



Instructions for Form 943

Employer's Annual Federal Tax Return for Agricultural Employees

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

What's New

Household employees. Public Law 108-203 ("Social Security Protection Act") enacted March 2, 2004, clarified that domestic services provided on a farm operated for profit are nonfarm employment.

Social security wage base for 2005. Stop withholding social security tax after an employee reaches the social security wage base for taxable wages. See *What's New* in Pub. 51 (Circular A), Agricultural Employer's Tax Guide, for the 2005 social security wage base.

Electronic Filing and Payment

Now, more than ever before, businesses can enjoy the benefits of filing and paying their taxes electronically. Whether you rely on a tax professional or handle your own taxes, IRS offers you convenient programs to make it easier.

Spend less time and worry on taxes and more time running your business. Use *e-file* and Electronic Federal Tax Payment System (EFTPS) to your benefit.

- For *e-file* visit www.irs.gov for additional information.
- For EFTPS, visit www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477.

Use the electronic options available from IRS and make filing and paying taxes easier.

Photographs of Missing Children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in instructions on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Telephone Help

You can call the IRS toll free at 1-800-829-4933 to order FTD coupons (Forms 8109) and for answers to your questions about completing Form 943, tax deposit rules, or obtaining an employer identification number (EIN).

How To Get Forms and Publications

You can get most IRS forms and publications by accessing the IRS website at www.irs.gov or by calling the IRS at 1-800-TAX-FORM (1-800-829-3676). See the Instructions for Forms W-2 and W-3 for details and other options.

General Instructions

Purpose of form. Use Form 943 to report income tax withheld and employer and employee social security and Medicare taxes on wages paid to farmworkers. If you have household employees working in your private home

on your farm operated for a profit, they are not considered to be farm employees. To report social security, Medicare, and income tax withholding on the wages of household employees, you may either:

- File Schedule H (Form 1040), Household Employment Taxes, with your Form 1040 or
- Include the wages with your farm employees' wages on Form 943.

If you paid wages to a household employee in a home that is not on a for-profit farm, you must report the taxes on Schedule H. If you paid wages to other nonfarm workers, do not report these on Form 943. Report them on Form 941, Employer's Quarterly Federal Tax Return. See Pub. 926, Household Employer's Tax Guide, for more information about household employees.

Who must file. File Form 943 if you paid wages to one or more farmworkers and the wages were subject to social security and Medicare taxes or income tax withholding under the tests discussed below. For definitions of farmworkers and wages, see Pub. 51 (Circular A), Agricultural Employer's Tax Guide.

The \$150 test or the \$2,500 test. All cash wages that you pay to farmworkers are subject to social security and Medicare taxes and income tax withholding for any calendar year that you meet either of these tests:

- You pay an employee cash wages of \$150 or more for farmwork.
- The total (cash and noncash) wages that you pay to farmworkers is \$2,500 or more.

If the \$2,500-or-more test for the group is not met, the \$150-or-more test for an individual still applies.

Exceptions. Special rules apply to certain hand-harvest laborers who receive less than \$150 in annual cash wages. For more information, see Pub. 51 (Circular A).

When to file. For 2004, file Form 943 by January 31, 2005. However, if you made deposits on time in full payment of the taxes due for the year, you may file the return as late as February 10, 2005.

Final return. If you stop paying wages during the year and do not expect to pay wages again, file a final return for 2004. Be sure to mark the box above line 1 on the form indicating that you do not have to file returns in the future. If you later become liable for any of the taxes, notify the IRS.

Forms W-2 and W-3. By January 31, 2005, give Form W-2 to each employee who was working for you at the end of 2004. 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.

Filing on paper forms. By February 28, 2005, send Copy A of all Forms W-2 with Form W-3 to the Social Security Administration (SSA) (if less than 250 paper forms). The address is in the Instructions for Forms W-2 and W-3.

Filing electronically. Visit the Social Security Administration's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer for information about electronic filing of Forms W-2. If you file electronically (not magnetic media), the due date is March 31, 2005.

Filing on magnetic media. If you are required to file 250 or more Forms W-2, you must file them on magnetic media (or electronically) instead of filing Copy A of Form W-2. See the Instructions for Forms W-2 and W-3 for more information. The due date for filing forms with the SSA on magnetic media is February 28, 2005.

Where to file. Find the state of your legal residence, principal place of business, office, or agency in the table that follows. Send your return to the "Internal Revenue Service" at the address listed for your location. No street address is needed.

Note. Where you file depends on whether or not you are including a payment. Be sure to use the correct address.

Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	
Return without payment: Cincinnati, OH 45999-0008	Return with payment: P.O. Box 105094 Atlanta, GA 30348-5094
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	
Return without payment: Ogden, UT 84201-0008	Return with payment: P.O. Box 660587 Dallas, TX 75266-0587
If you have no legal residence or principal place of business in any state:	
Return without payment: Philadelphia, PA 19255-8526	Return with payment: P.O. Box 80107 Cincinnati, OH 45280-0007

Exception for exempt organizations and government entities. If you are filing Form 943 for an exempt organization or government entity (federal, state, local, or Indian tribal government), use the following addresses regardless of your location:

- **Return without payment:** Ogden, UT 84201-0008
- **Return with payment:** P.O. Box 660587, Dallas, TX 75266-0587

Reconciliation of Form 943 to Forms W-2 and W-3. Certain amounts reported on Form 943 for 2004 should agree with the Form W-2, Wage and Tax Statement, totals reported on the 2004 Form W-3, Transmittal of Wage and Tax Statements. The amounts from Form W-3 that should agree with the related lines on Form 943 are: income tax withholding (box 2), social security wages (box 3), Medicare wages and tips (box 5), and the advance earned income credit payment (box 9). If the totals do not agree, the IRS may require you to explain any differences and correct any errors. Keep any records

that show why the totals do not match. For more information, see section 12 of Pub. 51 (Circular A).

Depositing taxes. If your net taxes (line 11) are \$2,500 or more for the year, you generally must deposit your tax liabilities at an authorized financial institution using Form 8109, Federal Tax Deposit Coupon, or by using the Electronic Federal Tax Payment System (EFTPS). See section 7 of Pub. 51 (Circular A), Agricultural Employer's Tax Guide, for information and rules concerning federal tax deposits and to determine your status as a monthly or semiweekly schedule depositor.

Penalties and interest. There are penalties for filing a return late and for paying or depositing taxes late, unless there is reasonable cause. If you file or deposit late, attach an explanation to Form 943. There are also penalties for failure to: (a) furnish Forms W-2 to employees and file copies with the SSA or (b) deposit taxes when required. (Do not attach an explanation to Forms W-2 filed with the SSA.) See Pub. 51 (Circular A) for more information. In addition, there are penalties for willful failure to file returns and pay taxes when due and for filing false returns or submitting bad checks. Interest is charged on taxes paid late at the rate set by law.



If income, social security, and Medicare taxes that must be withheld (that is, trust fund taxes) are not withheld or are not paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is 100% of the unpaid trust fund tax. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business. The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so. See section 7 of Pub. 51 (Circular A) for more information.

Preprinted name, EIN, and address. If your preprinted name, EIN, or address on Form 943 is not correct, cross it out and type or print the correct information. However, do not change any of the preprinted information on your Form 943-V, Payment Voucher.

Zero Wage return. If you received a preprinted Form 943 in the mail from the IRS and are not required to file because you paid no wages subject to social security or Medicare tax and withheld no income tax, write "NONE" on line 11, sign the return, and file it with the IRS. If you will not have to file Form 943 in the future, also check the box above line 1 at the left of your name and address.

Specific Instructions

State code. If you made your deposits by FTD coupon (Form 8109) or by using an EFTPS bank account in a state other than that shown in your address on Form 943, enter the state code for the state where you made deposits or initiated EFTPS transfers in the box provided in the upper-left corner of Form 943. Use the Postal Service two-letter state abbreviation as the state code. Enter the code "MU" in the state code box if you deposit in more than one state. If you deposit in the same state as shown in your address, do not make an entry in this box.

Line 1—Number of agricultural employees. Enter the number of agricultural employees on your payroll during the pay period that included March 12, 2004. Do not include household employees, persons who received no

pay during the pay period, pensioners, or members of the Armed Forces.

An entry of 250 or more on line 1 indicates that you must file Forms W-2 electronically or on magnetic media. Call the SSA at 1-800-772-6270 or access the SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer for more information on electronic or magnetic media filing requirements.

Line 2—Total wages subject to social security tax.

Enter the total cash wages subject to social security tax that you paid to your employees for farmwork during the calendar year. Enter the amount before deductions. Cash wages include checks, money orders, etc. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. See section 3 of Pub. 51 (Circular A) for more information. Do not report an employee's social security wages over \$87,900 for 2004.

Line 4—Total wages subject to Medicare tax. Enter the total cash wages subject to Medicare tax that you paid to your employees for farmwork during the calendar year. Enter the amount before deductions. Do not include (a) the value of noncash items such as food or lodging or (b) pay for services other than farmwork. There is no limit on the amount of wages subject to Medicare tax.

Line 6—Federal income tax withheld. Enter federal income tax withheld on wages paid to your employees. Generally, you must withhold income tax from employees from whom you withhold social security and Medicare taxes. See sections 5 and 13 of Pub. 51 (Circular A) for more information on withholding rules.

Line 8—Adjustment to taxes. Use line 8 to:

- Adjust for rounding of fractions of cents,
- Correct errors in social security and Medicare taxes reported on a prior year return, and
- Correct an administrative error in reporting income tax withholding on a prior year return. See section 9 in Pub. 51 (Circular A). Use parentheses (if possible) to show a decrease to the amounts reported on lines 3 or 5.

Fractions of cents. If there is a small difference between net taxes (line 11) and total deposits (line 12), it may be caused by rounding to the nearest cent each time you computed payroll. This rounding occurs when you figure the amount of social security and Medicare tax to be withheld from each employee's wages. See Pub. 51 (Circular A) for details. If the fractions of cents adjustment is the only entry on line 8, write "Fractions Only" in the margin.

Prior year adjustments. Prior year adjustments include errors in social security and Medicare taxes reported on earlier returns. 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 also be included on your Monthly Summary of Federal Tax Liability on Form 943 (line 15) or Form 943-A, Agricultural Employer's Record of Federal Tax Liability. For details on how to report adjustments on the Monthly Summary of Federal Tax Liability, see the instructions for line 15, later, or the instructions for Form 943-A.

Explain any prior year adjustments on Form 941c, Supporting Statement To Correct Information, or attach a statement that shows the same information. Enter on Form 941c or include in the statement the total wages for all of your employees as previously reported and as

corrected. Do not file Form 941c (or statement) separately from Form 943.

If you are adjusting an employee's social security or Medicare wages for a prior year, you must also file Form W-2c, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements, with the Social Security Administration. You can get these from the IRS by calling 1-800-829-3676.

Income tax adjustments. Generally, 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 occurs if the amount that you entered on the return is not the amount that you actually withheld. See section 9 of Pub. 51 (Circular A).

Line 9—Total taxes. Combine lines 7 and 8; enter the result on line 9.

Line 10—Advance earned income credit (EIC)

payments made to employees. Employees who are eligible can receive advance earned income credit (EIC) payments with their wages by giving you Form W-5, Earned Income Credit Advance Payment Certificate, annually. For more information, see sections 6 and 14 of Pub. 51 (Circular A).

Line 12—Total deposits. Enter the total amount deposited for the year, including any overpayment from 2003, as shown in your records.

Line 13—Balance due. You do not have to pay if line 13 is under \$1.

Generally, you should show a balance due on line 13 only if your net tax liability for the year (line 11) is less than \$2,500. However, see section 7 of Pub. 51 (Circular A) regarding payments made under the "accuracy of deposits" rule.



If you fail to make deposits as required and instead pay the taxes with Form 943, you may be subject to a penalty.

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



If line 14 is under \$1, we will send you a refund or apply it to your next return only on written request.

Line 15—Monthly Summary of Federal Tax Liability.

Note. This is a summary of your yearly tax liability, not a summary of deposits made. If line 11 is less than \$2,500, do not complete line 15 or Form 943-A.

Complete line 15 only if you were a monthly schedule depositor for the entire year and line 11 is \$2,500 or more. The amount entered on line 15M must equal the amount reported on line 11. See section 7 of Pub. 51 (Circular A) for details on the deposit rules. You are a monthly schedule depositor for the calendar year if the amount of your Form 943 taxes (line 9) reported for the lookback period is not more than \$50,000. The lookback period is the second calendar year preceding the current calendar year. For example, the lookback period for 2005 is 2003.



If you were a semiweekly schedule depositor during any part of the year, do not complete line 15. Instead, complete Form 943-A.

Reporting adjustments on line 15. If your net adjustment during a month is negative (for example, correcting an overreported liability in a prior period) and it

exceeds your total liability for the month, do not enter a negative amount for the month. Instead, enter “-0-” for the month and carry over the unused portion of the adjustment to the next month.

For example, Pine Tree Farm discovered on February 6, 2004, that it overreported social security tax on its 2003 Form 943 by \$2,500. Its Form 943 taxes for the first 3 months of 2004 were: January—\$2,000; February—\$2,000; and March—\$2,000. Pine Tree Farm should complete line 15 by entering “2,000” on line A, “-0-” on line B, and “1,500” on line C.

The prior period adjustment (\$2,500) offsets the \$2,000 liability for February and the excess \$500 must be used to offset the March liabilities. Since the error was not discovered until February, it does not affect January liabilities reported on line A.

Additional information. Pub. 51 (Circular A) has information that you may need about social security, Medicare, federal unemployment (FUTA), withheld income taxes, and the advance earned income credit. It includes tables showing the income tax to withhold from an employee’s wages.

Third-Party Designee. If you want to allow any individual, corporation, firm, organization, or partnership to discuss your 2004 Form 943 with the IRS, check the “Yes” box in the Third-Party Designee section of the return. Also, enter the name, phone number, and any five numbers that the designee chooses as his or her personal identification number (PIN). The authorization applies only to the tax form upon which it appears.

By checking the “Yes” box, you are authorizing the IRS to call the designee to answer any questions relating to the information reported on your tax return. You are also authorizing the designee to:

- Exchange information concerning your tax return with the IRS and
- Request and receive written tax return information relating to your tax return including copies of specific notices, correspondence, and account transcripts.

You are not authorizing the designee to receive any refund check, bind you to anything (including additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee’s authorization or desire automatic issuances of copies of notices, see Pub. 947, Practice Before the IRS and Power of Attorney.

The Third-Party Designee authorization is substantially equivalent to Form 8821, Tax Information Authorization, but automatically expires one year from the due date (without regard to extensions) for filing your 2004 Form 943. If you or your designee desire to terminate the authorization, a written statement conveying your wish to revoke the authorization should be submitted to the IRS service center where the return was processed.

Who must sign. Form 943 must be signed as follows:

- **Sole proprietorship**—The individual owning the business.
- **Corporation** (including an LLC treated as a corporation)— The president, vice president, or other principal officer.
- **Partnership** (including an LLC treated as a partnership) **or unincorporated organization**— A

responsible and duly authorized member or officer having knowledge of its affairs.

- **Single member limited liability company (LLC) treated as a disregarded entity**— The owner of the limited liability company (LLC).
- **Trust or estate**—The fiduciary.

The return may also be signed by a duly authorized agent of the taxpayer if a valid power of attorney has been filed.

Privacy Act and Paperwork Reduction Act Notice.

We ask for the information on Forms 943, 943-A, and 943-V to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages, including income tax withholding. These forms are used to report the amount of taxes that you owe. Section 6011 requires you to provide the requested information if the tax applies to you. Section 6109 requires you to provide your employer identification number (EIN). If you fail to provide this information in a timely manner, you may be subject to penalties and interest.

You are 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 Code section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to federal and state agencies to enforce federal nontax criminal laws and to combat terrorism.

The time needed to complete and file these forms will vary depending on individual circumstances. The estimated average time for **Form 943** is: Recordkeeping, 10 hr., 31 min.; Learning about the law or the form, 40 min.; Preparing the form, 1 hr., 47 min.; Copying, assembling, and sending the form to the IRS, 16 min. The estimated average time for **Form 943-A** is: Recordkeeping, 8 hr., 22 min.; Preparing and sending the form to the IRS, 8 min. The estimated average time for **Form 943-V** is 20 min. If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224. **Do not** send Form 943 to this address. Instead, see *Where to file* on page 2.
