

# IRS News Release

---

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

[www.irs.gov/newsroom](http://www.irs.gov/newsroom)Public Contact: 800.829.1040

---

## Revised Payroll Tax Form Now Available to Employers

IR-2012-27, Feb. 23, 2012

WASHINGTON — The Internal Revenue Service today released revised [Form 941](#) enabling employers to properly report the newly-extended payroll tax cut benefiting nearly 160 million workers.

Under the Middle Class Tax Relief and Job Creation Act of 2012, enacted yesterday, workers will continue to receive larger paychecks for the rest of this year based on a lower social security tax withholding rate of 4.2 percent, which is two percentage points less than the 6.2 percent rate in effect prior to 2011. This reduced rate, originally in effect for all of 2011, was extended through the end of February by the Temporary Payroll Tax Cut Continuation Act of 2011, enacted Dec. 23.

No action is required by workers to continue receiving the payroll tax cut. As before, the lower rate will have no effect on workers' future Social Security benefits. The reduction in revenues to the Social Security Trust Fund will be made up by transfers from the General Fund.

Self-employed individuals will also benefit from a comparable rate reduction in the social security portion of the self-employment tax from 12.4 percent to 10.4 percent. For 2012, the social security tax applies to the first \$110,100 of wages and net self-employment income received by an individual.

The new law also repeals the two-percent recapture tax included in the December legislation that effectively capped at \$18,350 the amount of wages eligible for the payroll tax cut. As a result, the now repealed recapture tax does not apply.

The IRS will issue additional guidance, as needed, to implement the newly-extended payroll tax cut, and any further updates will be posted on IRS.gov.