

**Employer's Annual Tax Return for Agricultural Employees**

► For more information, see Circular A.  
► For Paperwork Reduction Act Notice, see page 2.

**1994**

Your name, address, employer identification number, and calendar year of return. (If not correct, please change.)

Name (as distinguished from trade name)

Calendar year

Trade name, if any

Employer identification number

Address and ZIP code

If address is different from prior return, check here

If you do not have to file returns in the future, check here

<b>1</b>	Number of agricultural employees employed in the pay period that includes March 12, 1994	<b>1</b>	
<b>2</b>	Total wages subject to social security taxes (see instructions)	<b>2</b>	
<b>3</b>	Social security taxes (multiply line 2 by 12.4% (.124))	<b>3</b>	
<b>4</b>	Total wages subject to Medicare taxes (see instructions)	<b>4</b>	
<b>5</b>	Medicare taxes (multiply line 4 by 2.9% (.029))	<b>5</b>	
<b>6</b>	Federal income tax withheld (see instructions)	<b>6</b>	
<b>7</b>	Total taxes (add lines 3, 5, and 6)	<b>7</b>	
<b>8</b>	Adjustment to taxes, attach Form 941c (see instructions)	<b>8</b>	
<b>9</b>	Total taxes as adjusted (line 7 as adjusted by line 8)	<b>9</b>	
<b>10</b>	Advance earned income credit (EIC) payments, if any (see instructions on page 4)	<b>10</b>	
<b>11</b>	Net taxes (subtract line 10 from line 9)	<b>11</b>	
<b>12</b>	<b>Total deposits</b> for 1994, including any overpayment from 1993, as shown in your records	<b>12</b>	
<b>13</b>	<b>Balance due</b> (subtract line 12 from line 11—see instructions). Pay to Internal Revenue Service	<b>13</b>	
<b>14</b>	<b>Overpayment</b> , if line 12 is more than line 11, enter here \$		

and check if to be:  Applied to next return, or  Refunded.

Check if you are a first-time semiweekly depositor (see **Deposit Rules** on page 4)

**Record of Federal Tax Liability.**—If line 11 is less than \$500, do not use this record. Pay the taxes with Form 943 or deposit them by January 31, 1995. If you are a semiweekly depositor, do not use this record. Instead, complete and attach Form 943-A, Agricultural Employer's Record of Federal Tax Liability. See **Deposit**

**Rules** on page 4. If you are a monthly depositor, enter your tax liability in the column next to the month in which the liability was incurred.

The total tax liability for the year (line M) should equal net taxes (line 11).

Deposit period ending	Tax liability for month	Deposit period ending	Tax liability for month	Deposit period ending	Tax liability for month
<b>A</b> January 31		<b>F</b> June 30		<b>K</b> November 30	
<b>B</b> February 28		<b>G</b> July 31		<b>L</b> December 31	
<b>C</b> March 31		<b>H</b> August 31		<b>M</b> Total liability for year (add lines A through L)	
<b>D</b> April 30		<b>I</b> September 30			
<b>E</b> May 31		<b>J</b> October 31			

**Sign Here**

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.

Signature ►

Print Your Name and Title ►

Date ►

Cat. No. 11252K

**DO NOT DETACH**

**Form 943 Payment Voucher**

**1994**

Do not send cash and do not staple your payment to this voucher. Make your check or money order, with your employer identification number clearly written on it, payable to the Internal Revenue Service.

<b>1</b> Your employer identification number	<b>2</b> Enter the first four letters of your business name	<b>3</b> MFT	<b>4</b> Tax year	<b>5</b> Transaction code
		1 1	9 4 1 2	6 1 0
<b>6</b> Your business name and address				<b>7</b> Amount of payment
				\$ .

Do not staple your payment to this voucher.

Do not send cash.

**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: **Recordkeeping** 9 hr., 34 min.; **Learning about the law or the form** 22 min.; **Preparing the form** 1 hr., 28 min.;

**Copying, assembling, and sending the form to the IRS** 16 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Tax Forms Committee, PC:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0035), Washington, DC 20503. **DO NOT** send the tax form to this office. Instead, see **Where To File** below.

## General Instructions

**Social Security and Medicare Taxes.**—The 1994 wage base is \$60,600 for social security. There is no wage limit for Medicare.

The social security tax rates are 6.2% and Medicare tax rates are 1.45% each for the employer and the employee. A 6.2% employee social security tax table and a 1.45% employee Medicare tax table are provided in **Circular A**, Agricultural Employer's Tax Guide. You may order this circular or other forms and publications by calling 1-800-829-3676.

**Reconciliation of Forms 943 and W-3.**—To reduce the discrepancies between amounts reported on Forms W-2, W-3, and 943—

1. Be sure the amounts on **Form W-3**, Transmittal of Wage and Tax Statements, agree with the total amounts from **Forms W-2**, Wage and Tax Statement.

2. Reconcile Form W-3 with your annual Form 943 by comparing amounts reported for—

- Social security wages, social security tips, and Medicare wages and tips. The amounts may not match if, for example, you made adjustments for a prior year on Form 941c. In that case, the amounts reported in boxes 13 and 14 of Form W-3 should include Form 941c adjustments only for the current year. If the Form 941c adjustments include amounts for a prior year, do not report those adjustments on the current year Forms W-2 and W-3.
- Social security and Medicare taxes. The amounts shown on the annual Form 943 including

the current year adjustments should be approximately twice the amounts shown on Form W-3.

- Income tax withheld.
- Advance earned income credit.

As noted, amounts reported on Forms W-2, W-3, and 943 may not match for valid reasons. If they do not match, determine that the reasons are valid. Keep your reconciliation so you will have a record of why amounts did not match in case there are inquiries.

**Additional Information.**—Circular A has information you may need for social security tax, Medicare tax, Federal unemployment (FUTA) tax, and withheld income tax. It includes tables showing the social security tax, Medicare tax, and income tax to withhold from an employee's wages.

**Purpose of Form.**—Use Form 943 to report income tax withheld and employer and employee social security and Medicare taxes on farmworkers. Also, use this form to report taxes on wages of household employees in a private home on a farm operated for profit. They are considered farm employees. If you paid taxable wages to an employee for services other than farmwork, do not include them on Form 943. Instead, use **Form 941**, Employer's Quarterly Federal Tax Return. If you paid wages for domestic services in your private, nonfarm home, use **Form 942**, Employer's Quarterly Tax Return for Household Employees.

See Circular A for more information concerning agricultural employment tax returns.

**Who Must File.**—File Form 943 if you paid to one or more farmworkers wages subject to social security and Medicare taxes or income tax withholding. For a definition of agricultural workers (farmworkers) and wages, see Circular A.

**How To Determine if Social Security and Medicare Taxes Are Due and if the Wages Are Subject to Income Tax Withholding. The \$150 Test or the \$2,500 Test.**—Employer and employee social security and Medicare taxes are due and the wages are subject to income tax withholding if you meet either test below.

- You pay an employee cash wages of \$150 or more in a calendar year for farmwork.
- You pay cash wages of \$2,500 or more to all of your farmworkers.

**Exception:** If you pay a farmworker less than \$150 in annual cash wages, those wages are not subject to social security and Medicare taxes even if you pay \$2,500 or more to all your farmworkers, if the farmworker:

- a. Is employed in agriculture as a hand harvest laborer,

b. Is paid piece rates in an operation that is usually paid on a piece-rate basis in the region of employment,

c. Commutes daily from his or her home to the farm, and

d. Has been employed in agriculture less than 13 weeks in the preceding calendar year (1993).

The amounts you pay these seasonal farmworkers, however, count toward the \$2,500-or-more test for determining the social security and Medicare coverage of other farmworkers. If the \$2,500-or-more group test is not met, the \$150-or-more individual test still applies.

Social security and Medicare taxes apply to most payments of sick pay, including payments made by third parties such as insurance companies. For details, see **Pub. 952**, Sick Pay Reporting, and the instructions on Form W-3.

**When To File.**—For 1994, file Form 943 by January 31, 1995. However, if you made deposits on time in full payment of the taxes due for the year, you may take an additional 10 days from January 31 to file the return.

After you file your first return, we will send you a form every year. If you receive a form for a year in which you are not liable for filing, write "NONE" on line 11 and send the form back to the IRS.

If you stop paying wages during the year, file a final return for 1994. Be sure to mark the box at the top. If you later become liable for any of the taxes, notify the IRS.

**Where To File.**—Find the state and, if applicable, county location of your legal residence, principal place of business, office, or agency in the list below. Send your return to the **Internal Revenue Service** at the address listed for your location. No street address is needed.

Florida, Georgia, South Carolina

**Return without payment:**  
Atlanta, GA 39901-0018

**Return with payment:**  
P.O. Box 105094  
Atlanta, GA 30348-5094

New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)

**Return without payment:**  
Holtsville, NY 00501-0018

**Return with payment:**  
P.O. Box 254  
Newark, NJ 07101-0254

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

**Return without payment:**  
Andover, MA 05501-0018

**Return with payment:**  
P.O. Box 371475  
Pittsburgh, PA 15250-7475

Illinois, Iowa, Minnesota, Missouri, Wisconsin

**Return without payment:**  
Kansas City, MO 64999-0018

**Return with payment:**  
P.O. Box 970009  
St. Louis, MO 63179-0009

(Continued on next page)

## Voucher Instructions

If the balance due (line 13) is \$500 or more, you must use an FTD coupon (Form 8109) and make your deposit at an authorized depository (see Circular A for deposit instructions). See line 13 instructions for an exception. Do not use this voucher in place of an FTD coupon.

**Box 1—Employer identification number (EIN).**—If you do not have an EIN, apply for one on **Form SS-4**, Application for Employer Identification Number, and write "Applied For" and the date you applied in this entry space.

**Box 2.**—Enter the first four characters (letters or numbers) of your business name (as shown in box 6).

**Box 3.**—No entry.

**Box 4—Tax year.**—No entry.

**Box 5.**—No entry.

**Box 6—Name and address.**—Enter your business name and address as shown on Form 943.

**Box 7—Amount paid.**—Enter the amount paid with Form 943.

- Make check or money order payable to the Internal Revenue Service. Don't send cash. Please don't staple your payment to the voucher or the return.

**Employer's Annual Tax Return for Agricultural Employees**

**1994**

► For more information, see Circular A.

► For Paperwork Reduction Act Notice, see page 2.

**YOUR COPY** Before filing the return, be sure to show on this copy your name, address, and employer identification number.

Name ► ..... Employer identification number ► .....

Address and ZIP code ► .....

**Sale or transfer of business.**—If a business is sold or transferred by one employer to another, each must file a separate return. Such a transfer occurs, for example, if a sole proprietor forms a partnership or a corporation. Neither employer should report wages paid by the

other employer. When a statutory merger or consolidation occurs, however, the continuing corporation's obligation to file a Form 943 and report wages is the same as if the continuing corporation and the dissolved corporation or corporations were one person.

If you do not have to file returns in the future, check here. . . . .

<b>1</b> Number of agricultural employees employed in the pay period that includes March 12, 1994 . . . . .	<b>1</b>		
<b>2</b> Total wages subject to social security taxes (see instructions) . . . . .	<b>2</b>		
<b>3</b> Social security taxes (multiply line 2 by 12.4% (.124)) . . . . .	<b>3</b>		
<b>4</b> Total wages subject to Medicare taxes (see instructions) . . . . .	<b>4</b>		
<b>5</b> Medicare taxes (multiply line 4 by 2.9% (.029)) . . . . .	<b>5</b>		
<b>6</b> Federal income tax withheld (see instructions) . . . . .	<b>6</b>		
<b>7</b> Total taxes (add lines 3, 5, and 6) . . . . .	<b>7</b>		
<b>8</b> Adjustment to taxes, attach Form 941c (see instructions) . . . . .	<b>8</b>		
<b>9</b> Total taxes as adjusted (line 7 as adjusted by line 8) . . . . .	<b>9</b>		
<b>10</b> Advance earned income credit (EIC) payments, if any (see instructions on page 4) . . . . .	<b>10</b>		
<b>11</b> Net taxes (subtract line 10 from line 9) . . . . .	<b>11</b>		
<b>12</b> Total deposits for 1994, including any overpayment from 1993, as shown in your records . . . . .	<b>12</b>		
<b>13</b> Balance due (subtract line 12 from line 11—see instructions). Pay to Internal Revenue Service . . . . .	<b>13</b>		
<b>14</b> Overpayment, if line 12 is more than line 11, enter here ► \$ . . . . .			

and check if to be:  Applied to next return, or  Refunded.

Check if you are a first-time semiweekly depositor (see **Deposit Rules** on page 4) . . . . .

**Record of Federal Tax Liability.**—If line 11 is less than \$500, do not use this record. Pay the taxes with Form 943 or deposit them by January 31, 1995. If you are a semiweekly depositor, do not use this record. Instead, complete and attach Form 943-A, Agricultural Employer's Record of Federal Tax Liability. See **Deposit**

**Rules** on page 4. If you are a monthly depositor, enter your tax liability in the column next to the month in which the liability was incurred.

The total tax liability for the year (line M) should equal net taxes (line 11).

Deposit period ending	Tax liability for month	Deposit period ending	Tax liability for month	Deposit period ending	Tax liability for month
<b>A</b> January 31 . . . . .		<b>F</b> June 30 . . . . .		<b>K</b> November 30 . . . . .	
<b>B</b> February 28 . . . . .		<b>G</b> July 31 . . . . .		<b>L</b> December 31 . . . . .	
<b>C</b> March 31 . . . . .		<b>H</b> August 31 . . . . .		<b>M</b> Total liability for year (add lines A through L) . . . . .	
<b>D</b> April 30 . . . . .		<b>I</b> September 30 . . . . .			
<b>E</b> May 31 . . . . .		<b>J</b> October 31 . . . . .			

**Sign Here**

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.

Signature ►

Print Your Name and Title ►

Date ►

Delaware, District of Columbia, Maryland, Pennsylvania, Virginia  
**Return without payment:** Philadelphia, PA 19255-0018  
**Return with payment:** P.O. Box 8526 Philadelphia, PA 19162-8526

California (all other counties), Hawaii  
**Return without payment:** Fresno, CA 93888-0018  
**Return with payment:** P.O. Box 60819 Los Angeles, CA 90060-0819

Indiana, Kentucky, Michigan, Ohio, West Virginia  
**Return without payment:** Cincinnati, OH 45999-0018  
**Return with payment:** P.O. Box 6538 Chicago, IL 60680-6538

Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee  
**Return without payment:** Memphis, TN 37501-0018  
**Return with payment:** P.O. Box 1212 Charlotte, NC 28201-1212

Kansas, New Mexico, Oklahoma, Texas  
**Return without payment:** Austin, TX 73301-0018  
**Return with payment:** P.O. Box 970015 St. Louis, MO 63197-0015

If you have no legal residence or principal place of business in any state  
**All returns:** Philadelphia, PA 19255-0018

Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming  
**Return without payment:** Ogden, UT 84201-0018  
**Return with payment:** P.O. Box 7353 San Francisco, CA 94120-7353

**Penalties and Interest.**—There are penalties for filing a return late and paying or depositing taxes late, unless there is reasonable cause. If you are late, please attach an explanation to your return. There are also penalties for willful failure to (1) file returns and pay taxes when due, (2) give Form W-2 to employees, (3) keep records, and (4) for filing false returns or submitting bad checks. Interest is charged on taxes paid late at the rate set by law. See Circular A for more details.

**Caution:** If income, social security, and Medicare taxes that must be withheld are not withheld or are not paid to the IRS, the Trust Fund Recovery

Penalty may apply. The penalty is 100% of such unpaid taxes. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business. See Circular A for more details.

**Forms W-2 and W-3.**—By January 31, 1995, give Form W-2 to each employee who was working for you at the end of 1994. If an employee stops working for you before the end of the year, give him or her Form W-2 any time after employment ends but no later than January 31 of the following year. If the employee asks you for Form W-2, give him or her the completed form within 30 days of the request or the last wage payment, whichever is later.

By February 28, 1995, send Copy A of all Forms W-2 with Form W-3 to the Social Security Administration. The address is in the instructions for Form W-3.

**Filing on Magnetic Media.**—If you prepare 250 or more W-2s in 1 year, you are required to use magnetic media instead of filing Copy A of Form W-2. You can get the rules for reporting W-2 information on magnetic media from the Social Security Administration, OCRO/DEA/Resubmittal Unit, 3-E-10 North Building, Metro West, 300 North Greene Street, Baltimore, MD 21201.

### Specific Instructions

**Line 1.**—Do not include household employees in your private nonfarm home, persons who receive no pay during the pay period, pensioners, or members of the Armed Forces.

**Line 2.**—Show the total taxable cash wages you paid all your employees for farmwork in the calendar year. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. Report the full cash wages before tax was deducted. If you paid an employee more than \$60,600 in 1994, show only \$60,600 for that employee.

**Line 4.**—Show the total taxable cash wages you paid all your employees for farmwork in the calendar year. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. Report the full cash wages before tax was deducted.

**Line 6.**—You must withhold income tax from employees from whom you withhold social security and Medicare taxes, see Circular A. Enter income tax withheld on wages paid to employees. If you are not required to withhold income tax, enter -0-.

**Line 8.**—Use line 8 to correct errors in social security and Medicare taxes reported on an earlier return or to correct errors in credits for overpayments of penalty or interest paid on tax for an earlier year. If you report both an underpayment and an overpayment, show only the difference. Because any amount shown on line 8 increases or decreases your tax liability, the adjustment must be included on your record of Federal tax liability on Form 943 or 943-A. Your deposit requirements determine which liability report is used. Include the adjustment in the report entry area that corresponds with the date on which the error was found.

You cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an **administrative error**. An administrative error is any error that does not change the amount of income tax that was actually withheld or deducted from an employee. See Circular A for more information.

Except for fractions of cents or third-party sick pay, explain any amount on line 8 on **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows: (a) what the error was, (b) year in which the error was made and the amount of the error, (c) year in which you found the error, (d) that you repaid the employee tax or got each affected employee's written consent to this refund or credit, if the entry corrects an overcollection, and (e) if the entry corrects social security and Medicare taxes overcollected in an earlier year, that you got from the employee a written statement that he or she has not claimed and will not claim a refund or credit for the amount.

If you are adjusting an employee's social security wages, Medicare wages, or tax withheld for a prior year, you must also file **Form W-2c**, Statement of Corrected Income and Tax Amounts, and **Form W-3c**, Transmittal of Corrected Income and Tax Statements, with the social security office where you filed Forms W-2. You can get these from the IRS.

Enter on Form 941c or include in the statement the total wages for all your employees as previously reported and as corrected. DO NOT file Form 941c separately from Form 943. Form 941c is not an amended return, but is a statement providing necessary certification background information supporting the adjustments on line 8 on Form 943. You can get Form 941c from the IRS.

**Fraction of cents.**—If there is a difference between the total tax on lines 3 or 5 and the total deducted from your employees' wages because of

fractions of cents added or dropped in collecting the tax, report the difference on line 8. If this difference is the only entry, write "Fractions only" in the margin.

**Line 9.**—Add line 7 to line 8 if reporting additional taxes. Subtract line 8 from line 7 if reducing taxes previously reported.

**Line 10.**—Employees who are eligible can receive advance EIC payments with their wages by giving you **Form W-5**, Earned Income Credit Advance Payment Certificate, annually. For details, see Circular A.

**Line 12.**—Show the total amount deposited for the year, including any overpayment from 1993, as shown in your records.

**Line 13.**—You should have a balance due only if your total tax liability for the year (line 11) is less than \$500.

*Exception:* The balance due may be \$500 or more if you are a monthly depositor and are making payments under the **Accuracy of Deposits (98% Rule)**, discussed below. If line 11 is \$500 or more and you have deposited all taxes when due, the amount shown on line 13 (balance due) should be zero. Please write your EIN, "Form 943," and "1994" on your check.

**Caution:** *If you fail to make required deposits at a qualified depository and instead pay these amounts with your return, you may be subject to a penalty.*

**Line 14.**—If you deposited more than the correct amount for a year, you can have the overpayment refunded or applied to your next return.

**Deposit Requirements.**—In general, you must deposit employer and employee social security and Medicare taxes, and withheld income tax of \$500 or more with an authorized financial institution or a Federal Reserve bank (FRB). Do not send deposits to the IRS or you will be subject to a penalty. Include **Form 8109**, Federal Tax Deposit Coupon, with each deposit. Follow the instructions in the Federal Tax Deposit Coupon Book.

For 1995, if your employment taxes were more than \$78 million in calendar year 1993, you must use Electronic Funds Transfer. See Temporary Regulations 31.6302-1T and Rev. Proc. 94-48, 1994-29 I.R.B. 31.

If you hand-deliver your deposit to an authorized depository on the due date, be sure to deliver it before the depository closes its business day. If you make your deposit with an FRB, it must be made with the one for your area. Also, it must be in a form of payment that the FRB considers to be an immediate credit item. If you need more information, contact an authorized depository or an FRB.

#### Deposit Rules

For more details and examples of the following rules, see Circular A.

These rules determine when you must deposit Federal employment taxes (other than FUTA taxes). They apply to backup withholding; Federal income tax withheld on wages, pensions, and annuities; and social security and Medicare taxes.

You are either a monthly depositor or a semiweekly depositor. However, if you accumulate taxes of \$100,000 or more at any time during the year, you are subject to the \$100,000 one-day deposit rule, discussed later. The IRS will notify you each November whether you are a monthly or a semiweekly depositor for the coming calendar year. If you do not receive the notification, you must determine your own deposit status. You determine your status at the beginning of the calendar year based on the total tax you reported on your original Form 943 in the lookback period (explained below).

**Lookback Period.**—The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for calendar year 1995 is calendar year 1993.

**Adjustments to lookback period taxes.**—To determine your taxes for the lookback period, use only the tax you reported on the original return (Form 943). **Do not** include adjustments made on a supplemental return filed after the due date of the return. However, if you make adjustments on Form 943, the adjustments are included in the total tax for the period in which the adjustments are reported.

**Monthly Deposit Schedule Rule.**—If the total tax reported on Form 943 for the lookback period is \$50,000 or less, you are a monthly depositor for the current year. You must deposit employment taxes and taxes withheld on payments made during a calendar month by the 15th day of the following month.

**New employers.**—If you are a new employer, your taxes for the lookback period are considered to be zero. Therefore, you are a monthly depositor for the year in which you first became an employer (but see the **\$100,000 One-Day Deposit Rule** later).

**Semiweekly Deposit Schedule Rule.**—If the total tax reported on Form 943 for the lookback period is more than \$50,000, you are a semiweekly depositor for the current year. If you are a semiweekly depositor, you must deposit on Wednesday and/or Friday depending on what day of the week you make payments as shown below:

Payment Days/Deposit Periods	Deposit By
Wednesday, Thursday, and/or Friday.	Following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Following Friday

**Deposits on Banking Days Only.**—If a deposit is required to be made on a Saturday, Sunday, or legal holiday, the deposit is considered to be made timely if it is made by the close of the next banking day.

Semiweekly depositors will always have 3 banking days to make a deposit.

**\$100,000 One-Day Deposit Rule.**—If you accumulate taxes of \$100,000 or more on any day during a deposit period, you must deposit it by the close of the next banking day, whether you are a monthly or a semiweekly depositor. For monthly depositors, the deposit period is a calendar month. For semiweekly depositors, the deposit periods are Wednesday through Friday and Saturday through Tuesday.

For purposes of the \$100,000 rule, do not continue accumulating taxes after the end of a deposit period.

If you are a monthly depositor and you accumulate \$100,000 on any day, you become a semiweekly depositor on the next day for the remainder of the calendar year and for the following calendar year.

**Accuracy of Deposits (98% Rule).**—You will satisfy your deposit obligation if you deposit timely at least 98% of the tax liability or if the deposit shortfall does not exceed \$100. For this rule to apply, you must deposit any underpayment by the shortfall makeup date. See Circular A for the definition of shortfall.

**\$500 Exception.**—If you accumulate less than a \$500 tax liability during a year, no deposits are required. You may pay with the tax return for the year. However, if you are unsure that you will accumulate less than \$500 for the year, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties.