

December 28, 2016

Tax Year 2017  
941 ATS Scenario 3  
Marty Azalea  
Daffodil Accounting  
00-3222220

### Forms Included in Scenario 3

- Form 941
- Form 941 Schedule R
- Form 8974 - PDF
- Form 8453-EMP
- Transfer of Business Statement

|                        |   |
|------------------------|---|
| OwnerName              | Stan Daisy  |
| BusinessChange         | PARTNERSHIP   |
| TypeOfSale             | Transfer  |
| TransferDate           | December 30, 2016                                   |
| PayrollPersonName      | Marty Azelea  |
| PayrollPersonUSAddress | 222 6 <sup>th</sup> Street<br>Kansas City, MO 64131 |

The return is for a Sole Proprietor with Form 8974 (PDF) attached for Small Businesses claiming the Payroll Tax Credit for Increasing Research Activities, with an overpayment requesting a refund. This return uses the 8453-EMP Signature method.

Employer identification number (EIN)   -

Name (not your trade name)

Trade name (if any)

Address   
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

**Report for this Quarter of 2017**  
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Instructions and prior year forms are available at [www.irs.gov/form941](http://www.irs.gov/form941).

DRAFT AS  
 June 28, 2016

Read the separate instructions before you complete Form 941. Type or print within the boxes.

**Part 1: Answer these questions for this quarter.**

|   |   |   |
|---|---|---|
| <b>1</b> Number of employees who received wages, tips, or other compensation for the pay period including: <i>Mar. 12</i> (Quarter 1), <i>June 12</i> (Quarter 2), <i>Sept. 12</i> (Quarter 3), or <i>Dec. 12</i> (Quarter 4) | <b>1</b>  | <input style="width: 90%;" type="text" value="3"/>  |
| <b>2</b> Wages, tips, and other compensation  | <b>2</b>  | <input style="width: 90%;" type="text" value="16328.10"/>   |
| <b>3</b> Federal income tax withheld from wages, tips, and other compensation   | <b>3</b>  | <input style="width: 90%;" type="text" value="530.75"/>   |
| <b>4</b> If no wages, tips, and other compensation are subject to social security or Medicare tax   |   | <input type="checkbox"/> Check and go to line 6.  |
|   | <b>Column 1</b>   | <b>Column 2</b>   |
| <b>5a</b> Taxable social security wages   | <input style="width: 80%;" type="text" value="16328.10"/> × 0.124 = | <input style="width: 80%;" type="text" value=""/>   |
| <b>5b</b> Taxable social security tips  | <input style="width: 80%;" type="text" value=""/> × 0.124 =         | <input style="width: 80%;" type="text" value=""/>   |
| <b>5c</b> Taxable Medicare wages & tips   | <input style="width: 80%;" type="text" value="16328.10"/> × 0.029 = | <input style="width: 80%;" type="text" value=""/>   |
| <b>5d</b> Taxable wages & tips subject to Additional Medicare Tax withholding   | <input style="width: 80%;" type="text" value=""/> × 0.009 =         | <input style="width: 80%;" type="text" value=""/>   |
| <b>5e</b> Add Column 2 from lines 5a, 5b, 5c, and 5d  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>5f</b> Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions)   |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>6</b> Total taxes before adjustments. Add lines 3, 5e, and 5f  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>7</b> Current quarter's adjustment for fractions of cents  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>8</b> Current quarter's adjustment for sick pay  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>9</b> Current quarter's adjustments for tips and group-term life insurance   |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>10</b> Total taxes after adjustments. Combine lines 6 through 9  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>11</b> Qualified small business payroll tax credit for increasing research activities. Attach Form 8974  |   | <input style="width: 90%;" type="text" value="621.74"/>   |
| <b>12</b> Total taxes after adjustments and credits. Subtract line 11 from line 10  |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>13</b> Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter                         |   | <input style="width: 90%;" type="text" value="2941.25"/>  |
| <b>14</b> Balance due. If line 12 is more than line 13, enter the difference and see instructions   |   | <input style="width: 90%;" type="text" value=""/>   |
| <b>15</b> Overpayment. If line 13 is more than line 12, enter the difference  | <input style="width: 80%;" type="text" value=""/>                   | Check one: <input type="checkbox"/> Apply to next return. <input type="checkbox"/> Send a refund. |

Name (not your trade name)

Marty Azalea

Employer identification number (EIN)

00-3222220

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you are unsure about whether you are a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: [X] Line 12 on this return is less than \$2,500 or line 12 (line 10 if the prior quarter was the fourth quarter of 2016) on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 (line 10 if the prior quarter was the fourth quarter of 2016) for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you are a monthly schedule depositor, complete the deposit schedule below; if you are a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

[ ] You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1 [ ]

Month 2 [ ]

Month 3 [ ]

Total liability for quarter [ ]

Total must equal line 12.

[ ] You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941.

Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

17 If your business has closed or you stopped paying wages . . . . . [X] Check here, and

enter the final date you paid wages [ 1 2 / 3 0 / 2 0 1 6 ] .

18 If you are a seasonal employer and you don't have to file a return for every quarter of the year . . . [ ] Check here.

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

[ ] Yes. Designee's name and phone number [ ] [ ]

Select a 5-digit Personal Identification Number (PIN) to use when talking to the IRS. [ ] [ ] [ ] [ ] [ ]

[ ] No.

Part 5: Sign here. You MUST complete both pages of Form 941 and SIGN it.

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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your name here

[ ]

Print your name here

[ ]

Print your title here

[ ]

Date [ ] / [ ] / [ ]

Best daytime phone [ ]

Paid Preparer Use Only

Check if you are self-employed . . . [ ]

Preparer's name [ ]

PTIN [ ]

Preparer's signature [ ]

Date [ ] / [ ] / [ ]

Firm's name (or yours if self-employed) [ ]

EIN [ ]

Address [ ]

Phone [ ]

City [ ]

State [ ]

ZIP code [ ]

**Schedule R (Form 941): Allocation Schedule for Aggregate Form 941 Filers**

(Rev. January 2017)

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0029

950417

**Employer identification number (EIN)**   -

**Name as shown on Form 941**

**Type of filer** (check one):  Section 3504 Agent  Certified Professional Employer Organization (CPEO)

**Report for calendar year:**

Check the quarter (same as Form 941):

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Read the instructions before you complete Schedule R. Type or print within the boxes. Complete a separate line for the amounts allocated to each of your clients. The term "client" as used on this form includes the term "customer." See the instructions.

| (a)<br>Client's Employer identification number (EIN)   | (b)<br>Type of wages, tips, and other compensation (CPEO Use Only) | (c)<br>Wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 2 | (d)<br>Federal income tax withheld from wages, tips, and other compensation allocated to the listed client EIN from Form 941, line 3 | (e)<br>Total social security and Medicare taxes allocated to the listed client EIN from Form 941, line 5e | (f)<br>Section 3121(q) Notice and Demand-Tax due on unreported tips allocated to the listed client EIN from Form 941, line 5f | (g)<br>Qualified small business payroll tax credit for increasing research activities allocated to the listed client EIN from Form 941, line 11 | (h)<br>Total taxes after adjustments and credits allocated to the listed client EIN from Form 941, line 12 | (i)<br>Total deposits from Form 941, line 13, plus any payments made with the return allocated to the listed client EIN |
|--|--|---|--|---|---|---|--|---|
| 1 00-3012345   | A  | 5050 . 00   | 175 . 25   | 772 . 65  | .   | .   | 947 . 90   | 975 . 00  |
| 2 00-3012345   | C  | 1250 . 00   | .  | 191 . 25  | .   | .   | 191 . 25   | 191 . 25  |
| 3 00-3234567   | B  | 6020 . 00   | 250 . 35   | 921 . 06  | .   | 373 . 24  | 798 . 17   | 1025 . 00   |
| 4  |  | .   | .  | .   | .   | .   | .  | .   |
| 5  |  | .   | .  | .   | .   | .   | .  | .   |
| 6  |  | .   | .  | .   | .   | .   | .  | .   |
| 7  |  | .   | .  | .   | .   | .   | .  | .   |
| 8  |  | .   | .  | .   | .   | .   | .  | .   |
| 9  |  | .   | .  | .   | .   | .   | .  | .   |
| 10   |  | .   | .  | .   | .   | .   | .  | .   |
| 11 Subtotals for clients. Add all amounts on lines 1 through 10  |  | .   | .  | .   | .   | .   | .  | .   |
| 12 Enter the combined subtotal from line 24 of all Continuation Sheets for Schedule R                          |  | .   | .  | .   | .   | .   | .  | .   |
| 13 Enter Form 941 amounts for your employees   |  | 4008 . 10   | 105 . 15   | 613 . 23  | .   | 248 . 50  | 469 . 88   | 750 . 00  |
| 14 Totals. Add lines 11, 12, and 13. The column totals must match the related lines on the aggregate Form 941. |  | .   | .  | .   | .   | .   | .  | .   |

Form **8974:** **Qualified Small Business Payroll Tax Credit for Increasing Research Activities**

950817

(January 2017)

Department of the Treasury — Internal Revenue Service

OMB No. 1545-XXXX

Employer identification number (EIN)   -

Name (not your trade name)

The credit from Part 2, line 12, will be reported on (check only one box):

Form 941, 941-PR, or 941-SS

Reserved

Reserved

Calendar year  You must select a quarter if you file Form 941, 941-PR, or 941-SS.

**Report for this quarter . . .**

Check only one box.

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

DRAFT AS  
October 6, 2016

**Part 1: Tell us about your income tax return.**

1 Which income tax return did you file that elected a qualified small business payroll tax credit on Form 6765, Credit for Increasing Research Activities? Check only one box.  Form 1040  Form 1065  Form 1120  Form 1120-F  Form 1120S

2 What tax period was covered by your income tax return?  
Calendar year  or tax year beginning   ending

3 When did you file your income tax return?

4 If the EIN shown above isn't the same as the EIN used on Form 6765, enter the EIN used on Form 6765.   -

**Part 2: Determine the credit that you can use this period.**

5 Enter the amount from Form 6765, line 44, or, if applicable, the amount that was allocated to your EIN . . . . . 5

6 Enter the amount of the credit from line 5 that was taken on a previous period(s) . . . . . 6

7 Subtract line 6 from line 5 . . . . . 7

8 Enter the amount from Form 941 (941-PR or 941-SS), line 5a, Column 2 . . . . . 8

9 Enter the amount from Form 941 (941-PR or 941-SS), line 5b, Column 2 . . . . . 9

10 Add lines 8 and 9 . . . . . 10

11 Multiply line 10 by 50% (0.50). See the instructions if you're a third-party payer of sick pay or if you received a Section 3121(q) Notice and Demand . . . . . 11

12 **Credit.** Enter the smaller of line 7 or line 11. Also enter this amount on Form 941 (941-PR or 941-SS), line 11 . . . . . 12

Form **8974: Qualified Small Business Payroll Tax Credit for Increasing Research Activities**

950817

(January 2017)

Department of the Treasury — Internal Revenue Service

OMB No. 1545-XXXX

Employer identification number (EIN)   -

Name (not your trade name)

The credit from Part 2, line 12, will be reported on (check only one box):

Form 941, 941-PR, or 941-SS

Reserved

Reserved

Calendar year  You must select a quarter if you file Form 941, 941-PR, or 941-SS.

**Report for this quarter . . .**

Check only one box.

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

**Part 1: Tell us about your income tax return.**

1 Which income tax return did you file that elected a qualified small business payroll tax credit on Form 6765, Credit for Increasing Research Activities? Check only one box.  Form 1040  Form 1065  Form 1120  Form 1120-F  Form 1120S

2 What tax period was covered by your income tax return?

Calendar year  or tax year beginning   ending

3 When did you file your income tax return?

4 If the EIN shown above isn't the same as the EIN used on Form 6765, enter the EIN used on Form 6765.   -

**Part 2: Determine the credit that you can use this period.**

5 Enter the amount from Form 6765, line 44, or, if applicable, the amount that was allocated to your EIN . . . . . 5

6 Enter the amount of the credit from line 5 that was taken on a previous period(s) . . . . . 6

7 Subtract line 6 from line 5 . . . . . 7

8 Enter the amount from Form 941 (941-PR or 941-SS), line 5a, Column 2 . . . . . 8

9 Enter the amount from Form 941 (941-PR or 941-SS), line 5b, Column 2 . . . . . 9

10 Add lines 8 and 9 . . . . . 10

11 Multiply line 10 by 50% (0.50). See the instructions if you're a third-party payer of sick pay or if you received a Section 3121(q) Notice and Demand . . . . . 11

12 **Credit.** Enter the smaller of line 7 or line 11. Also enter this amount on Form 941 (941-PR or 941-SS), line 11 . . . . . 12

Form **8453-EMP** | **Employment Tax Declaration for an IRS e-file Return**

(Rev. February 2017)  
Department of the Treasury  
Internal Revenue Service

For the period beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.  
For use with Forms 940, 940-PR, 941, 941-PR, 941-SS, 943, 943-PR, 944, and 945.  
▶ File electronically. Don't file paper copies.  
▶ Information about Form 8453-EMP and its instructions is at [www.irs.gov/form8453emp](http://www.irs.gov/form8453emp).

OMB No. 1545-0967

Name (as shown on Form 940, 940-PR, 941, 941-PR, 941-SS, 943, 943-PR, 944, or 945)

Employer identification number

Marty Azalea

00-3222220

**Part I Type of Return and Return Information** (Whole dollars only)

Check the box for the return that you'll file using this Form 8453-EMP. Enter the amounts from the applicable lines of the return. If any of the applicable lines on the return are blank, leave line **1b**, **1c**, **2b**, **2c**, **3b**, **3c**, **4b**, **4c**, **5b**, or **5c**, whichever is applicable, blank (don't enter -0-). However, if you entered -0- on the return, enter -0- on the applicable line. Complete a separate Form 8453-EMP for each return.

|   |   |           |         |
|---|---|-----------|---------|
| <b>1a</b> Form 940 check here ▶ <input type="checkbox"/>            | <b>b. Total payments to all employees</b> (Form 940, Part 2, line 3)            | <b>1b</b> |         |
| (all 940 series)  | <b>c. Balance due</b> (Form 940, Part 4, line 14)                               | <b>1c</b> |         |
| <b>2a</b> Form 941 check here ▶ <input checked="" type="checkbox"/> | <b>b. Total taxes after adjustments and credits</b> (Form 941, Part 1, line 12) | <b>2b</b> | 2407.20 |
| (all 941 series)  | <b>c. Balance due</b> (Form 941, Part 1, line 14)                               | <b>2c</b> |         |
| <b>3a</b> Form 943 check here ▶ <input type="checkbox"/>            | <b>b. Total wages subject to social security tax</b> (Form 943, line 2)         | <b>3b</b> |         |
| (all 943 series)  | <b>c. Balance due</b> (Form 943, line 15)                                       | <b>3c</b> |         |
| <b>4a</b> Form 944 check here ▶ <input type="checkbox"/>            | <b>b. Wages, tips, and other compensation</b> (Form 944, Part 1, line 1)        | <b>4b</b> |         |
|   | <b>c. Balance due</b> (Form 944, Part 1, line 11)                               | <b>4c</b> |         |
| <b>5a</b> Form 945 check here ▶ <input type="checkbox"/>            | <b>b. Total taxes</b> (Form 945, line 3)  | <b>5b</b> |         |
|   | <b>c. Balance due</b> (Form 945, line 5)  | <b>5c</b> |         |

**Part II Declaration of Taxpayer** (see instructions)

- 6a**  I'm requesting a refund on Form 940, 940-PR, 941, 941-PR, 941-SS, 943, 943-PR, 944, or 945.
- b**  I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed for the return indicated on lines 1a, 2a, 3a, 4a, or 5a, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Under penalties of perjury, I declare that I have an approved role (as identified in the instructions for the employment tax return) within the company listed above and the information I've given the electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding return. To the best of my knowledge and belief, the return is true, correct, and complete. I consent to the ERO, transmitter, and/or ISP sending the return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending the ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the return is accepted and, if rejected, the reason(s) for the rejection. If the processing of the return or refund is delayed, I authorize the IRS to disclose to the ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

**Sign Here** | Taxpayer's signature: \_\_\_\_\_ | Marty Azalea, Sole Proprietor | Print your name and title: \_\_\_\_\_ | \_\_\_\_\_ | Date

**Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer** (see instructions)

I declare that I've reviewed the return indicated above and that the entries on Form 8453-EMP are complete and correct to the best of my knowledge. If I'm only a collector, I'm not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The taxpayer will have signed this form before I submit the return. I'll give the taxpayer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns. If I'm also the paid preparer, under penalties of perjury I declare that I've examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. This paid preparer declaration is based on all information of which I have any knowledge.

|                       |  |                   |  |   |                                |
|-----------------------|--|-------------------|--|---|--------------------------------|
| <b>ERO's Use Only</b> | ERO's signature ▶ Sam Rose   | Date              | Check if also paid preparer <input type="checkbox"/> | Check if self-employed <input type="checkbox"/> | ERO's SSN or PTIN<br>P12345678 |
|                       | Firm's name (or yours if self-employed), address, and ZIP code ▶ Rose in Bloom | EIN<br>00-1234567 | Phone no.<br>111-222-3333                            |   |                                |

Under penalties of perjury, I declare that I've examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

|                               |                            |                      |      |   |      |
|-------------------------------|----------------------------|----------------------|------|---|------|
| <b>Paid Preparer Use Only</b> | Print/Type preparer's name | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | PTIN |
|                               | Firm's name ▶              | Firm's EIN ▶         |      |   |      |
|                               | Firm's address ▶           | Phone no.            |      |   |      |