Form **940**
Department of the Treasury
Internal Revenue Service

Employer's Annual Federal Unemployment Tax Return

1979

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If incorrect, make any necessary change ▶

Name (as distinguished from trade name)

Trade name, if any

Address and ZIP code

Calendar Year
1979

Employer identification number

A Have you paid all required contributions to your State unemployment fund by the due date of Form 940? . . . . . ☐ Yes ☐ No

If you check the "Yes" box, enter amount of contributions timely paid to your State unemployment fund . . . ▶.....

B Are you required to pay contributions to only one State? . . . . . ☐ Yes ☐ No

If you check the "Yes" box: (1) Enter the name of the State that you are required to pay contributions to . . ▶.....

(2) Enter your State experience rate(s) for 1979 (see instructions for Part V, columns 4 and 5) . ▶ %, %, %

Part I Computation of Taxable Wages (To Be Completed by All Taxpayers)

1 Total payments (including exempt payments) during the calendar year for services of employees . . . . .

Exempt Payments	Amount paid
2 Exempt payments. (Explain each exemption shown, attaching additional sheets if necessary) ▶	
3 Payments for services in excess of $6,000. Enter only the excess over the first $6,000 paid to individual employees exclusive of exempt amounts entered on line 2. Do not use State wage limitation	

4 Total exempt payments (add lines 2 and 3) . . . . . .

5 **Total taxable wages** (subtract line 4 from line 1). (If any portion is exempt from State contributions, see instructions) . . ▶

Part II Tax Due or Refund (Complete if You Checked the "Yes" boxes in Both Items A and B Above)

1 FUTA tax. Multiply the wages on line 5, Part I, by .007 and enter here . . . . . .

2 (a) Delaware wages included on line 5, Part I . . ▶ $..... multiplied by .003 . . .

(b) Pennsylvania wages included on line 5, Part I . ▶ $..... multiplied by .003 . . .

3 Total FUTA tax (add lines 1, 2a, and 2b) . . . . . .

4 Less: Total FUTA tax deposited from line 5, Part IV . . . . . .

5 **Balance due** (subtract line 4 from line 3—this should not be over $100). Pay to Internal Revenue Service . . ▶

6 **Overpayment** (subtract line 3 from line 4) . . . . . ▶

Part III Tax Due or Refund (Complete if You Checked the "No" Box in Either Item A or Item B Above)

1 Gross FUTA tax. Multiply the wages on line 5, Part I, by .034 . . . . . .

2 Maximum credit. Multiply the wages on line 5, Part I, by .027 . . . . . .

3 Enter the smaller of the amount on line 11, Part V, or line 2, above . . . . . .

4 (a) Delaware wages included on line 5, Part I . . ▶ $..... multiplied by .003

(b) Pennsylvania wages included on line 5, Part I . ▶ $..... multiplied by .003

5 Credit allowable (subtract lines 4a and 4b from line 3) . . . . . .

6 Net FUTA tax (subtract line 5 from line 1) . . . . . .

7 Less: Total FUTA tax deposited from line 5, Part IV . . . . . .

8 **Balance due** (subtract line 7 from line 6—this should not be over $100). Pay to Internal Revenue Service . . ▶

9 **Overpayment** (subtract line 6 from line 7) . . . . . ▶

Part IV Record of Federal Tax Deposits for Unemployment Tax (Form 508)

	a. Quarter	b. Liability by period	c. Date of deposit	d. Amount of deposit
1	First			
2	Second			
3	Third			
4	Fourth			

5 **Total FUTA tax deposited** (add column d, lines 1 through 4) (do not include contributions paid to State) . . ▶

If you will not have to file returns in the future, write "Final" here (see general instruction "Who Must File") . . ▶

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

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

Part V **Computation of Tentative Credit (Complete if You Checked the "No" Box in Either Question A or B on Page 1—See Instructions)**

Name of State	State reporting number(s) as shown on employer's State contribution returns	Taxable payroll (as defined in State act)	State experience rate period 4		State experience rate	Contributions if rate had been 2.7% (col. 3×2.7%)	Contributions payable at experience rate (col. 3×col. 5)	Additional credit (col. 6 minus col. 7)	Contributions actually paid to State
			From—	To—					
1	2	3			5	6	7	8	9
10 Totals . . . . . ▶									
11 Total tentative credit (add line 10, columns 8 and 9—see instructions for limitations) . . . . . ▶									

New Format

This form has been changed so that most employers will find it much simpler to figure their tax. If you (a) paid all required contributions to your State unemployment fund by the due date of this form, and (b) are required to contribute to only one State, you only have to complete Parts I, II, and IV. Otherwise, you must complete Parts I, III, IV, and V.

General Instructions

For more detailed information on which employers must file, the types of payments defined by law as wages, and the kind of services covered by the Federal Unemployment Tax Act (FUTA), see **Publication 15,** Circular E, Employer's Tax Guide. **Publication 539,** Withholding Taxes and Reporting Requirements (Revised November 1979) has a filled in copy of Form 940. Both publications are available at any Internal Revenue Service office.

Household employers, see **Publication 503,** Child and Disabled Dependent Gare (Revised November 1979). It has an example and a filled in copy of Form 940 for a household employer.

Purpose of Form 940.—Use it for the annual reporting of tax under FUTA. **This tax is paid only by the employer.** The tax rate is 3.4% on the first $6,000 of wages paid to each employee during 1979.

Who Must File.—In general, every employer who during 1979 or 1978 (a) paid wages of $1,500 in any calendar quarter or (b) at any time had one or more employees in any 20 calendar weeks must file. Count all regular, temporary, and part-time employees. A partnership should not count its partners. If there is a change in ownership or other transfer of business during the year, each employer who meets tests (a) or (b) above must file. But neither should report wages paid by the other. Organizations described in section 501(c)(3) do not have to file.

As an agricultural or household employer, you must file Form 940 if any of the following apply to you:

(1) You paid cash wages of $20,000 or more to agricultural workers during any calendar quarter in 1979 or 1978.

(2) You employed 10 or more agricultural workers during some part of a day (whether or not at the same time) for at least one day during any 20 different weeks in 1979 or 1978.

(Count aliens admitted to the U.S. on a temporary basis to perform agricultural labor in 1980 (after 1980, in the current or preceding year) to determine if you meet either of the above tests. However, wages paid to these aliens are not subject to FUTA tax until 1982.

(3) You paid cash wages of $1,000 or more in any calendar quarter in 1979 or 1978 for domestic service in a private home, local college club, or a local chapter of a college fraternity or sorority.

If you receive a form and are not liable for Federal unemployment tax for 1979, write "Not Liable" across the front and return it to IRS. If you will not have to file returns after this, write "Final" on the line above the signature line.

If you sold or transferred the business during the year, attach a statement showing the name, address, and employer identification number (if known) of the new owner.

Once you have filed a Form 940, we will send you an addressed form near the end of the year. If you do not receive it, ask for one from any IRS office in time to file.

Due Date.—Form 940 for 1979 is due by January 31, 1980. However, if you made timely deposits in full payment of the tax due, your due date is February 11, 1980.

Where to File.—

If your principal business, office, or agency is located in ▼	File with the Internal Revenue Service Center at ▼
New Jersey, New York City and counties of Nassau, Rockland, Suffolk and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
District of Columbia, Delaware, Maryland, Pennsylvania	Philadelphia, PA 19255
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501

If you have no legal residence or principal place of business in any IRS district, or if your principal place of business is in Puerto Rico or the U.S. Virgin Islands, file Form 940 with the Internal Revenue Service Center, Philadelphia, PA 19255.

Deposit Requirements.—Please see the specific instructions for Part IV.

How to Make Deposits.—Follow the instructions on the back of the preinscribed Federal Tax Deposit Form 508.

Employer's Name, Address, and Identification Number.—Use the addressed Form 940 mailed to you. If you must use a non-addressed form, type or print your name, trade name, address, and employer identification number on it.

Penalties and Interest.—Avoid penalties and interest by filing a correct return and paying the proper amount of tax when due. The law provides a penalty for late filing unless you show reasonable cause for the delay. If you file late, attach an explanation.

There are also penalties for willful failure to pay tax, keep records, make returns, and for filing false or fraudulent returns. Taxpayers who willfully claim credit for deposits not made are subject to fines and other criminal penalties.

Credit for Contributions Paid into State Funds.—You can claim credit for contributions you pay into a certified State (including Puerto Rico and the U.S. Virgin Islands) unemployment fund by the due date of Form 940.

"Contributions" are payments that State law requires you to make to an unemployment fund because you are an employer. These payments are "contributions" only to the extent that they are not deducted or deductible from the employees' pay.

You may credit contributions against the tax whether or not you made them for "employment." You may not take credit for voluntary contributions or for penalties or interest payments to a State.

Credit for contributions you make after the due date (or extended due date) for filing Form 940 may not be more than 90% of the amount that would have been allowable if you had paid the contributions by the due date.

If you have been granted an experience rate lower than 2.7% by a State for the whole or part of the year, you are entitled to an additional credit. This credit is equal to the difference between actual contributions and the amount you would have been required to contribute at either the highest rate applied by the State, or 2.7%, whichever is lower.

The total credit allowable may not be more than 2.7% of taxable wages.

Special Credit for Successor Employers.—If you are claiming special credit as a successor employer, attach a statement showing (a) the name, address, and employer identification number of your predecessor; (b) how you acquired your predecessor's trade or business (or a separate unit of it); (c) the date you acquired it; (d) each item in columns 1 through 9 of Part V that applies to your predecessor; (e) the number of individuals your predecessor employed immediately before the acquisition, whom you also employed immediately after the acquisition; (f) the total payments subject to State unemployment compensation your predecessor paid to the employees in (e) above during the calendar year.

Determine the amount of the special credit in the following way (use the figures in columns 1 through 9 of Part V compiled for your predecessor): Add the "additional credit" (column 8) and "contributions actually paid to the State" (column 9). Multiply this total by the fraction whose numerator (top number) is the amount from step (f) above, and whose denominator (bottom number) is the "taxable payroll (as defined in State act)" (column 3) paid to all employees of your predecessor before you acquired the business during the calendar year.

(See Specific Instructions on page 4.)

Form **940**
Department of the Treasury
Internal Revenue Service

Employer's Annual Federal Unemployment Tax Return

1979

YOUR COPY

Calendar Year
1979
Employer identification number

A Have you paid all required contributions to your State unemployment fund by the due date of Form 940? . . . . . ☐ Yes ☐ No

If you check the "Yes" box, enter amount of contributions timely paid to your State unemployment fund . . . ▶

B Are you required to pay contributions to only one State? . . . . . ☐ Yes ☐ No

If you check the "Yes" box: (1) Enter the name of the State that you are required to pay contributions to . . ▶

(2) Enter your State experience rate(s) for 1979 (see instructions for Part V, columns 4 and 5) . ▶ %, %, %

Part I Computation of Taxable Wages (To Be Completed by All Taxpayers)

1 Total payments (including exempt payments) during the calendar year for services of employees		
Exempt Payments	**Amount paid**	
2 Exempt payments. (Explain each exemption shown, attaching additional sheets if necessary) ▶		
3 Payments for services in excess of $6,000. Enter only the excess over the first $6,000 paid to individual employees exclusive of exempt amounts entered on line 2. Do not use State wage limitation		
4 Total exempt payments (add lines 2 and 3)		
5 **Total taxable wages** (subtract line 4 from line 1). (If any portion is exempt from State contributions, see instructions) . . ▶		

Part II Tax Due or Refund (Complete if You Checked the "Yes" boxes in Both Items A and B Above)

1 FUTA tax. Multiply the wages on line 5, Part I, by .007 and enter here	
2 (a) Delaware wages included on line 5, Part I . . ▶ $..... multiplied by .003 . . .	
(b) Pennsylvania wages included on line 5, Part I . ▶ $..... multiplied by .003 . . .	
3 Total FUTA tax (add lines 1, 2a, and 2b)	
4 Less: Total FUTA tax deposited from line 5, Part IV	
5 **Balance due** (subtract line 4 from line 3—this should not be over $100). Pay to Internal Revenue Service . . ▶	
6 **Overpayment** (subtract line 3 from line 4) . . . . . ▶	

Part III Tax Due or Refund (Complete if You Checked the "No" Box in Either Item A or Item B Above)

1 Gross FUTA tax. Multiply the wages on line 5, Part I, by .034		
2 Maximum credit. Multiply the wages on line 5, Part I, by .027		
3 Enter the smaller of the amount on line 11, Part V, or line 2, above		
4 (a) Delaware wages included on line 5, Part I . . ▶ $..... multiplied by .003		
(b) Pennsylvania wages included on line 5, Part I . ▶ $..... multiplied by .003		
5 Credit allowable (subtract lines 4a and 4b from line 3)		
6 Net FUTA tax (subtract line 5 from line 1)		
7 Less: Total FUTA tax deposited from line 5, Part IV		
8 **Balance due** (subtract line 7 from line 6—this should not be over $100). Pay to Internal Revenue Service . . ▶		
9 **Overpayment** (subtract line 6 from line 7) . . . . . ▶		

Part IV Record of Federal Tax Deposits for Unemployment Tax (Form 508)

	a. Quarter	b. Liability by period	c. Date of deposit	d. Amount of deposit
1	First			
2	Second			
3	Third			
4	Fourth			

5 **Total FUTA tax deposited** (add column d, lines 1 through 4) (do not include contributions paid to State) . . ▶

If you will not have to file returns in the future, write "Final" here (see general instruction "Who Must File") . . ▶

Keep This Copy for Your Records

You must keep this copy and a copy of each related schedule or statement for a period of 4 years after the date the tax is due or paid, whichever is later. These copies must be available for inspection by the Internal Revenue Service.

For More Information

See **Publication 15,** Circular E, Employer's Tax Guide, and **Publication 539,** Withholding Taxes and Reporting Requirements, for more detailed information. Household employers should see **Publication 503,** Child and Disabled Dependent Care.

Part V Computation of Tentative Credit (Complete if You Checked the "No" Box in Either Question A or B on Page 1—See Instructions)

Name of State 1	State reporting number(s) as shown on employer's State contribution returns 2	Taxable payroll (as defined in State act) 3	State experience rate period 4 From—	To—	State experience rate 5	Contributions if rate had been 2.7% (col. 3×2.7%) 6	Contributions payable at experience rate (col. 3×col. 5) 7	Additional credit (col. 6 minus col. 7) 8	Contributions actually paid to State 9
10 Totals . . . . . ▶									
11 Total tentative credit (add line 10, columns 8 and 9—see instructions for limitations) . . . . . ▶									

Specific Instructions

All filers must complete Questions A and B, Part I.

Use Part II if you pay contributions to only one State unemployment fund, you made all State payments by the due date of Form 940, and all of the FUTA wages are subject to the State's unemployment fund taxes. Otherwise, complete Parts III and V.

Part I.—Computation of Taxable Wages

Line 1—Total payments.—Enter the total payments you made to employees for services during the calendar year, even if they are not taxable. Include salaries, wages, commissions, fees, bonuses, vacation allowances, amounts paid to temporary or part-time employees, and the value of goods, lodging, food, and clothing. Enter the amount before any deductions.

How the payments are made is not important in determining if they are wages. Thus, you may pay wages for piecework or as a percentage of profits, and you may pay wages hourly, daily, weekly, monthly, or yearly. You may pay wages in cash or some other way, such as goods, lodging, food, or clothing. For items other than cash, use the fair value at the time of payment.

Line 2—Exempt payments.—"Wages" and "employment" as defined for FUTA purposes do not include every payment and every kind of service an employee may perform. In general, payments excluded from wages and payments for services excepted from employment are not subject to tax. You may deduct these payments from total payments only if you explain them on line 2.

Enter such items as the following:

(1) Agricultural labor if you (a) paid cash wages of less than $20,000 for such labor for each calendar quarter in 1978 and 1979

Line 5—Total taxable wages.—If any part of your taxable FUTA wages are exempt from State contributions, you must fill out Parts I, III, IV and V, even if you checked questions A and B "Yes."

Part II.—Tax Due or Refund

Use this part if you made payments to only one State by the due date of Form 940, and all your wages shown on line 5 of Part I are subject to the State's unemployment fund taxes.

Lines 2a and 2b.—Enter any FUTA wages subject to the unemployment compensation laws of Delaware and Pennsylvania. (If in doubt, ask your local IRS office.) Multiply the wages by .003. This adjustment is required by Internal Revenue Code section 3302(c)(2). If no wages are subject, enter "none" on lines 2a and 2b.

Part III.—Tax Due or Refund

Use this part if you do not qualify for Part II.

Line 3.—Enter the smaller of (1) line 11, Part V—Total tentative credit, or (2) line 2, Part III—2.7% of taxable FUTA wages.

Lines 4a and 4b.—Enter any FUTA wages subject to the unemployment compensation laws of Delaware and Pennsylvania. (If in doubt, ask your local IRS office.) Multiply the wages by .003. This adjustment is required by Internal Revenue Code section 3302(c)(2). If no wages are subject, enter "none" on lines 4a and 4b.

Part IV.—Record of Federal Tax Deposits

Complete this part if your total tax for the year is over $100. In columns c and d, enter the date and the amount of the deposit you made for each quarter.

Figure your Federal unemployment tax on a quarterly basis. Deposit any amount due by the last day of the first month following the close of the quarter. (If you do not qualify

scribed Federal Tax Deposit (FTD) Form 508 which must accompany each deposit.

Preinscribed FTD Forms 508 are mailed to you once each year (around the end of March) for your use throughout the year. The number of cards you receive is based on your history of payments during the previous two years. If you do not receive a supply of cards or need more than the number sent to you, you can order cards from any IRS office. Your request should show your name, address, employer identification number, the kind of tax (FUTA), the tax period ending date (December 31), and the number of cards you need.

Part V.—Computation of Tentative Credit

Complete this schedule if: (1) You made payments to the unemployment fund of more than one State; (2) You did not make your State payments by the due date of Form 940; or (3) Some wages subject to Federal unemployment tax were exempted from State taxes. If you have a State experience rate lower than 2.7% for all or part of the year, use columns 1 through 9. If you have no experience rate, use columns 1, 2, 3, and 9 only. If you have a rate of 2.7% or higher, use columns 1, 2, 3, 4, 5, and 9 only. If you have an experience rate on part of your payroll, show separately in columns 1, 2, 3, and 9 the part that the rate does not apply to. If you were granted an experience rate for only part of the year or the rate was changed during the year, enter in the appropriate columns the period each separate rate applied to, your payroll rate, and required contributions for each period.

Column 1.—Enter the name of the State or States (including Puerto Rico and the U.S. Virgin Islands) that you were required to pay contributions to.

Column 2.—Enter the State reporting number that was assigned to you when you registered as an employer with your State.

Column 3.—Enter the taxable payroll that you must pay contributions on to the un-