**Employer’s Annual Federal Unemployment (FUTA) Tax Return**

- **Name (as distinguished from trade name)**
- **Calendar year**
- **Trade name, if any**
- **Address and ZIP code**
- **Employer identification number**

**Follow the chart under “Who Can Use Form 940-EZ” on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.**

<table>
<thead>
<tr>
<th>A</th>
<th>Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>(1) Enter the name of the state where you have to pay contributions.</td>
</tr>
<tr>
<td></td>
<td>(2) Enter your state reporting number(s) as shown on state unemployment tax return.</td>
</tr>
</tbody>
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If you will not have to file returns in the future, write “Final” here (see Who Must File a Return on page 2) and sign the return.

### Part I Taxable Wages and FUTA Tax

1. Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees.

2. Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.)

3. Payments for services of more than $7,000. Enter only amounts over the first $7,000 paid to each employee. Do not include any exempt payments from line 2.

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

5. **Total taxable wages** (subtract line 4 from line 1).

6. **FUTA tax.** Multiply the wages on line 5 by .008 and enter here. (If the result is over $100, also complete Part II.)

7. **Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records).**

8. **Amount you owe** (subtract line 7 from line 6). This should be $100 or less. Pay to IRS.

9. **Overpayment** (subtract line 6 from line 7). Check if it is to be: ✓ Applied to next return, or □ Refunded.

### Part II Record of Quarterly Federal Unemployment Tax Liability

(Do not include state liability.) Complete only if line 6 is over $100.

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<th>Quarter</th>
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<th>Total for Year</th>
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</table>

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.

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

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For Paperwork Reduction Act Notice, see page 2.

Form 940-EZ (1990)
Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the tax laws of the United States. You are required to give us this information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the correct tax.

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

Learning about the law or the form 5 hrs., 20 min. Preparing and sending the form to IRS 26 min.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the Internal Revenue Service, Washington, DC 20224. Attention: IRS Reports Clearance Officer, T:F:P; and the Office of Management and Budget, Paperwork Reduction Project (1545-1110), Washington, DC 20503. DO NOT send the form to either of these offices. Instead, see the instructions below for where to file it.

Who Can Use Form 940-EZ.—You can use Form 940-EZ if:

1. you paid unemployment taxes ("contributions") to only one state;
2. you paid these taxes by the due date of Form 940-EZ; and
3. all wages that were taxable for FUTA tax were also taxable for your state’s unemployment tax. Otherwise, use Form 940. For example, if you paid wages to corporate officers (these wages are taxable for FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940-EZ. The chart below will lead you to the right form to use.

Did you pay unemployment contributions to only one state?

Yes

Did you pay all state unemployment contributions by the due date of Form 940-EZ?

Yes

Were all wages that were taxable for FUTA tax also taxable for your state’s unemployment tax?

Yes

You can use Form 940-EZ.

No

You cannot use Form 940-EZ. Use Form 940 instead.

No

Count all regular, temporary, and part-time employees. A partnership should not count its partners. If a business changes hands during the year, each employer meeting test (1) or (2) above must file. Neither should report wages paid by the other.

Household Employers.—File a FUTA tax return ONLY if you paid cash wages of $1,000 or more in any calendar quarter in 1989 or 1990 for household work in a private home, for a domestic servant, or for a member of a local chapter of a college fraternity or sorority.

Note: See Pub. 926, Employment Taxes for Household Employers, for more information.

Agricultural Employers.—File a FUTA tax return if either of the following applies:

1. You paid cash wages of $20,000 or more to farmworkers during any calendar quarter in 1989 or 1990; or
2. You employed 10 or more farmworkers during some part of a day (whether or not at the same time) for at least one day during any 20 different weeks in 1989 or 1990.

Count aliens admitted to the United States temporarily to do farmwork to see if you met either of the above tests. However, wages paid to these aliens are not subject to FUTA tax before 1993.

Nonprofit Organizations.—Religious, educational, charitable, etc., organizations described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) are not subject to FUTA tax and are not required to file Form 940-EZ.

Completing Form 940-EZ.—If your FUTA tax for 1990 (line 6) is $100 or less, complete only Part I of the form. If your FUTA tax is over $100, complete Parts I and II. See the instructions for Part II for information on FUTA tax deposits.

Filing Hint.—You can help avoid IRS contacts for missing information and delays in processing your return. Do this by making sure you fill in all the lines that apply to you. And, if you are not using a label with Form 940-EZ, be sure you fill in the name lines exactly as they were shown on your Form SS-4, Application for Employer Identification Number.

If You Are Not Liable for FUTA Tax.—If you receive Form 940-EZ and are not liable for FUTA tax for 1990, write "Not Liable" across the front and return it to IRS. If you will not have to file returns in the future, write "Final" on the line above Part I and sign the return.

Due Date.—Form 940-EZ for 1990 is due by January 31, 1991. However, if you deposited on time all tax due, you have 10 more days to file.

Where To File.—

If your principal business, office or agency is located in: File with the Internal Revenue Service Center at:

Florida, Georgia, South Carolina Atlanta, GA 39901

New Jersey, New York (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

Illinois, Iowa, Minnesota, Missouri, Wisconsin Kansas City, MO 64999

Delaware, District of Columbia, Maryland, Pennsylvania, Puerto Rico, Virgin Islands Philadelphia, PA 19255

Indiana, Kentucky, Michigan, Ohio, West Virginia Cincinnati, OH 45999

Kansas, New Mexico, Oklahoma, Texas Austin, TX 73301


California (all other counties), Hawaii Fresno, CA 93888

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee Memphis, TN 37501

If you have no legal residence or principal place of business in any IRS district, file with the Internal Revenue Service Center, Philadelphia, PA 19255.

Instructions continued on page 4.)
Employer's Annual Federal Unemployment (FUTA) Tax Return

Follow the chart under "Who Can Use Form 940-EZ" on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.)

B (1) Enter the name of the state where you have to pay contributions

(2) Enter your state reporting number(s) as shown on state unemployment tax return.

If you will not have to file returns in the future, write "Final" here (see Who Must File a Return on page 2) and sign the return.

Part I Taxable Wages and FUTA Tax

1 Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees

2 Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.)

3 Payments for services of more than $7,000. Enter only amounts over the first $7,000 paid to each employee. Do not include any exempt payments from line 2

4 Total exempt payments (add lines 2 and 3)

5 Total taxable wages (subtract line 4 from line 1)

6 FUTA tax. Multiply the wages on line 5 by .08 and enter here. (If the result is over $100, also complete Part II.)

7 Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)

8 Amount you owe (subtract line 7 from line 6). This should be $100 or less. Pay to IRS

9 Overpayment (subtract line 6 from line 7). Check if it is to be: □ Applied to next return, or □ Refunded

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over $100.

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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.

Signature □ Title (Owner, etc.) □ Date □

Note: You must keep this copy and a copy of each related schedule or statement for 4 years after the date the tax is due or paid, whichever is later. These copies must be available for inspection by the IRS. See Circular E and Pub. 937, Business Reporting, for more information. Household employers should see Pub. 926.
Employer’s Name, Address, and Identification Number. — Use the peel-off label mailed to you. If you don’t have a label, type or print your name, trade name, address, and employer identification number (EIN) on Form 940-EZ.

See Pub. 583, Taxpayers Starting a Business, for details on how to make tax deposits, file a return, etc., if these are due before you get your EIN.

Identifying Your Payments. — When you pay any amount you owe to IRS (line 8) or make Federal tax deposits, write on your check or money order: Your EIN, “Form 940-EZ,” and the tax period to which the payment applies. This helps make sure we credit your account properly.

Penalties and Interest. — Avoid penalties and interest by making tax deposits when due, filing a correct return, and paying all tax when due. There are penalties for late deposits and late filing unless you have a good reason. If you file late, attach an explanation to the return.

There are also penalties for willful failure to pay tax, keep records, make returns, and for filing false or fraudulent returns.

Credit for Contributions Paid Into State Funds. — You get a credit for amounts you pay to a state (including Puerto Rico and the Virgin Islands) unemployment fund by the due date of Form 940-EZ. This credit is reflected in the tax rate (.008) shown on line 6.

“Contributions” are payments that a state requires you, as an employer, to make to its unemployment fund for the payment of unemployment benefits. However, contributions do not include:
- Any payments you deducted or are deductible from your employees’ pay.
- Penalties, interest, or special administrative taxes which are not included in the contribution rate the state assigned to you.
- Voluntary contributions you paid to get a lower assigned rate.

Note: Be sure to enter your state reporting number(s) on line B(2) at the top of the form. We need this to verify your state contributions.

Special Credit for Successor Employers. — If you are claiming special credit as a successor employer, you must use Form 940.

Amended Returns. — Use a new Form 940-EZ to amend a previously filed Form 940-EZ. Write “AMENDED” at the top of the form, enter the amounts that should have been on the original return, and sign the amended return. Explain why you are amending Form 940-EZ.

If you were required to file Form 940 but filed Form 940-EZ instead, file the amended return on Form 940. See that form for instructions.

Specific Instructions
You must complete lines A and B and Part I. If your FUTA tax (line 6) is over $100, you must also complete Part II. Please remember to sign the return.

Line A. — Enter the dollar amount of state unemployment contributions. However, if your state has given you a zero percent experience rate, so that there are no required contributions, write “0% rate” in the space.

Part I. Taxable Wages and FUTA Tax
Line 1. Total payments. — Enter the total payments you made to employees 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, clothing, and noncash fringe benefits. Also include the amount of tips reported to you in writing by your employees. Enter the amount before any deductions.

How the payments are made is not important to see if they are wages. Thus, you may pay wages for piecework or as a percentage of profits. 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 market value when paid.

Line 2. Exempt payments. — “Wages” and “employment” for FUTA purposes do not include every payment and every kind of service an employee may perform. In general, payments that are not wages and payments for services that are not 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:
- Agricultural labor, if you didn’t meet either of the tests in Agricultural Employers on page 2.
- Benefit payments for sickness or injury under a worker’s compensation law.
- Household service if you did not pay cash wages of $1,000 or more in any calendar quarter in 1989 and 1990.
- Certain family employment.
- Certain fishing activities.
- Noncash payments for farmwork or household services in a private home that are included on line 1. Only cash wages to these workers are taxable.
- Value of certain meals and lodging.
- Cost of group-term life insurance.
- Any other exempt service or pay.

For more information, see Circular E, Employer’s Tax Guide.

Line 3. — Enter the total amounts over $7,000 you paid each employee. For example, if you have 10 employees to whom you paid $8,000 each during the year, enter $80,000 on line 1 and $10,000 on line 3. Do not include any exempt payments from line 2 in figuring the $7,000.

Part II. — Record of Quarterly Federal Unemployment Tax Liability
Complete this part only if your FUTA tax on line 6 is over $100. To figure your FUTA tax liability, multiply by .008 that part of the first $7,000 of each employee’s annual wages you paid during the quarter. Enter the result in the space for that quarter.

Your total liability must equal your total tax. If not, you may be charged a failure to deposit penalty figured on your average liability.

Record your liability based on when you pay the wages, not on when you deposit the tax. For example, assume that you pay wages on March 29 and your FUTA tax liability on those wages is $200. You deposit the $200 by April 30. You would include that $200 in the first quarter, not the second.

Depositing FUTA Tax. — Generally, FUTA taxes are deposited quarterly. If your liability for any of the first 3 quarters of 1990 (plus any undeposited amount of $100 or less from any earlier quarter) is over $100, deposit it by the last day of the month after the end of the quarter. If it is $100 or less, carry it to the next quarter; a deposit is not required. If your liability for the 4th quarter (plus any undeposited amount from any earlier quarter) is over $100, deposit the entire amount by January 31, 1991. If it is $100 or less, you can either make a deposit or pay it with your Form 940-EZ by January 31.

Note: The total amount of all deposits must be shown on line 7.

If you deposited the right amounts, following these rules, the amount you owe with Form 940-EZ will never be over $100.

Deposit FUTA tax in an authorized financial institution or the Federal Reserve bank for your area. To avoid a possible penalty, do not mail deposits directly to IRS. Records of your deposits will be sent to IRS for crediting to your business accounts. See Identifying Your Payments above.

You must use Form 8109, Federal Tax Deposit Coupon, when making each tax deposit. IRS will send you a book of deposit coupons when you apply for an EIN. Follow the instructions in the coupon book. If you don’t have coupons, see Circular E.