

Annual Record of Federal Tax Liability

(Rev. October 2017)

▶ Go to www.irs.gov/Form945A for the latest information.

Department of the Treasury
Internal Revenue Service

▶ File with Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X.

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Calendar Year

Name (as shown on Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X)

Employer identification number (EIN)

You must complete this form if you're a semiweekly schedule depositor or became one because your accumulated tax liability during any month was \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from electronic funds transfers.) Don't change your current year tax liability by adjustments reported on any Form 945-X, CT-1 X, or 944-X.

January Tax Liability				February Tax Liability				March Tax Liability			
1			17	1			17	1			17
2			18	2			18	2			18
3			19	3			19	3			19
4			20	4			20	4			20
5			21	5			21	5			21
6			22	6			22	6			22
7			23	7			23	7			23
8			24	8			24	8			24
9			25	9			25	9			25
10			26	10			26	10			26
11			27	11			27	11			27
12			28	12			28	12			28
13			29	13			29	13			29
14			30	14				14			30
15			31	15				15			31
16				16				16			

A Total for month ▶ **B Total for month ▶** **C Total for month ▶**

April Tax Liability				May Tax Liability				June Tax Liability			
1			17	1			17	1			17
2			18	2			18	2			18
3			19	3			19	3			19
4			20	4			20	4			20
5			21	5			21	5			21
6			22	6			22	6			22
7			23	7			23	7			23
8			24	8			24	8			24
9			25	9			25	9			25
10			26	10			26	10			26
11			27	11			27	11			27
12			28	12			28	12			28
13			29	13			29	13			29
14			30	14			30	14			30
15				15			31	15			
16				16				16			

D Total for month ▶ **E Total for month ▶** **F Total for month ▶**

July Tax Liability			August Tax Liability			September Tax Liability		
1		17	1		17	1		17
2		18	2		18	2		18
3		19	3		19	3		19
4		20	4		20	4		20
5		21	5		21	5		21
6		22	6		22	6		22
7		23	7		23	7		23
8		24	8		24	8		24
9		25	9		25	9		25
10		26	10		26	10		26
11		27	11		27	11		27
12		28	12		28	12		28
13		29	13		29	13		29
14		30	14		30	14		30
15		31	15		31	15		
16			16			16		

G Total for month ► **H Total for month ►** **I Total for month ►**

October Tax Liability			November Tax Liability			December Tax Liability		
1		17	1		17	1		17
2		18	2		18	2		18
3		19	3		19	3		19
4		20	4		20	4		20
5		21	5		21	5		21
6		22	6		22	6		22
7		23	7		23	7		23
8		24	8		24	8		24
9		25	9		25	9		25
10		26	10		26	10		26
11		27	11		27	11		27
12		28	12		28	12		28
13		29	13		29	13		29
14		30	14		30	14		30
15		31	15			15		31
16			16			16		

J Total for month ► **K Total for month ►** **L Total for month ►**

M Total tax liability for the year (add lines A through L). This should equal line 3 on Form 945 (line 15 on Form CT-1, line 9 on Form 944). ►

Future Developments

For the latest information about developments related to Form 945-A and its instructions, such as legislation enacted after they were published, go to www.irs.gov/Form945A.

What's New

Adjusting tax liability for the qualified small business payroll tax credit for increasing research activities (Form 944 only). For 2017 and subsequent years, you must account for any qualified small business payroll tax credit for increasing research activities that you reported on Form 944, line 8, when reporting your liabilities on Form 945-A. The total liability for the year must equal Form 944, line 9. Failure to account for the amount reported on Form 944, line 8, may cause Form 945-A to report more than the total taxes after adjustments and credits reported on Form 944, line 9.

The qualified small business payroll tax credit for increasing research activities applies to the employer share of social security tax on wages paid in the quarter that begins after the income tax return electing the credit has been filed. In completing Form 945-A, you take into account the payroll tax credit against your liability for the employer share of social security tax starting with the first payroll payment of the quarter that includes payments of wages to your employees that are subject to social security tax. Don't reduce your daily tax liability reported on Form 945-A below zero. For more information, see the line 13 instructions in the Instructions for Form 944.

Reminders

Reporting prior period adjustments. Prior period adjustments are reported on Form 945-X, Adjusted Annual Return of Withheld Federal Income Tax or Claim for Refund; Form CT-1 X, Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund; or Form 944-X, Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund; and aren't taken into account when figuring the tax liability for the current year.

When you file Form 945-A with your Form 945, CT-1, or 944, don't change your current year tax liability by adjustments reported on any Form 945-X, CT-1 X, or 944-X.

Amended Form 945-A. If you have been assessed a failure-to-deposit (FTD) penalty, you may be able to file an amended Form 945-A. For more information, see *Correcting Previously Reported Tax Liability*, later.

General Instructions

Purpose of form. Use Form 945-A to report your federal tax liability (based on the dates payments were made or wages were paid) for the following tax returns.

- Forms 945 and 945-X for federal income tax withholding on nonpayroll payments. Nonpayroll withholding includes backup withholding and federal income tax withholding on pensions, annuities, IRAs, Indian gaming profits, gambling winnings, military retirement, certain government payments on which the recipient elected voluntary income tax withholding, and dividends and other distributions by an Alaska Native Corporation on which the recipient elected voluntary income tax withholding.
- Forms CT-1 and CT-1 X for both employee and employer Tier 1 and Tier 2 taxes.
- Forms 944 and 944-X for federal income tax withheld plus both employee and employer social security and Medicare taxes.

Forms 944(SP) and 944-X (SP). If you're a semiweekly schedule depositor who files Formulario 944(SP), Declaración Federal ANUAL de Impuestos del Patrono o Empleador, you should use Formulario 943A-PR, Registro de la Obligación Contributiva Federal del Patrono Agrícola, to report your tax liability. You should also file Form 943A-PR if you file Form 944-X (SP) and you need to amend a previously filed Form 943A-PR.

Who must file. Semiweekly schedule depositors must complete and file Form 945-A with their tax return. Don't file Form 945-A if your net tax liability for the return period is less than \$2,500. Don't file this form if you're a monthly schedule depositor unless you accumulated a tax liability of \$100,000 during any month of the year. Monthly schedule depositors who accumulate \$100,000 or more of tax liability on any day of a calendar month become semiweekly schedule depositors on the next day and remain so for at least the remainder of the year and for the next year, and must also complete and file Form 945-A for the entire year.

The deposit rules, including the \$100,000 Next-Day Deposit Rule, are explained in section 11 of Pub. 15, Employer's Tax Guide, and in the instructions for your tax return.

Caution: The IRS uses Form 945-A to match the tax liability you reported on the returns indicated earlier with your deposits. The IRS also uses Form 945-A to determine if you have deposited your tax liabilities on time. Unless Form 945-A is properly completed and filed (if applicable) with your tax return, the IRS may propose an "averaged" FTD penalty. See *Deposit Penalties* in section 11 of Pub. 15 for more information.

When to file. File Form 945-A with your Form 945, CT-1, or 944 every year when Form 945, CT-1, or 944 is due. See the instructions to these forms for their due dates.

Specific Instructions

Enter your business information. Carefully enter your employer identification number (EIN) and name at the top of the form. Make sure that they exactly match the name of your business and the EIN that the IRS assigned to your business and also agree with the name and EIN shown on the attached Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X.

Calendar year. Enter the calendar year of the Form 945, 945-X, CT-1, CT-1 X, 944, or 944-X to which Form 945-A is attached.

Form 945 filers. Don't complete entries A through M of the Monthly Summary of Federal Tax Liability (Form 945, line 7). Be sure to mark the semiweekly schedule depositor checkbox above line 7 on Form 945.

Form CT-1 filers. Don't complete the Monthly Summary of Railroad Retirement Tax Liability (Part II of Form CT-1).

Form 944 filers. On Form 944, check the box for "Line 9 is \$2,500 or more" at line 13, and leave blank lines 13a-13m.

Enter your tax liability by month. Each numbered space on Form 945-A corresponds to a date during the year. Enter your tax liabilities in the spaces that correspond to the dates you paid wages to your employees or made nonpayroll payments, not the date liabilities were accrued or deposits were made. The total tax liability for the year (line M) must equal net taxes on Form 945 (line 3), Form CT-1 (line 15), or Form 944 (line 9). Enter the monthly totals on lines A, B, C, D, E, F, G, H, I, J, K, and L. Enter the total for the year on line M.

For example, if you're a Form 945 filer, and you became liable for a pension distribution on December 31, 2016, but didn't make the distribution until January 7, 2017, you would:

- Go to January on Form 945-A filed with your 2017 return, and
- Enter your tax liability on line 7 because line 7 represents the seventh day of the month.

Example 1. Cedar Co., which has a semiweekly deposit schedule, makes periodic payments on gambling winnings on the 15th day of each month. On December 24, 2017, in addition to its periodic payments, it withheld from a payment on gambling winnings under the backup withholding rules. Since Cedar Co. is a semiweekly schedule depositor, it must record these nonpayroll withholding liabilities on Form 945-A. It must report tax liabilities on line 15 for each month and line 24 for December.

Cedar Co. enters the monthly totals on lines A through L. It adds these monthly subtotals and enters the total tax liability for the year on line M. The amount on line M should equal Form 945, line 3.

Example 2. Fir Co. is a semiweekly schedule depositor. During January, it withheld federal income tax on pension distributions as follows: \$52,000 on January 10; \$35,000 on January 24. Since Fir Co. is a semiweekly schedule depositor, it must record its federal income tax withholding liabilities on Form 945-A. It must record \$52,000 on line 10 and \$35,000 on line 24 for January.

Example 3. Elm Co. is a new business and monthly schedule depositor for 2017. During January, it withheld federal income tax on nonpayroll payments as follows: \$2,000 on January 10; \$99,000 on January 24. The deposit rules require that a monthly schedule depositor begin depositing on a semiweekly deposit schedule when a \$100,000 or more tax liability is accumulated on any day within a month (see section 11 of Pub. 15 for details). Since Elm Co. accumulated \$101,000 (\$2,000 + \$99,000) on January 24, 2017, it became a semiweekly schedule depositor on January 25, 2017. Elm Co. must complete Form 945-A and file it with Form 945. It must record \$2,000 on line 10 and \$99,000 on line 24 for January. No entries should be made on Form 945, line 7, even though Elm Co. was a monthly schedule depositor until January 25.

Correcting Previously Reported Tax Liability

Semiweekly schedule depositors. If you have been assessed an FTD penalty and you made an error on Form 945-A and the correction won't change the total liability you reported on Form 945-A, you may be able to reduce your penalty by filing an amended Form 945-A.

Example. You reported a tax liability of \$3,000 on January 1. However, the liability was actually for March. Prepare an amended Form 945-A showing the \$3,000 liability on March 1. Also, you must enter the liabilities previously reported for the year that didn't change. Write "Amended" at the top of Form 945-A. The IRS will refigure the penalty and notify you of any change in the penalty.

Monthly schedule depositors. You can file Form 945-A if you have been assessed an FTD penalty and you made an error on the monthly tax liability section of Form 945. When completing Form 945-A for this situation, only enter the monthly totals. The daily entries aren't required.

Where to file. File your amended Form 945-A, or, for monthly schedule depositors, your original Form 945-A at the address provided in the penalty notice you received. If you're filing an amended Form 945-A, you don't have to submit your original Form 945-A.

Forms 945-X, CT-1 X, and 944-X

You may need to file an amended Form 945-A with Forms 945-X, CT-1 X, or 944-X to avoid or reduce an FTD penalty.

Tax decrease. If you're filing Form 945-X, CT-1 X, or 944-X, you can file an amended Form 945-A with the form if **both** of the following apply.

- 1. You have a tax decrease.
- 2. You were assessed an FTD penalty.

File your amended Form 945-A with Form 945-X, CT-1 X, or 944-X. The total liability reported on your amended Form 945-A must equal the corrected amount of tax reported on Form 945-X, CT-1 X, or 944-X. If your penalty is decreased, the IRS will include the penalty decrease with your tax decrease.

Tax increase—Form 945-X, CT-1 X, or 944-X filed timely. If you're filing a timely Form 945-X, CT-1 X, or 944-X showing a tax increase, don't file an amended Form 945-A, unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Form 945-A. Don't include the tax increase reported on Form 945-X, CT-1 X, or 944-X on an amended Form 945-A you file.

Tax increase—Form 945-X, CT-1 X, or 944-X filed late. If you owe tax and are filing late, that is, after the due date of the return for the filing period in which you discovered the error, you must file the form with an amended Form 945-A. Otherwise, the IRS may assess an "averaged" FTD penalty.

The total tax reported on line M of Form 945-A must match the corrected tax (Form 945, line 3; Form 944, line 9 (line 7 for years before 2017); Form CT-1, line 15); combined with any correction reported on Form 945-X, line 5; Form 944-X, line 17; or Form CT-1 X, line 19; for the year, less any previous abatements and interest-free tax assessments.

Note: Form 944-X, line 17, which is referenced above, will change to line 18 on the February 2018 revision of Form 944-X.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You're required to give us the information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax.

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 Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Recordkeeping** 6 hr., 27 min.
- Learning about the law or the form** 6 min.
- Preparing and sending the form to the IRS** 12 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the Privacy Act Notice for your tax return.