the total here. If you are filing a joint return, include your spouse's Additional Medicare Tax withheld. An employee representative subject to RRTA taxes should include the total Additional Medicare Tax paid as reported on line 3 of Form CT-2 (include the total Additional Medicare Tax paid from line 3 of all Forms CT-2 filed for 2023).

Line 24

Include the amount from line 24 on the following line of your tax return.

- If you file Form 1040, 1040-SR, or 1040-NR, include this amount on line 25c combined with your federal income tax withholding.
- If you file Form 1040-SS, include this amount on line 12 of Part I.

Attach your completed Form 8959 to Form 1040, 1040-SR, 1040-NR, or 1040-SS.

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