



Department of the Treasury
Internal Revenue Service

Publication 531

Cat. No. 15059V

Reporting Tip Income

For use in preparing
2005 Returns



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Reminder

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 this publication 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.

Introduction

This publication is for employees who receive tips.

All tips you receive are income and are subject to federal income tax. You must include in gross income all tips you receive directly, charged tips that are paid to you by your employer, and your share of any tips you receive under a tip-splitting or tip-pooling arrangement.

The value of noncash tips, such as tickets, passes, or other items of value are also income and subject to tax.

Reporting your tip income correctly is not difficult. You must do three things.

1. Keep a daily tip record.
2. Report tips to your employer.
3. Report all your tips on your income tax return.

This publication will show you how to do these three things, and what to do on your tax return if you have not done the first two. This publication will also show you how to treat allocated tips.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T:I
1111 Constitution Ave. NW, IR-6406
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at [*taxforms@irs.gov](mailto:taxforms@irs.gov). (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Tax questions. If you have a tax question, visit www.irs.gov or call 1-800-829-1040. We cannot answer tax questions at either of the addresses listed above.

Ordering forms and publications. Visit www.irs.gov/formspubs to download forms and publications, call 1-800-829-3676, or write to the National Distribution Center at the address shown under *How To Get Tax Help* in the back of this publication.

Keeping a Daily Tip Record

Why keep a daily tip record? You must keep a daily tip record so you can:

- Report your tips accurately to your employer,
- Report your tips accurately on your tax return, and
- Prove your tip income if your return is ever questioned.

How to keep a daily tip record. There are two ways to keep a daily tip record. You can either:

1. Write information about your tips in a tip diary, or
2. Keep copies of documents that show your tips, such as restaurant bills and credit card charge slips.

You should keep your daily tip record with your personal records. You must keep your records for as long as they are important for administration of the federal tax law. For information on how long to keep records, see Publication 552, Recordkeeping for Individuals.

If you keep a tip diary, you can use Form 4070A, Employee's Daily Record of Tips. To get Form 4070A, ask the Internal Revenue Service (IRS) or your employer for Publication 1244, Employee's Daily Record of Tips and Report to Employer. Publication 1244 includes a year's supply of Form 4070A. Each day, write in the information asked for on the form. A filled-in Form 4070A is shown on this page.

Sample Filled-in Form 4070A from Publication 1244

Form **4070A**
(Rev. August 2005)
Department of the Treasury
Internal Revenue Service

Employee's Daily Record of Tips
This is a voluntary form provided for your convenience.
See instructions for records you must keep.

OMB No. 1545-0074

Employee's name and address
John W. Allen
1117 Maple Ave.
Arytown, NY 14202

Employer's name
Diamond Restaurant
Establishment name (if different)

Month and year
Oct.
2005

| Date tips rec'd | Date of entry | a. Tips received directly from customers and other employees | b. Credit and debit card tips received | c. Tips paid out to other employees | d. Names of employees to whom you paid tips |
|------------------|---------------|--|--|-------------------------------------|---|
| 1 | 10/3 | - OFF - | | | |
| 2 | 10/3 | 48.80 | 26.40 | 15.20 | Judy Brown |
| 3 | 10/3 | 28.00 | 21.60 | 8.00 | Carl Jones |
| 4 | 10/5 | 42.00 | 24.00 | 10.00 | Judy Brown |
| 5 | 10/7 | 40.80 | 28.00 | 12.00 | Judy Brown & Brian Smith |
| Subtotals | | 159.60 | 100.00 | 45.20 | |

For Paperwork Reduction Act Notice, see instructions on the back of Form 4070. Page 1

| Date tips rec'd | Date of entry | a. Tips received directly from customers and other employees | b. Credit and debit card tips received | c. Tips paid out to other employees | d. Names of employees to whom you paid tips |
|------------------|---------------|--|--|-------------------------------------|---|
| 6 | 10/7 | - OFF - | | | |
| 7 | 10/8 | 37.20 | 22.40 | 8.00 | Carl Jones |
| 8 | 10/9 | 50.80 | 17.20 | 10.00 | Judy Brown & Carl Jones |
| 9 | 10/9 | 33.60 | 16.40 | 8.00 | Judy Brown |
| 10 | 10/11 | 30.40 | 22.00 | 9.20 | Judy Brown |
| 11 | 10/11 | 42.00 | 11.60 | 8.80 | Carl Jones |
| 12 | 10/14 | 35.60 | 16.00 | 7.60 | Judy Brown |
| 13 | 10/14 | - OFF - | | | |
| 14 | 10/14 | 48.40 | 14.40 | 12.40 | Judy Brown & Brian Smith |
| 15 | 10/16 | 45.20 | 32.00 | 17.20 | Brian Smith |
| Subtotals | | 323.20 | 152.00 | 81.20 | |

Page 2

| Date tips rec'd | Date of entry | a. Tips received directly from customers and other employees | b. Credit and debit card tips received | c. Tips paid out to other employees | d. Names of employees to whom you paid tips |
|------------------|---------------|--|--|-------------------------------------|---|
| 16 | 10/16 | 41.20 | 18.40 | 8.80 | Judy Brown |
| 17 | 10/18 | 39.20 | 21.20 | 9.60 | Judy Brown |
| 18 | 10/19 | 46.80 | 12.80 | 8.40 | Carl Jones |
| 19 | 10/21 | 34.00 | 19.20 | 10.00 | Judy Brown |
| 20 | 10/21 | - OFF - | | | |
| 21 | 10/22 | 34.80 | 26.00 | 12.80 | Judy Brown & Brian Smith |
| 22 | 10/24 | 42.40 | 22.80 | 12.40 | Carl Jones |
| 23 | 10/24 | 48.80 | 17.20 | 13.60 | Judy Brown |
| 24 | 10/25 | 33.60 | 19.20 | 10.80 | Brian Smith |
| 25 | 10/28 | 37.20 | 14.80 | 9.20 | Judy Brown |
| Subtotals | | 358.00 | 171.60 | 95.60 | |

Page 3

| Date tips rec'd | Date of entry | a. Tips received directly from customers and other employees | b. Credit and debit card tips received | c. Tips paid out to other employees | d. Names of employees to whom you paid tips |
|---|---------------|--|--|-------------------------------------|---|
| 26 | 10/26 | 31.60 | 11.60 | 12.40 | Judy Brown |
| 27 | 10/27 | - OFF - | | | |
| 28 | 10/29 | 43.20 | 14.00 | 12.80 | Carl Jones |
| 29 | 10/30 | 34.80 | 22.40 | 7.20 | Carl Jones |
| 30 | 10/31 | 46.00 | 27.20 | 12.80 | Judy Brown & Brian Smith |
| 31 | 11/2 | 27.60 | 20.40 | 6.40 | Judy Brown |
| Subtotals from pages 1, 2, and 3 | | 159.60 | 100.00 | 45.20 | |
| Totals | | 223.20 | 152.00 | 81.20 | |
| | | 358.00 | 171.60 | 95.60 | |
| | | 1,024.00 | 519.20 | 273.60 | |

1. Report total cash tips (col. a) on Form 4070, line 1.
2. Report total credit and debit card tips (col. b) on Form 4070, line 2.
3. Report total tips paid out (col. c) on Form 4070, line 3.

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If you do not use Form 4070A, start your records by writing your name, your employer's name, and the name of the business if it is different from your employer's name. Then, each workday, write the date and the following information.

- Cash tips you get directly from customers or from other employees.
- Tips from credit card charge customers that your employer pays you. (Also include tips from debit card charge customers.)
- The value of any noncash tips you get, such as tickets, passes, or other items of value.
- The amount of tips you paid out to other employees through tip pools or tip splitting, or other arrange-

Sample Filled-in Form 4070 from Publication 1244

Form **4070**
(Rev. August 2005)
Department of the Treasury
Internal Revenue Service

Employee's Report of Tips to Employer

OMB No. 1545-0074

| | |
|--|--|
| Employee's name and address John W. Allen 1117 Maple Ave. Anytown, NY 14202 | Social security number 987 : 00 : 4321 |
| Employer's name and address (include establishment name, if different) Diamond Restaurant 834 Main Street Anytown, NY 14203 | 1 Cash tips received 1,024.00 |
| | 2 Credit and debit card tips received 519.20 |
| | 3 Tips paid out 273.60 |
| Month or shorter period in which tips were received from October 1, 2005, to October 31, 2005 | 4 Net tips (lines 1 + 2 - 3) 1,269.60 |
| Signature John W. Allen | Date Nov. 7, 2005 |

ments, and the names of the employees to whom you paid the tips.



Do not write in your tip diary the amount of any service charge that your employer adds to a customer's bill and then pays to you and treats as wages. This is part of your wages, not a tip.

Electronic tip record. You may use an electronic system provided by your employer to record your daily tips. You must receive and keep a paper copy of this record.

Reporting Tips to Your Employer

Why report tips to your employer? You must report tips to your employer so that:

- Your employer can withhold federal income tax and social security and Medicare taxes or railroad retirement tax,
- Your employer can report the correct amount of your earnings to the Social Security Administration or Railroad Retirement Board (which affects your benefits when you retire or if you become disabled, or your family's benefits if you die), and
- You can avoid the penalty for not reporting tips to your employer (explained later).

What tips to report. Report to your employer only cash, check, debit, or credit card tips you receive.

If your total tips for any one month from any one job are less than \$20, do not report the tips for that month to that employer.

Do not report the value of any noncash tips, such as tickets or passes, to your employer. You do not pay social security and Medicare taxes or railroad retirement tax on these tips.

How to report. If your employer does not give you any other way to report your tips, you can use Form 4070, Employee's Report of Tips to Employer. Fill in the information asked for on the form, sign and date the form, and give it to your employer. A sample filled-in Form 4070 is shown on this page. To get a year's supply of the form, ask the IRS or your employer for Publication 1244.

If you do not use Form 4070, give your employer a statement with the following information.

- Your name, address, and social security number.
- Your employer's name, address, and business name (if it is different from the employer's name).
- The month (or the dates of any shorter period) in which you received tips.
- The total tips required to be reported for that period.

You must sign and date the statement. You should keep a copy with your personal records.

Your employer may require you to report your tips more than once a month. However, the statement cannot cover a period of more than one calendar month.

Electronic tip statement. Your employer can have you furnish your tip statements electronically.

When to report. Give your report for each month to your employer by the 10th of the next month. If the 10th falls on a Saturday, Sunday, or legal holiday, give your employer the report by the next day that is not a Saturday, Sunday, or legal holiday.

Example 1. You must report your tips received in April 2006, by May 10, 2006.

Example 2. You must report your tips received in May 2006, by June 12, 2006. June 10th is on a Saturday, and the 12th is the next day that is not a Saturday, Sunday, or legal holiday.

Final report. If your employment ends during the month, you can report your tips when your employment ends.

Penalty for not reporting tips. If you do not report tips to your employer as required, you may be subject to a penalty equal to 50% of the social security and Medicare taxes or railroad retirement tax you owe on the unreported tips. (For information about these taxes, see *Reporting social security and Medicare taxes on tips not reported to your employer* under *Reporting Tips on Your Tax Return*, later.) The penalty amount is in addition to the taxes you owe.

You can avoid this penalty if you can show reasonable cause for not reporting the tips to your employer. To do so, attach a statement to your return explaining why you did not report them.

Giving your employer money for taxes. Your regular pay may not be enough for your employer to withhold all the taxes you owe on your regular pay plus your reported tips. If this happens, you can give your employer money until the close of the calendar year to pay the rest of the taxes.

If you do not give your employer enough money, your employer will apply your regular pay and any money you give to the taxes, in the following order.

1. All taxes on your regular pay.
2. Social security and Medicare taxes or railroad retirement tax on your reported tips.
3. Federal, state, and local income taxes on your reported tips.

Any taxes that remain unpaid can be collected by your employer from your next paycheck. If withholding taxes remain uncollected at the end of the year, you may be subject to a penalty for underpayment of estimated taxes. See Publication 505, *Tax Withholding and Estimated Tax*, for more information.



Uncollected taxes. You must report on your tax return any social security and Medicare taxes or railroad retirement tax that remained uncollected at the end of 2005. See *Reporting uncollected social security and Medicare taxes on tips* under *Reporting Tips on Your Tax Return*, later. These uncollected taxes will be shown in box 12 of your 2005 Form W-2 (codes A and B).

Tip Rate Determination and Education Program

Your employer may participate in the Tip Rate Determination and Education Program. The program was developed to help employees and employers understand and meet their tip reporting responsibilities.

There are two agreements under the program: the Tip Rate Determination Agreement (TRDA) and the Tip Reporting Alternative Commitment (TRAC). In addition, employers in the food and beverage industry may be able to

get approval of an employer-designed EmTRAC program. For information on the EmTRAC program, see Notice 2001-1, which is on page 261 of Internal Revenue Bulletin 2001-2 at www.irs.gov/pub/irs-irbs/irb01-02.pdf.

If you are employed in the gaming industry, your employer may have a Gaming Industry Tip Compliance Agreement Program. See Revenue Procedure 2003-35, which is on page 919 of Internal Revenue Bulletin No. 2003-20 at www.irs.gov/pub/irs-irbs/irb03-20.pdf.

Your employer can provide you with a copy of any applicable agreement. If you want to learn more about these agreements, contact your local IRS Taxpayer Education Communication (TEC) office. You may call 1-800-829-4933 for the IRS TEC office in your area or send an email to TEC.TIP.Program@irs.gov.

Reporting Tips on Your Tax Return

How to report tips. Report your tips with your wages on line 1, Form 1040EZ, or line 7, Form 1040A or Form 1040.

What tips to report. You must report all tips you received in 2005, including both cash tips and noncash tips, on your tax return. Any tips you reported to your employer for 2005 are included in the wages shown in box 1 of your Form W-2. Add to the amount in box 1 only the tips you did not report to your employer.



If you received \$20 or more in cash and charge tips in a month and did not report all of those tips to your employer, see *Reporting social security and Medicare taxes on tips not reported to your employer*, later.



If you did not keep a daily tip record as required and an amount is shown in box 8 of your Form W-2, see *Allocated Tips*, later.

If you kept a daily tip record and reported tips to your employer as required under the rules explained earlier, add the following tips to the amount in box 1 of your Form W-2.

- Cash and charge tips you received that totaled less than \$20 for any month.
- The value of noncash tips, such as tickets, passes, or other items of value.

Example. John Allen began working at the Diamond Restaurant (his only employer in 2005) on June 30 and received \$10,000 in wages during the year. John kept a daily tip record showing that his tips for June were \$18 and his tips for the rest of the year totaled \$7,000. He was not required to report his June tips to his employer, but he reported all of the rest of his tips to his employer as required. The sample filled-in forms on page 2 and page 3 show his daily tip record (Form 4070A) and his report to his employer (Form 4070) for October.

John's Form W-2 from Diamond Restaurant shows \$17,000 (\$10,000 wages + \$7,000 reported tips) in box 1.

He adds the \$18 unreported tips to that amount and reports \$17,018 as wages on his tax return.

Reporting social security and Medicare taxes on tips not reported to your employer. If you received \$20 or more in cash and charge tips in a month from any one job and did not report all of those tips to your employer, you must report the social security and Medicare taxes on the unreported tips as additional tax on your return. To report these taxes, you must file a return even if you would not otherwise have to file. You must use Form 1040. (You cannot file Form 1040EZ or Form 1040A.)

Use Form 4137, Social Security and Medicare Tax on Unreported Tip Income, to figure these taxes. Enter the tax on line 59, Form 1040, and attach the Form 4137 to your return.



If you are subject to the Railroad Retirement Tax Act, you cannot use Form 4137 to pay railroad retirement tax on unreported tips. To get railroad retirement credit, you must report tips to your employer.

Reporting uncollected social security and Medicare taxes on tips. If your employer could not collect all the social security and Medicare taxes or railroad retirement tax you owe on tips reported for 2005, the uncollected taxes will be shown in box 12 of your Form W-2 (codes A and B). You must report these amounts as additional tax on your return. You may have uncollected taxes if your regular pay was not enough for your employer to withhold all the taxes you owe and you did not give your employer enough money to pay the rest of the taxes.

To report these uncollected taxes, you must file a return even if you would not otherwise have to file. You must use Form 1040. (You cannot file Form 1040EZ or Form 1040A.) Include the taxes in your total tax amount on line 63, and enter "UT" and the total of the uncollected taxes on the dotted line next to line 63.

Self-employed persons. If you receive tips as a self-employed person, you should report these tips as income on Schedule C or C-EZ. See Publication 334, Tax Guide for Small Business, for more information on reporting business income.

Allocated Tips

If your employer allocated tips to you, they are shown separately in box 8 of your Form W-2. They are not included in box 1 with your wages and reported tips. If box 8 is blank, this discussion does not apply to you.

What are allocated tips? These are tips that your employer assigned to you in addition to the tips you reported to your employer for the year. Your employer will have done this only if:

- You worked in a restaurant, cocktail lounge, or similar business that must allocate tips to employees, and
- The tips you reported to your employer were less than your share of 8% of food and drink sales.

How were your allocated tips figured? The tips allocated to you are your share of an amount figured by subtracting the reported tips of all employees from 8% (or an approved lower rate) of food and drink sales (other than carryout sales and sales with a service charge of 10% or more). Your share of that amount was figured using either a method provided by an employer-employee agreement or a method provided by IRS regulations based on employees' sales or hours worked. For information about the exact allocation method used, ask your employer.

Must you report your allocated tips on your tax return? You must report allocated tips on your tax return unless either of the following exceptions applies.

1. You kept a daily tip record, or other evidence that is as credible and as reliable as a daily tip record, as required under rules explained earlier.
2. Your tip record is incomplete, but it shows that your actual tips were more than the tips you reported to your employer plus the allocated tips.

If either exception applies, report your actual tips on your return. Do not report the allocated tips. See *What tips to report* under *Reporting Tips on Your Tax Return*, earlier.

How to report allocated tips. If you must report allocated tips on your return, add the amount in box 8 of your Form W-2 to the amount in box 1. Report the total as wages on line 7 of Form 1040. (You cannot file Form 1040EZ or Form 1040A.)

Because social security and Medicare taxes were not withheld from the allocated tips, you must report those taxes as additional tax on your return. Complete Form 4137, and include the allocated tips on line 1 of the form. See *Reporting social security and Medicare taxes on tips not reported to your employer* under *Reporting Tips on Your Tax Return*, earlier.

How to request an approved lower rate. Your employer can use a tip rate lower than 8% (but not lower than 2%) to figure allocated tips only if the IRS approves the lower rate. Either the employer or the employees can request approval of a lower rate by filing a petition with the IRS. The petition must include specific information about the business that will justify the lower rate. A user fee must be paid with the petition.

An employee petition can be filed only with the consent of a majority of the directly-tipped employees (waiters, bartenders, and others who receive tips directly from customers). The petition must state the total number of directly-tipped employees and the number of employees consenting to the petition. Employees filing the petition must promptly notify the employer, and the employer must promptly give the IRS a copy of any Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, filed by the employer for the previous 3 years.

For more information about how to file a petition and what information to include, see the instructions for Form 8027.

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate toll free at 1-877-777-4778.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call 1-800-829-4059 if you are a TTY/TDD user.
- Visit www.irs.gov/advocate.

For more information, see Publication 1546, How To Get Help With Unresolved Tax Problems (now available in Chinese, Korean, Russian, and Vietnamese, in addition to English and Spanish).

Free tax services. To find out what services are available, get Publication 910, IRS Guide to Free Tax Services. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.



Internet. You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:

- *E-file* your return. Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers.
- Check the status of your 2005 refund. Click on *Where's My Refund*. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2005 tax return available because you will need to know your social security number, your filing status, and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.

- Figure your withholding allowances using our Form W-4 calculator.
- Sign up to receive local and national tax news by email.
- Get information on starting and operating a small business.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-829-3676 to order current-year forms, instructions, and publications and prior-year forms and instructions. You should receive your order within 10 days.
- *Asking tax questions.* Call the IRS with your tax questions at 1-800-829-1040.
- *Solving problems.* You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/local-contacts or look in the phone book under *United States Government, Internal Revenue Service*.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call 1-800-829-4477 and press 2 to listen to pre-recorded messages covering various tax topics.
- *Refund information.* If you would like to check the status of your 2005 refund, call 1-800-829-4477 and press 1 for automated refund information or call 1-800-829-1954. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2005 tax return available because you will need to know your social security number, your filing status, and the exact whole dollar amount of your refund.

Evaluating the quality of our telephone services. To ensure that IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to sometimes listen in on or record telephone calls. Another is to ask some callers to complete a short survey at the end of the call.



Walk-in. Many products and services are available on a walk-in basis.

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD-ROM or photocopy from

reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.

- **Services.** You can walk in to your local Taxpayer Assistance Center every business day for personal, face-to-face tax help. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you're more comfortable talking with someone in person, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative face-to-face. No appointment is necessary, but if you prefer, you can call your local Center and leave a message requesting an appointment to resolve a tax account issue. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. To find the number, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.



Mail. You can send your order for forms, instructions, and publications to the address below and receive a response within 10 business days after your request is received.

National Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903



CD-ROM for tax products. You can order Publication 1796, IRS Tax Products CD-ROM, and obtain:

- A CD that is released twice so you have the latest products. The first release ships in late December and the final release ships in late February.

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions (FAQs).
- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.

Buy the CD-ROM from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$25 (no handling fee) or call 1-877-233-6767 toll free to buy the CD-ROM for \$25 (plus a \$5 handling fee).



CD-ROM for small businesses. Publication 3207, The Small Business Resource Guide CD-ROM for 2005, has a new look and enhanced navigation features. This year's CD includes:

- Helpful information, such as how to prepare a business plan, find financing for your business, and much more.
- All the business tax forms, instructions, and publications needed to successfully manage a business.
- Tax law changes for 2005.
- IRS Tax Map to help you find forms, instructions, and publications by searching on a keyword or topic.
- Web links to various government agencies, business associations, and IRS organizations.
- "Rate the Product" survey—your opportunity to suggest changes for future editions.

An updated version of this CD is available each year in early April. You can get a free copy by calling 1-800-829-3676 or by visiting www.irs.gov/smallbiz.



| | | | | | |
|---------------------------------------|------|---|---|---|------|
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| Form 1040: | | Underpayment of estimated taxes | 4 | U | |
| Schedule C | 5 | Publications (See Tax help) | | Uncollected taxes | 4, 5 |
| Unreported tips | 5 | | | | |
| Form 4070 | 3 | R | | W | |
| Sample filled-in | 3 | Recordkeeping requirements: | | Withholding | 3 |
| Form 4070A | 2 | Daily tip record | 2 | | |
| Form 4137 | 5 | Reporting: | | | |
| Form 8027 | 5 | Employee to report tips to employer | 3 | | |
| Form W-2: | | Tip income | 1 | | |
| Uncollected taxes | 4, 5 | | | | |
