

**SCHEDULE B
(FORM 941)**

(Rev. January 1994)
Department of the Treasury
Internal Revenue Service

Employer's Record of Federal Tax Liability

5151

▶ See Circular E for more information about employment tax returns.

▶ Attach to Form 941 or Form 941-SS.

OMB No. 1545-0029
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Name as shown on Form 941 (Form 941-SS)	Employer identification number	Date quarter ended
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You must complete this schedule if you are required to deposit on a semiweekly basis, or if your tax liability on any day is \$100,000 or more. Show tax liability here, not deposits. (The IRS gets deposit data from FTD coupons.)

A. Daily Tax Liability—First Month of Quarter

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

A Total tax liability for first month of quarter ▶	A	
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B. Daily Tax Liability—Second Month of Quarter

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

B Total tax liability for second month of quarter ▶	B	
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C. Daily Tax Liability—Third Month of Quarter

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

C Total tax liability for third month of quarter ▶	C	
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D Total for quarter (add lines A , B , and C). This should equal line 13 of Form 941 ▶	D	
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Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 2 hr., 40 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 IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

General Instructions

Purpose of Form.—Use Schedule B (Form 941) to report your tax liability (income tax withheld plus both employee and employer social security and Medicare taxes minus any advance earned income credit payments) on a daily basis. DO NOT show Federal tax deposits here. Deposit information is obtained from the deposit coupons (Form 8109).

Beginning January 1, 1994, income tax withholding for nonpayroll items such as pensions, annuities, gambling winnings, and backup withholding, will no longer be reported on Form 941 or Schedule B (Form 941). This withholding will be reported on the new **Form 945**, Annual Return of Withheld Federal Income Tax. Refer to Chapter II of Circular E for details on depositing and reporting nonpayroll income tax withholding.

Who Must File.—Semiweekly depositors are required to complete and attach Schedule B to Form 941. Monthly depositors who accumulate \$100,000 or more on any day must also complete and attach Schedule B. *If your total tax liability for the quarter is less than \$500, you need not complete Schedule B (Form 941).* Schedule B also must be used by semiweekly depositors who file **Form 941-SS**, Employer's Quarterly Federal Tax Return (for Guam, the Virgin Islands, etc.).

Important.—Schedule B (Form 941) is used by the IRS to determine if you have timely deposited your employment

and withholding tax liabilities. Unless Schedule B is properly completed and filed with Form 941, the IRS will not be able to process your return and will have to contact you for the missing information.

Specific Instructions

Completing the Employer's Record of Federal Tax Liability.—If you are required to report your tax liabilities on Schedule B (Form 941) as discussed above, file the schedule with Forms 941 or 941-SS. Do not complete columns (a) through (d) of the Monthly Summary of Federal Tax Liability (e.g., line 17 on Form 941). However, be sure to mark the Schedule B checkbox.

Each numbered space on the schedule corresponds to dates during the quarter. Report your tax liabilities on this schedule corresponding to the dates wages are paid, **not** to when payroll liabilities are accrued. For example, if your payroll period ends December 31, 1993, and the wages for that period are paid on January 7, 1994, the employment tax liability for those wages should be reported on Schedule B for the first quarter of 1994 on line 7, section A (First Month of Quarter).

Example A: Employer A, who has a semiweekly deposit schedule, pays wages once each month on the last day of the month. On December 20, 1994, Employer A paid year-end employee bonuses (subject to employment tax and income tax withholding). Since Employer A is a semiweekly schedule depositor, it is required to record employment tax and withholding liabilities on Schedule B (Form 941). Employer A should report tax liabilities for the 4th quarter (October–December) Schedule B on line 31, section A (First Month of Quarter); line 30, section B (Second Month of Quarter); and lines 20 and 31, section C (Third Month of Quarter).

Enter the monthly totals on lines **A**, **B**, and **C**. Add these monthly subtotals and enter the total tax liability for the quarter on line **D**. The amount on line **D** should equal Form 941, line 13; or Form 941-SS, line 10.

Example B: Employer B is a semiweekly depositor. It has paydays every other Friday. It accumulated a \$20,000 employment tax liability on each of the following pay dates: 1/7/94; 1/21/94; 2/4/94; 2/18/94; 3/4/94; and 3/18/94. Since Employer B is a semiweekly depositor, it is required to record its tax

liabilities on Schedule B (Form 941). Employer B must record the \$20,000 liabilities on lines 7 and 21 of part A (First Month of Quarter); lines 4 and 18 of part B (Second Month of Quarter); and lines 4 and 18 of part C (Third Month of Quarter).

Example C: Employer C is a new business and is a monthly depositor for 1994. Employer C has paydays every Friday and accumulated a \$2,000 employment tax liability on 1/7/94 and a \$110,000 tax liability on 1/14/94 and each of the following Fridays during 1994. The deposit rules state that an employer becomes a semiweekly schedule depositor when a \$100,000 or more tax liability is accumulated on any day within a deposit period (see Chapter I, section 11 of Circular E for details). Since Employer C accumulated \$110,000 on 1/14/94, it became a semiweekly depositor on that date and must complete Schedule B (Form 941) and file it with Form 941. It should record the \$2,000 liability on line 7 of section A and \$110,000 on the lines for the remaining pay dates. No entries should be made on line 17 of Form 941 although Employer C was a monthly depositor until 1/14/94.

Adjustments.—Semiweekly depositors must take into account on Schedule B adjustments to correct errors on prior returns (e.g., reported on lines 4 and 9 of Form 941). If the adjustment was to correct an **underreported liability** in a prior quarter, report the adjustment on the entry space corresponding to the date the error was discovered.

If the adjustment corrects an **overreported liability**, use the adjustment amount as a credit to offset subsequent liabilities until it is used up. For example, Employer D discovered on 1/10/94 that it overreported social security tax on a prior quarter return by \$10,000. It paid wages on 1/7/94, 1/14/94, 1/21/94, and 1/28/94 and had a \$5,000 tax liability for each of those pay dates. Employer D must report a \$5,000 liability on line 7, section A of Schedule B. The adjustment for the \$10,000 overreported liability is used to offset the 1/14/94 and 1/21/94 liabilities, so these two \$5,000 liabilities are not deposited or reported on Schedule B. The \$5,000 liability for 1/28/94 must be reported on line 28, section A of Schedule B. See section 12 of Circular E for details on reporting adjustments to correct errors on prior period returns.