

Instructions for Form CT-1 X



Department of the Treasury
Internal Revenue Service

(Rev. February 2018)

Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund

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

Future Developments

For the latest information about developments related to Form CT-1 X and its instructions, such as legislation enacted after they were published, go to IRS.gov/CT1X.

What's New

Employee consents to support a claim for refund.

Rev. Proc. 2017-28, 2017-14 I.R.B. 1061, available at IRS.gov/irb/2017-14_IRB/ar09.html, provides guidance to employers on the requirements for employee consents used by an employer to support a claim for refund of overcollected Railroad Retirement Tax Act (RRTA) taxes. The revenue procedure clarifies the basic requirements for both a request for employee consent and for the employee consent, and permits a consent to be requested, furnished, and retained in an electronic format as an alternative to paper format. The revenue procedure also contains guidance concerning when an employer may claim a refund of only the employer share of overcollected RRTA taxes. The revenue procedure requires that any request for consent include an Additional Medicare Tax notice indicating that any claim on the employee's behalf won't include a claim for overpaid Tier 1 Employee Additional Medicare Tax.

Period of limitations to make certain corrections expired. Generally, you may correct overreported taxes on a previously filed Form CT-1 if you file Form CT-1 X within 3 years of the date Form CT-1 was filed or 2 years from the date you paid the tax reported on Form CT-1, whichever is later (but, if any due date falls on a Saturday, Sunday, or legal holiday, you may file Form CT-1 X on the next business day). For purposes of the period of limitations, Form CT-1 is considered filed on the last day in February of the succeeding year if filed before that date.

The period of limitations to correct the Tier 1 Employee Tax for 2011 and 2012 expired on March 2, 2015, and February 29, 2016, respectively, for most employers. These instructions no longer discuss the reduced rate of Tier 1 Employee Tax that applied in 2011 and 2012. The 2011 and 2012 Tier 1 Employee Tax rate was 4.2% and the Tier 1 Employer Tax rate was 6.2% (10.4% total). If the period of limitations for 2011 and 2012 is still open, you can file the February 2018 revision of Form CT-1 X but make sure you use the correct rate when reporting corrections of lines 9 and 15.

Reminders

Retroactive increase in excludable transit benefits for 2014. The Tax Increase Prevention Act of 2014 increased the monthly transit benefit exclusion from \$130 per participating employee to \$250 per participating employee for the period of January 1, 2014, through

December 31, 2014. Employers were provided instructions on how to correct the social security and Medicare taxes on the excess transit benefits in Notice 2015-2, 2015-4 I.R.B. 334, available at IRS.gov/irb/2015-4_IRB/06.html.

Retroactive increase in excludable transit benefits for 2015. The Consolidated Appropriations Act, 2016, increased the monthly transit benefit exclusion from \$130 per participating employee to \$250 per participating employee for the period of January 1, 2015, through December 31, 2015. Employers were provided instructions on how to correct the social security and Medicare taxes on the excess transit benefits in Notice 2016-06, 2016-4 I.R.B. 287, available at IRS.gov/irb/2016-4_IRB/ar07.html.

Correcting Tier 1 Employee Additional Medicare Tax withholding and compensation subject to Tier 1 Employee Additional Medicare Tax withholding.

Compensation (including tips) and sick pay subject to Tier 1 Employee Additional Medicare Tax withholding are reported on Form CT-1, lines 6 and 12. Certain errors discovered on a previously filed Form CT-1 are corrected on Form CT-1 X, lines 11 and 17. However, you can't file Form CT-1 X to correct Tier 1 Employee Additional Medicare Tax actually withheld from an employee in a prior year. See the instructions for lines [11](#) and [17](#), later, for more information on the types of errors that can be corrected and how the correction is reported on Form CT-1 X. For more information about Tier 1 Employee Additional Medicare Tax withholding, see the Instructions for Form CT-1 or go to IRS.gov/ADMT.

General Instructions: Understanding Form CT-1 X

What Is the Purpose of Form CT-1 X?

Use Form CT-1 X to correct errors on a previously filed Form CT-1. Use Form CT-1 X to correct:

- Tier 1 Employee tax, Tier 1 Employee Medicare tax, Tier 1 Employee Additional Medicare Tax, and Tier 2 Employee tax; and
- Tier 1 Employer tax, Tier 1 Employer Medicare tax, and Tier 2 Employer tax.

Use Form 843, Claim for Refund and Request for Abatement, to request a refund or abatement of assessed interest or penalties. Don't request a refund or abatement of assessed interest or penalties on Form CT-1 or Form CT-1 X.



We use the terms "correct" and "corrections" on Form CT-1 X and in these instructions to include interest-free adjustments under sections 6205 and 6413 and claims for refund and abatement under sections 6402, 6414, and 6404. See Rev. Rul. 2009-39 for

examples of how the interest-free adjustment and claim for refund rules apply in 10 different situations. You can find Rev. Rul. 2009-39, 2009-52 I.R.B. 951 at [IRS.gov/irb/2009-52_IRB/ar14.html](https://www.irs.gov/irb/2009-52_IRB/ar14.html).

When you discover an error on a previously filed Form CT-1, you must:

- Correct that error using Form CT-1 X;
- File a separate Form CT-1 X for each Form CT-1 that you're correcting; and
- Generally, file Form CT-1 X separately. Don't file Form CT-1 X with Form CT-1. However, see the instructions for [line 22](#), later, for an exception.

If you didn't file a Form CT-1 for 1 or more years, don't use Form CT-1 X. Instead, file Form CT-1 for each of those years. See also [When Should You File Form CT-1 X](#), later. However, if you didn't file Forms CT-1 because you improperly treated workers as independent contractors or nonemployees and are now reclassifying them as employees, see the instructions for [line 22](#), later.

Report the correction of underreported and overreported amounts for the same tax period on a single Form CT-1 X, unless you're requesting a refund or abatement. If you're requesting a refund or abatement and are correcting both underreported and overreported amounts, file one Form CT-1 X correcting the underreported amounts only and a second Form CT-1 X correcting the overreported amounts.

You'll use the adjustment process if you underreported RRTA taxes and are making a payment, or if you overreported RRTA taxes and will be applying the credit to Form CT-1 for the period during which you file Form CT-1 X. However, see the *Caution* under [Is There a Deadline for Filing Form CT-1 X](#), later, if you're correcting overreported amounts during the last 90 days of a period of limitations. You'll use the claim process if you overreported RRTA taxes and are requesting a refund or abatement of the overreported amount. Follow the chart on the back of Form CT-1 X for help in choosing whether to use the adjustment process or the claim process. Be sure to provide a detailed explanation on line 23 for each correction that you show on Form CT-1 X.

Continue to report current year adjustments on Form CT-1, line 14.

You have additional requirements to complete when filing Form CT-1 X, such as certifying that you filed (or will file) all applicable Forms W-2, Wage and Tax Statements, and Forms W-2c, Corrected Wage and Tax Statements, with the Social Security Administration (SSA). For corrections of overreported Tier 1 and Tier 2 taxes, you must make any certifications that apply to your situation.

Be sure to give us a detailed explanation on line 23 for each correction you show on Form CT-1 X.



Don't use Form CT-1 X to correct Form 941, 941-SS, 943, 944, or 945. Instead, use the "X" form that corresponds to those forms (Form 941-X, 943-X, 944-X, or 945-X).

Where Can You Get Help?

For help filing Form CT-1 X or for questions about RRTA taxes and tax corrections, you can:

- Go to [IRS.gov/EmploymentTaxes](https://www.irs.gov/EmploymentTaxes);
- See Pub. 15, Employer's Tax Guide; or
- Call the IRS Business and Specialty Tax Line toll free at 1-800-829-4933 or 1-800-829-4059 (TDD/TTY for persons who are deaf, hard of hearing, or have a speech disability) Monday–Friday from 7:00 a.m. to 7:00 p.m. local time (Alaska and Hawaii follow Pacific time).

See also [How Can You Get Forms, Instructions, and Publications From the IRS](#), later.

When Should You File Form CT-1 X?

File Form CT-1 X when you discover an error on a previously filed Form CT-1.

However, if your only errors on Form CT-1 relate to RRTA tax liabilities reported in Part II of Form CT-1 or on Form 945-A, Annual Record of Federal Tax Liability, don't file Form CT-1 X. To correct federal tax liabilities reported in Part II of Form CT-1, file Form 945-A, but only enter the monthly totals. The daily entries aren't required. For more information about correcting RRTA tax liabilities reported on Form 945-A, see the Form 945-A instructions.

Due dates. The due date for filing Form CT-1 X depends on when you discover an error and if you underreported or overreported tax. If you underreported tax, see [Underreported tax](#), later. For overreported amounts, you may choose to either make an interest-free adjustment or file a claim for refund or abatement. If you're correcting overreported amounts, see [Overreported tax—adjustment process](#) or [Overreported tax—claim process](#), later.

If any due date falls on a Saturday, Sunday, or legal holiday, you may file Form CT-1 X on the next business day. The term "legal holiday" means any legal holiday in the District of Columbia. See Pub. 15 for the list of legal holidays. If we receive Form CT-1 X after the due date, we will treat Form CT-1 X as filed on time if the envelope containing Form CT-1 X is properly addressed, contains sufficient postage, and is postmarked by the U.S. Postal Service on or before the due date, or sent by an IRS-designated private delivery service (PDS) on or before the due date. If you don't follow these guidelines, we will consider Form CT-1 X filed when it is actually received. Go to [IRS.gov/PDS](https://www.irs.gov/PDS) for the current list of PDSs. For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](https://www.irs.gov/PDSstreetAddresses).

Underreported tax. If you're correcting underreported tax, you must file Form CT-1 X by the due date of the return for the return period in which you discovered the error and **pay** the amount you owe **by the time you file**. Filing and paying on time generally will ensure that your correction is interest free and not subject to failure-to-pay (FTP) or failure-to-deposit (FTD) penalties. See [What About Penalties and Interest](#), later. For details on how to make a payment, see the instructions for [lines 19–20](#), later.

If Form CT-1 X is filed late (after the due date of the return for the return period in which you discovered the error), you must attach an amended Form 945-A to Form

CT-1 X. Otherwise, the IRS may assess an “averaged” FTD penalty. The total tax reported on Form 945-A, line M, must match the corrected total tax (Form CT-1, line 15, combined with any correction reported on Form CT-1 X, line 20) for the year, less any previous abatements and interest-free tax assessments.

Example—You owe tax. On March 9, 2018, you discovered that you underreported \$1,000 of RRTA compensation on your 2017 Form CT-1. File Form CT-1 X and pay the amount you owe by February 28, 2019, because you discovered the error in 2018, and February 28, 2019, is the due date for that year. If you file Form CT-1 X before February 28, 2019, pay the amount you owe by the time you file.



Form CT-1 X can't be used to correct underreported amounts of Tier 1 Employee Additional Medicare Tax unless the amounts were withheld from employee compensation.

Overreported tax—adjustment process. If you overreported tax and choose to apply the credit to Form CT-1, file an adjusted return on Form CT-1 X as soon as possible after you discover the error but more than 90 days before the period of limitations on the credit or refund for Form CT-1 expires. See [Is There a Deadline for Filing Form CT-1 X](#), later.



Form CT-1 X can't be used to correct overreported amounts of Tier 1 Employee Additional Medicare Tax unless the amounts weren't withheld from employee compensation.

Example—You want your credit applied to Form CT-1. You filed your 2017 Form CT-1 on February 23, 2018, and payments were timely made. On May 4, 2018, you discover that you overreported tax on your 2017 Form CT-1. You file Form CT-1 X on June 1, 2018. The IRS treats your credit as a tax deposit made on January 1, 2018. When you file your 2018 Form CT-1, include the amount from Form CT-1 X, line 20, on the “Total railroad retirement tax deposits” line of your 2018 Form CT-1.

Overreported tax—claim process. If you overreported tax on Form CT-1, you may choose to file a claim for refund or abatement on Form CT-1 X any time before the period of limitations on credit or refund expires on Form CT-1. If you also need to correct any underreported amounts, you must file another Form CT-1 X reporting only corrections to the underreported amounts. See [Is There a Deadline for Filing Form CT-1 X](#), later.



You may not file a refund claim to correct Tier 1 Employee Additional Medicare Tax actually withheld from employees.

Is There a Deadline for Filing Form CT-1 X?

Generally, you may correct overreported taxes on a previously filed Form CT-1 if you file Form CT-1 X within 3 years of the date Form CT-1 was filed or 2 years from the date you paid the tax reported on Form CT-1, whichever is later. You may correct underreported taxes on a previously filed Form CT-1 if you file Form CT-1 X within 3

years of the date the Form CT-1 was filed. We call each of these time frames a “period of limitations.” For purposes of the period of limitations, Form CT-1 is considered filed on the last day in February of the succeeding year if filed before that date.

Example. You filed your 2017 Form CT-1 on January 29, 2018, and payments were timely made. The IRS treats the return as if it were filed on February 28, 2018. On January 11, 2021, you discover that you overreported RRTA compensation on that form by \$10,000. To correct the error, you must file Form CT-1 X by March 1, 2021, which is the end of the period of limitations, and use the claim process.



If you file Form CT-1 X to correct overreported amounts in the last 90 days of a period of limitations, you must use the claim process. You can't use the adjustment process. If you also are correcting underreported amounts, you must file another Form CT-1 X to correct the underreported amounts using the adjustment process and pay any tax due.

Where Should You File Form CT-1 X?

Send your completed Form CT-1 X to:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0007

For the IRS mailing address to use if you're using a PDS, go to [IRS.gov/PDSstreetAddresses](#).

How Should You Complete Form CT-1 X?

Use a Separate Form CT-1 X for Each Year You're Correcting

Use a separate Form CT-1 X for each Form CT-1 that you're correcting. For example, if you found errors on your Forms CT-1 for 2016 and 2017, file one Form CT-1 X to correct the 2016 Form CT-1. File a second Form CT-1 X to correct the 2017 Form CT-1.

Employer identification number (EIN), RRB Number, Name, and Address

Enter your EIN, RRB number, name, and address in the spaces provided. Also enter your name and EIN on the top of pages 2 and 3. Be sure to write your name, EIN, “Form CT-1 X,” and the calendar year you're correcting on the top of any attachments. If your address has changed since you filed your Form CT-1, enter the corrected information and the IRS will update your address of record.

Return You're Correcting

Enter the calendar year of the Form CT-1 you're correcting at the top of page 1. Enter the calendar year on pages 2 and 3 and on any attachments. Be sure to write your name, EIN, “Form CT-1 X,” and the calendar year you're correcting on the top of any attachments.

Enter the Date You Discovered Errors

You **must** enter the date you discovered errors. You discover an error when you have enough information to be able to correct it. If you're reporting several errors that you discovered at different times, enter the earliest date you discovered an error here. Report any subsequent dates and related errors on line 23.

Must You Make an Entry on Each Line?

You must provide all of the information requested at the top of page 1 of Form CT-1 X. You must check one box (but not both) in Part 1. In Part 2, you must check the box on line 3 and any applicable boxes on lines 4 and 5. In Part 3, if any line doesn't apply, leave it blank. Complete Parts 4 and 5 as instructed.

How Should You Report Negative Amounts?

Form CT-1 X uses negative numbers to show reductions in tax (credits) and positive numbers to show additional tax (amounts you owe).

When reporting a negative amount in columns 3 and 4, use a minus sign instead of parentheses. For example, enter "-10.59" instead of "(10.59)." However, if you're completing the return on your computer and your software only allows you to use parentheses to report negative amounts, you may use them.

How Should You Make Entries on Form CT-1 X?

You can help the IRS process Form CT-1 X timely and accurately if you follow these guidelines.

- Type or print your entries.
- Use Courier font (if possible) for all typed or computer-generated entries.
- Omit dollar signs. You may use commas and decimal points, if desired. Enter dollar amounts to the left of any preprinted decimal point and cents to the right of it.
- Always show an amount for cents, even if it is zero. Don't round entries to whole dollars.
- Complete all three pages and sign Form CT-1 X on page 3.
- Staple multiple sheets in the upper-left corner.

What About Penalties and Interest?

Generally, your correction of an underreported amount won't be subject to an FTP penalty, FTD penalty, or interest if you:

- File on time (by the due date of the year in which you discover the error),
- **Pay** the amount shown on line 20 **by the time you file** Form CT-1 X,
- Enter the date you discovered the error, and
- Explain in detail the grounds and facts relied on to support the correction.

No correction will be eligible for interest-free treatment if any of the following apply.

- The underreported amounts relate to an issue that was raised in an examination of a prior period.
- You knowingly underreported your employment tax liability.
- You received a notice and demand for payment.
- You received a notice of determination under section 7436.

If you receive a notice about a penalty after you file this return, reply to the notice with an explanation and we will determine if you meet reasonable-cause criteria. Don't attach an explanation when you file your return.

Overview of the Process

To correct a previously file Form CT-1, use Form CT-1 X to file either an adjusted railroad retirement tax return or a claim for refund or abatement. The adjustment process and the claim process are outlined below.

If you underreported the tax. If you underreported the tax on a previously filed Form CT-1, check the box on line 1 and **pay** any additional amount you owe **by the time you file** Form CT-1 X. For details on how to make a payment, see the instructions for [lines 19–20](#), later.

Example—You underreported RRTA taxes. On June 23, 2017, you discovered an error that results in additional tax on your 2016 Form CT-1. File Form CT-1 X by February 28, 2018, and pay the amount you owe by the time you file. See [When Should You File Form CT-1 X](#), earlier. Don't attach Form CT-1 X to your 2017 Form CT-1.

If you overreported the tax. If you overreported the tax on a previously filed Form CT-1, choose one of the following options.

- **Use the adjustment process.** Check the box on line 1 to apply any credit (negative amount) from line 20 to Form CT-1 for the year during which you file Form CT-1 X.
- **Use the claim process.** Check the box on line 2 to file a claim on Form CT-1 X requesting a refund or abatement of the amount shown on line 20.



*To ensure that the IRS has enough time to process a credit for an **overreporting adjustment** in the year during which you file Form CT-1 X, you're encouraged to file Form CT-1 X correcting the overreported amount in the first 11 months of a year. For example, if you discover an overreported amount in December, you may want to file Form CT-1 X in the first 11 months of the next year. However, there must be 90 days remaining on the period of limitations when you file Form CT-1 X. See the Caution under [Is There a Deadline for Filing Form CT-1 X](#), earlier. This should ensure that the IRS will have enough time to process the Form CT-1 X so that the credit will be posted before you file Form CT-1, thus avoiding an erroneous balance due notice from the IRS. See the example next.*

Example—You want your overreported tax applied as a credit on Form CT-1. On December 18, 2018, you discover you overreported your tax on your 2017 Form CT-1 and want to choose the adjustment process. To allow the IRS enough time to process the credit, you file Form CT-1 X on March 8, 2019, and take the credit on your 2019 Form CT-1.

Specific Instructions

Part 1: Select ONLY One Process

Because Form CT-1 X may be used to file either an adjusted railroad retirement tax return or a claim for refund

or abatement, you **must** check one box on either line 1 or line 2. Don't check both boxes.

1. Adjusted Railroad Retirement Tax Return

Check the box on line 1 if you're correcting underreported amounts or overreported amounts and you would like to use the adjustment process to correct the errors.

If you're correcting both underreported amounts and overreported amounts on this form, you **must** check this box. If you check this box, any negative amount shown on line 20 will be applied as a credit (tax deposit) to your Form CT-1 for the year in which you're filing this form. See [Example—You want your overreported tax applied as a credit on Form CT-1](#), earlier.



Form CT-1 X can't be used to correct overreported amounts of Tier 1 Employee Additional Medicare Tax unless the amounts weren't withheld from employee compensation.

If you owe tax. Pay the amount shown on line 20 by the time you file Form CT-1 X. Generally, you won't be charged interest if you file on time, pay on time, enter the date you discovered the error, and explain the correction on line 23.

If you have a credit. You overreported RRTA taxes (you have a negative amount on line 20) and want the IRS to apply the credit to Form CT-1 for the period during which you filed Form CT-1 X. The IRS will apply your credit on the first day of the Form CT-1 year during which you filed Form CT-1 X. However, the credit you show on Form CT-1 X, line 20, may not be fully available on your Form CT-1 if the IRS corrects it during processing or you owe other taxes, penalties, or interest. The IRS will notify you if your claimed credit changes or if the amount available as a credit on Form CT-1 was reduced because of unpaid taxes, penalties, or interest.



Don't check the box on line 1 if you're correcting overreported amounts and the period of limitations on credit or refund for Form CT-1 will expire within 90 days of the date you file Form CT-1 X. Instead, check the box on line 2. See [Is There a Deadline for Filing Form CT-1 X](#), earlier.

2. Claim

Check the box on line 2 to use the claim process if you're correcting **overreported amounts only** and you're claiming a refund or abatement for the negative amount (credit) shown on line 20. Don't check this box if you're correcting any underreported amounts on this form.

You must check the box on line 2 if you have a credit and the period of limitations on credit or refund for Form CT-1 will expire within 90 days of the date you file Form CT-1 X. See [Is There a Deadline for Filing Form CT-1 X](#), earlier.

The IRS usually processes claims shortly after they are filed. The IRS will notify you if your claim is denied, accepted as filed, or selected to be examined. See Pub. 556, Examination of Returns, Appeal Rights, and Claims for Refund, for more information.

Unless the IRS corrects Form CT-1 X during processing or you owe other taxes, penalties, or interest, the IRS will refund the amount shown on line 20, plus any interest that applies.



You may not file a refund claim to correct Tier 1 Employee Additional Medicare Tax actually withheld from employees.

Part 2: Complete the Certifications

You must complete all certifications that apply by checking the appropriate boxes. If all of your corrections relate to underreported amounts, complete line 3 only; skip lines 4 and 5 and go to Part 3.

If your corrections relate to overreported amounts, you have a duty to ensure that your employees' rights to recover overpaid Employee RRTA taxes that you withheld are protected. The certifications on lines 4 and 5 address the requirement to:

- Repay or reimburse your employees for the overcollection of Employee RRTA taxes, or
- Obtain consents from your employees to file a claim on their behalf. See Rev. Proc. 2017-28 for guidance on the requirements for both a request for employee consent and for the employee consent.

For purposes of these certifications, Employee RRTA taxes consist of Tier 1 Employee tax, Tier 1 Employee Medicare tax, and Tier 2 Employee tax. Employer RRTA taxes consist of Tier 1 Employer tax, Tier 1 Employer Medicare tax, and Tier 2 Employer tax.

3. Filing Forms W-2 or Forms W-2c

Check the box on line 3 to certify that you filed or will file Forms W-2 or Forms W-2c with the SSA, as required, showing your employees' correct wage and tax amounts. See the General Instructions for Forms W-2 and W-3 for detailed information about filing requirements.

You must check the box on line 3 to certify that you filed Forms W-2 or Forms W-2c even if your corrections on Form CT-1 X don't change amounts shown on those forms. For example, if your only correction to Form CT-1 involves misstated tax adjustments (see the instructions for [line 18](#), later), check the box on line 3 to certify that you already filed all required Forms W-2 and W-2c with the SSA.

4. Certifying Overreporting Adjustments

If you overreported RRTA tax and/or Tier 1 Employee Additional Medicare Tax and checked the box on line 1, check the appropriate box on line 4. You may need to check more than one box. If you obtained written statements from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 23 of the amount of the corrections for both the employees who provided written statements and for those who didn't.



You may not use Form CT-1 X to correct overreported amounts of Tier 1 Employee Additional Medicare Tax unless the amounts weren't withheld from employee compensation.

4a. Check the box on line 4a if your overreported amount includes each affected employee share of overcollected Employee RRTA taxes. You're certifying that you repaid or reimbursed the prior year Employee RRTA taxes and you received written statements from the employees stating that they didn't and won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

4b. Check the box on line 4b to certify that your overreported amount is only for Employer RRTA taxes on those employees whom you were unable to find or those who didn't give you a statement described on line 4a.

4c. Check the box on line 4c to certify that your overreported amount is only for RRTA taxes and/or Tier 1 Employee Additional Medicare Tax that you didn't withhold from your employees.

5. Certifying Claims

If you're filing a claim for refund or abatement of overreported RRTA tax and/or Tier 1 Employee Additional Medicare Tax and checked the box on line 2, check the appropriate box on line 5. You may need to check more than one box. If you obtained written statements or consents from some employees but you couldn't locate employees or secure the statements of the remaining employees, check all applicable boxes. Provide a summary on line 23 of the amount of the corrections for the employees who provided statements or consents and those who didn't.



You may not file a refund claim to correct Tier 1 Employee Additional Medicare Tax actually withheld from employees. If you request their consent to file a claim for employee RRTA taxes you must tell your employees that you can't claim a refund of any Tier 1 Employee Additional Medicare Tax on their behalf. See Rev. Proc. 2017-28 for sample language to use in your request.

5a. Check the box on line 5a if your overreported tax includes overcollected Employee RRTA taxes for each affected employee. You're certifying that you repaid or reimbursed to the employees their share of the prior year Employee RRTA taxes and you received written statements from those employees stating that they didn't and won't receive a refund or credit for the prior year taxes. Don't send these statements to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

5b. Check the box on line 5b if your overreported tax includes overcollected prior year Employee RRTA taxes for each affected employee and you haven't yet repaid or reimbursed the Employee RRTA taxes. You're certifying that you received consent from each affected employee to file a claim on the employee share of those taxes and you

received written statements from those employees stating that they didn't and won't receive a refund or credit for the overcollected taxes.

An employee consent must:

- Contain the name, address, and social security number (or truncated taxpayer identification number, when appropriate) of the employee;
- Contain the name, address, and EIN of the employer;
- Contain the tax period(s), type of tax, and the amount of tax for which the consent is provided;
- Affirmatively state that the employee authorizes the employer to claim a refund for the overpayment of the employee share of tax;
- Include the employee's written statement certifying that the employee hasn't made any previous claims (or the claims were rejected) and won't make any future claims for refund or credit of the amount of the overcollection;
- Identify the basis of the claim; and
- Be dated and contain the employee's signature under penalties of perjury. The penalties of perjury statement should be located immediately above the required signature.

Don't send these statements and consents to the IRS. Keep them for your records. Generally, all employment tax records must be kept for at least 4 years. Copies must be submitted to the IRS if requested.

In certain situations, you may not have repaid or reimbursed your employees or obtained their consents prior to filing a claim, such as in cases where the period of limitations on credit or refund is about to expire. In those situations, file Form CT-1 X but don't check a box on line 5. Tell us on line 23 that you haven't repaid or reimbursed employees or obtained consents at the time you file the claim. However, you must repay or reimburse your employees and certify that you have done so before the IRS can allow the claim.

5c. Check the box on line 5c to certify that your overreported tax is only for the Employer RRTA taxes. This applies when affected employees didn't give you consent to file a claim for refund for the Employee RRTA taxes, they couldn't be found, or they didn't give you a statement described on line 5b.

5d. Check the box on line 5d to certify that your overreported amount is only for RRTA taxes and/or Tier 1 Employee Additional Medicare Tax that you didn't withhold from your employees.

Part 3: Enter the Corrections for the Calendar Year You're Correcting

What Amounts Should You Report in Part 3?

On lines 6–18, columns 1 and 2, show amounts for **all** of your employees, not just for those employees whose amounts you're correcting.

If a correction that you report in column 4 includes both underreported and overreported amounts (see the instructions for [line 21](#), later), provide details for each error on line 23.



If you previously adjusted or amended Form CT-1 using Form CT-1 X, or because of an IRS examination change, show amounts in column 2 that include those previously reported corrections.

6. Tier 1 Employer Tax—Compensation

If you're correcting the compensation (other than tips and sick pay) for the Tier 1 Employer tax you reported on Form CT-1, line 1, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported. In column 3, enter the difference between columns 1 and 2. If you (or the IRS) previously corrected the amount reported on Form CT-1, line 1, enter in column 2 the amount after any previous corrections.

line 6 (column 1)	
<u>-line 6 (column 2)</u>	
line 6 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and enter the result in column 4.

line 6 (column 3)	
x 0.062	
<u>line 6 (column 4)</u>	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 1 Employer compensation decreased. You reported \$9,000 as Tier 1 Employer compensation in computing the tax on line 1 of your 2017 Form CT-1. In December of 2018, you discovered that you included \$2,000 in compensation for one of your employees twice. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form CT-1, line 1)	<u>-9,000.00</u>
Column 3 (difference)	-2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (6.2%)	<u>x 0.062</u>
Column 4 (tax correction)	-124.00

Be sure to explain the reasons for this correction on line 23.

7. Tier 1 Employer Medicare Tax—Compensation

If you're correcting the compensation (other than tips and sick pay) for the Tier 1 Employer Medicare tax you reported on Form CT-1, line 2, enter the total corrected amount in column 1. In column 2, enter the amount you

originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 7 (column 1)	
<u>-line 7 (column 2)</u>	
line 7 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 7 (column 3)	
x 0.0145	
<u>line 7 (column 4)</u>	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 1 Employer Medicare compensation decreased. Following [Example—Tier 1 Employer compensation decreased](#) in the instructions for line 6, the compensation that you counted twice was also Tier 1 Employer Medicare compensation. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form CT-1, line 2)	<u>-9,000.00</u>
Column 3 (difference)	-2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (1.45%)	<u>x 0.0145</u>
Column 4 (tax correction)	-29.00

Be sure to explain the reasons for this correction on line 23.

8. Tier 2 Employer Tax—Compensation

If you're correcting the compensation (other than tips) for the Tier 2 Employer tax you reported on Form CT-1, line 3, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 8 (column 1)	
<u>-line 8 (column 2)</u>	
line 8 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by the rate stated on line 3 of the Form CT-1 for the year that you're correcting and enter the result in column 4. If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 2 Employer compensation decreased. Following [Example—Tier 1 Employer compensation decreased](#) in the instructions for line 6, the compensation that you counted twice was also Tier 2 Employer compensation. Because you're correcting your 2017 Form CT-1 in this example, use the rate from line 3 (13.1%) shown on that return. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form CT-1, line 3)	-9,000.00
Column 3 (difference)	-2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (13.1%)	x 0.131
Column 4 (tax correction)	-262.00

Be sure to explain the reasons for this correction on line 23.

9. Tier 1 Employee Tax—Compensation

If you're correcting the compensation, including tips reported, but excluding sick pay, for the Tier 1 Employee tax you reported on Form CT-1, line 4, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 9 (column 1)	
-line 9 (column 2)	
line 9 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and report the result in column 4.

line 9 (column 3)	
x 0.062	
line 9 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 23.

10. Tier 1 Employee Medicare Tax—Compensation

If you're correcting the compensation, including tips reported, but excluding sick pay, for the Tier 1 Employee Medicare tax you reported on Form CT-1, line 5, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 10 (column 1)	
-line 10 (column 2)	
line 10 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 10 (column 3)	
x 0.0145	
line 10 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 23.

11. Tier 1 Employee Additional Medicare Tax—Compensation (Other Than Sick Pay)

You may use Form CT-1 X to correct errors to Tier 1 Employee Additional Medicare Tax withholding for prior years if the amount reported on Form CT-1, line 6, isn't the amount you actually withheld. This type of error is an administrative error. The administrative error adjustment corrects the amount reported on Form CT-1 to agree with the amount actually withheld from employees.

If a prior year error was a nonadministrative error, you may correct only the **compensation** subject to Tier 1 Employee Additional Medicare Tax withholding that was originally reported on Form CT-1, line 6, or previously corrected on Form CT-1 X. You can't correct the tax reported on Form CT-1, line 6.

Prior year administrative error. If you're correcting the compensation subject to Tier 1 Employee Additional Medicare Tax withholding that you reported on Form CT-1, line 6, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 11 (column 1)	
-line 11 (column 2)	
line 11 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.009 (0.9% tax rate) and enter the result in column 4.

line 11 (column 3)	
x 0.009	
line 11 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Prior year administrative error (incorrectly reported amount of Tier 1 Employee

Additional Medicare Tax actually withheld). Nathan Smith's compensation exceeded the \$200,000 withholding threshold for Tier 1 Employee Additional Medicare Tax in November 2017. The total compensation paid to Nathan for 2017 was \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's compensation. However, on your 2017 Form CT-1 you mistakenly reported \$3,000 on line 6 (*Compensation* column), and Tier 1 Employee Additional Medicare Tax withheld of \$27 on line 6 (*Tax* column). You discover the error on March 16, 2018. This is an example of an administrative error that may be corrected in a later calendar year because the amount actually withheld differs from the amount reported on your 2017 Form CT-1. Use Form CT-1 X, line 11, to correct the error as shown below.

Column 1 (corrected amount)	30,000.00
Column 2 (Form CT-1, line 6 (<i>Compensation</i> column))	<u>-3,000.00</u>
Column 3 (difference)	27,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	27,000.00
Tax rate (0.9%)	<u>x 0.009</u>
Column 4 (tax correction)	243.00

Be sure to explain the reasons for this correction on line 23.

Prior year nonadministrative errors. You may correct **only** the compensation subject to Tier 1 Employee Additional Medicare Tax withholding that you reported on Form CT-1, line 6 (*Compensation* column). Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 11 (column 1)	
<u>-line 11 (column 2)</u>	
line 11 (column 3)	If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Don't multiply the amount in column 3 by 0.009 (0.9% tax rate). Leave column 4 blank and explain the reasons for this correction on line 23.

Example—Prior year nonadministrative error (failure to withhold Tier 1 Employee Additional Medicare Tax when required). Leah Green's compensation exceeded the \$200,000 withholding threshold for Tier 1 Employee Additional Medicare Tax in December 2017. The total compensation paid to Leah for 2017 was \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report an amount on line 6 of your 2017 Form CT-1. You discover the error on March 16, 2018. File Form CT-1 X to

correct the compensation subject to Tier 1 Employee Additional Medicare Tax withholding for your 2017 Form CT-1, but you may not correct the Tier 1 Employee Additional Medicare Tax withheld (column 4) because the error involves a previous year and the amount previously reported for the employee represents the actual amount withheld from the employee during 2017.

Combination of prior year administrative and nonadministrative errors. If you're reporting both administrative errors and nonadministrative errors for the same prior year, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. However, multiply only the amount of compensation reported in column 3 that is related to administrative errors by 0.009 (0.9% tax rate). Don't multiply any compensation reported in column 3 that was related to nonadministrative errors by 0.009 (0.9% tax rate). Use line 23 to explain in detail your corrections. The explanation must include the reasons for the corrections and a breakdown of the amount reported in column 3 into the amounts related to administrative errors and nonadministrative errors.

Example—Combination of prior year administrative and nonadministrative errors. Nathan Smith's compensation exceeded the \$200,000 withholding threshold for Tier 1 Employee Additional Medicare Tax in November 2017. The total compensation paid to Nathan for 2017 was \$230,000. You withheld \$270 (\$30,000 x 0.009) from Nathan's compensation. However, on your 2017 Form CT-1, you mistakenly reported \$3,000 on line 6 (*Compensation* column), and Tier 1 Employee Additional Medicare Tax withheld of \$27 on line 6 (*Tax* column). The difference in compensation subject to Tier 1 Employee Additional Medicare Tax related to this administrative error is \$27,000 (\$30,000 - \$3,000).

Leah Green's compensation exceeded the \$200,000 withholding threshold for Tier 1 Employee Additional Medicare Tax in December 2017. The total compensation paid to Leah for 2017 was \$220,000. You were required to withhold \$180 (\$20,000 x 0.009) but you withheld nothing and didn't report Leah's \$20,000 in compensation subject to Tier 1 Employee Additional Medicare Tax withholding on line 6 of your 2017 Form CT-1.

You discover both errors on March 16, 2018. Use Form CT-1 X, line 11, to correct the errors as shown below.

Column 1 (corrected amount)	50,000.00
Column 2 (Form CT-1, line 6 (<i>Compensation</i> column))	<u>-3,000.00</u>
Column 3 (difference)	47,000.00

Determine the portion of compensation reported in column 3 that is related to the administrative error (\$47,000 - \$20,000 (nonadministrative error) = \$27,000 (administrative error)). Multiply this portion of column 3 by 0.009 (0.9% tax rate) to determine your tax correction.

Difference related to administrative error	27,000.00
Tax rate (0.9%)	x 0.009
Column 4 (tax correction)	243.00

Be sure to explain the reasons for these corrections on line 23. You must also report that \$20,000 of the amount shown in column 3 was related to the correction of a prior year nonadministrative error and \$27,000 of the amount shown in column 3 was related to the correction of an administrative error.

12. Tier 2 Employee Tax—Compensation

If you're correcting the compensation, including tips reported, for the Tier 2 Employee tax you reported on Form CT-1, line 7, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 12 (column 1)		
-line 12 (column 2)		
line 12 (column 3)		If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by the rate stated on line 7 of the Form CT-1 for the year that you're correcting and enter the result in column 4. If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 2 Employee compensation decreased. Following [Example—Tier 1 Employer compensation decreased](#) in the instructions for line 6, the compensation that you counted twice was also Tier 2 Employee compensation. Because you're correcting your 2017 Form CT-1 in this example, use the rate for line 7 (4.9%) shown on that return. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form CT-1, line 7)	-9,000.00
Column 3 (difference)	-2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (4.9%)	x 0.049
Column 4 (tax correction)	-98.00

Be sure to explain the reasons for this correction on line 23.

13. Tier 1 Employer Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employer tax you reported on Form CT-1, line 8, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected.

In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)	
-line 13 (column 2)	
line 13 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and enter the result in column 4.

line 13 (column 3)	
x 0.062	
line 13 (column 4)	

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 1 Employer sick pay increased.

You reported \$8,000 as Tier 1 Employer sick pay in computing the tax on line 8 of your 2017 Form CT-1. In December of 2018, you discover that you overlooked \$1,000 in sick pay for one of your employees. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	9,000.00
Column 2 (Form CT-1, line 8)	-8,000.00
Column 3 (difference)	1,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	1,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	62.00

Be sure to explain the reasons for this correction on line 23.

14. Tier 1 Employer Medicare Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employer Medicare tax you reported on Form CT-1, line 9, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 14 (column 1)	
-line 14 (column 2)	
line 14 (column 3)	

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 14 (column 3)
x 0.0145

line 14 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 23.

15. Tier 1 Employee Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employee tax you reported on Form CT-1, line 10, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 15 (column 1)
-line 15 (column 2)

line 15 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and enter the result in column 4.

line 15 (column 3)
x 0.062

line 15 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 23.

16. Tier 1 Employee Medicare Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employee Medicare tax you reported on Form CT-1, line 11, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 16 (column 1)
-line 16 (column 2)

line 16 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 16 (column 3)
x 0.0145

line 16 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 23.

17. Tier 1 Employee Additional Medicare Tax—Sick Pay

You may use Form CT-1 X to correct errors to Tier 1 Employee Additional Medicare Tax withholding for prior years if the amount reported on Form CT-1, line 12, isn't the amount you actually withheld. This type of error is an administrative error.

If a prior year error was a nonadministrative error, you may correct only the **sick pay** subject to Tier 1 Employee Additional Medicare Tax withholding that was originally reported on Form CT-1, line 12, or previously corrected on Form CT-1 X. You can't correct the tax reported on Form CT-1, line 12.


For more information on the types of errors that can be corrected on line 17, see the detailed examples in the instructions for [line 11](#), earlier.

18. Tax Adjustments

Don't enter an amount on line 18 unless you need to correct any current year adjustments reported on Form CT-1, line 14. However, if you need to correct sick pay adjustments for prior years reported on Form CT-1, line 14, include the corrections in the calculations of Form CT-1 X, lines 13–17.


Enter the corrected amount for tax adjustments in column 1. Enter the originally reported or previously corrected current year amount from Form CT-1, line 14, in column 2. In column 3, enter the difference between columns 1 and 2.

line 18 (column 1)
-line 18 (column 2)
line 18 (column 3)

 *You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on Form CT-1, line 14.*

Copy the amount in column 3 to column 4. Include any minus sign shown in column 3.

On line 23, describe what you misreported on Form CT-1. Tell us which current year adjustments have changed, that is, fractions of cents; uncollected Tier 1 Employee tax, Tier 1 Employee Medicare tax, or Tier 2 Employee tax on tips; or credits for overpayments of penalty or interest paid on tax for earlier years.

 *Only use line 18 to correct adjustments for fractions of cents; uncollected Tier 1 Employee tax, Tier 1 Employee Medicare tax, Tier 1 Employee Additional Medicare Tax, and Tier 2 Employee tax on tips; or credits for overpayments of penalty or interest previously reported. File a separate Form CT-1 X for each year being corrected.*

19–20. Total

Combine the amounts on lines 6–18 of column 4. Enter the result on line 19. Copy the amount from line 19 on page 2 to line 20 on page 3.

Example. You entered “-500.00” in column 4 of line 6, “-100.00” in column 4 of line 7, and “1,400.00” in column 4 of line 18. Combine these amounts and enter “800.00” in column 4 of line 19 and on line 20.

Line 6	-500.00
Line 7	-100.00
Line 18	+1,400.00
Lines 19 and 20	800.00

Your credit. If the amount entered on line 20 is less than zero, for example, “-115.00,” you have a credit because you overreported your RRTA taxes.

- If you checked the box on line 1, include this amount on Form CT-1, line 16 (“Total railroad retirement tax deposits”) for the year during which you filed Form CT-1 X. Don’t make any changes to your Record of Railroad Retirement Tax Liability in Part II of Form CT-1 or on Form 945-A. The amounts reported on the record should reflect your actual tax liability for the period.
- If you checked the box on line 2, you’re filing a claim for refund or abatement of the amount shown.

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

Amount you owe. If the amount entered on line 20 is a positive number, you must **pay** the amount you owe **by the time you file** Form CT-1 X. You may not use any credit that you show on another Form CT-1 X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form CT-1 X, 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 CT-1 X on any amended Form 945-A you file.

If you owe tax and are filing a late Form CT-1 X, that is, after the due date for Form CT-1 for the period in which you discovered the error, you must file an amended Form 945-A with the Form CT-1 X. Otherwise, the IRS may assess an “averaged” FTD penalty. The total tax reported on Form 945-A, line M, must match the corrected tax (Form CT-1, line 15, combined with any correction reported on Form CT-1 X, line 20) for the year, less any previous abatements and interest-free tax assessments.

Payment methods. You may pay the amount you owe on line 20 electronically using the Electronic Federal Tax Payment System (EFTPS) or by a check or money order.

- The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](https://www.irs.gov/eftps), or call EFTPS Customer Service at 1-800-555-4477 or 1-800-733-4829 (TDD) toll free. Additional information about EFTPS is also available in Pub. 966.
- If you pay by check or money order, make it payable to “United States Treasury.” On your check or money order,

be sure to write your EIN, “Form CT-1 X,” and the year corrected.

You don’t have to pay if the amount you owe is less than \$1.

Previously assessed FTD penalty. If line 20 reflects overreported tax and the IRS previously assessed an FTD penalty, you may be able to reduce the penalty. For more information, see the Form 945-A instructions.

Part 4: Explain Your Corrections for the Calendar Year You’re Correcting

21. Correction of Both Underreported and Overreported Amounts

Check the box on line 21 if any corrections you entered on lines 6–18 in column 3 reflect both underreported and overreported amounts.

Example. If you had an increase to Tier 1 Employer compensation of \$15,000 for Nathan Smith and a decrease to Tier 1 Employer compensation of \$5,000 for Leah Green, you would enter \$10,000 on line 6, column 3. That \$10,000 represents the net change resulting from corrections.

On line 23, you must explain the reason for both the \$15,000 increase and the \$5,000 decrease.

22. Did You Reclassify Any Workers?

Check the box on line 22 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS (or you) determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 23, provide a detailed reason why any worker was reclassified.

Return not filed because you didn’t treat any workers as employees. If you didn’t previously file Form CT-1 because you mistakenly treated all workers as independent contractors or as nonemployees, file a Form CT-1 for each delinquent year.

Write “**Misclassified Employees**” in **bold** letters across the top margin of page 1 of each Form CT-1. Complete Form CT-1 using the Instructions for Form CT-1. Attach a Form CT-1 X to each Form CT-1. Complete the top of Form CT-1 X, including the date you discovered the error, and provide a detailed explanation on line 23.

23. Explain Your Corrections

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 23, describe in detail each correction you entered in column 4 on lines 6–18. If you need more space, attach additional sheets, but be sure to write your name, EIN, “Form CT-1 X,” and the calendar year you’re correcting on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as “RRTA compensation was overstated,” “administrative/payroll errors were discovered,” or “taxes were not withheld” are insufficient and may delay the processing of your Form CT-1 X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation of each correction.

- Form CT-1 X line number(s) affected.
- Date you discovered the error.
- Difference (amount of the error).
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

“The \$1,000 difference shown in column 3 of lines 6 and 7 was discovered on May 15, 2017, during an internal payroll audit. We discovered that we included \$1,000 of compensation for one of our employees twice. This correction removes the reported compensation that was never paid.”

Part 5: Sign Here

You must complete all three pages of Form CT-1 X and sign it on page 3. If you don't sign, the processing of Form CT-1 X will be delayed.

Who must sign the Form CT-1 X? 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.

A duly authorized agent of the taxpayer also may sign Form CT-1 X if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form CT-1 X 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/ar16.html.

Paid Preparer Use Only

A paid preparer must sign Form CT-1 X and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form CT-1 X and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give the employer the return to file with the IRS and include a copy of the return for the employer's records.

If you're a paid preparer, write your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, write 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. You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, you're not required to 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 Can You Get Forms, Instructions, and Publications From the IRS?



You can download or print some of the forms and publications you may need on IRS.gov/Forms. Otherwise, you can go to IRS.gov/OrderForms to place an order and have forms mailed to you.

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 this 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 section 6103.

The time needed to complete and file Form CT-1 X will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	18 hr., 53 min.
Learning about the law or the form	24 min.
Preparing and sending the form to the IRS	43 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. 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 CT-1 X to this address. Instead, see [Where Should You File Form CT-1 X](#), earlier.