

# 2006



Department of the Treasury  
Internal Revenue Service

# Instructions for Form 944-SS

## Employer's ANNUAL Federal Tax Return—American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands

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

### What's New

**Form 944-SS—annual employment tax filing for small employers.** To reduce burden on small employers, the Internal Revenue Service (IRS) has simplified the rules for filing employment tax returns to report social security and Medicare taxes. Starting with calendar year 2006, certain employers must file new Form 944-SS, Employer's ANNUAL Federal Tax Return, instead of the Form 941-SS, Employer's QUARTERLY Federal Tax Return. Generally, Form 944-SS for calendar year 2006 is due January 31, 2007.

For more information about annual employment tax filing and tax deposit rules, see Treasury Decision 9239. You can find T.D. 9239 on page 401 of Internal Revenue Bulletin 2006-6 at [www.irs.gov/pub/irs-irbs/irb06-06.pdf](http://www.irs.gov/pub/irs-irbs/irb06-06.pdf).

If you have comments or suggestions for improving Form 944-SS or its instructions, we would be happy to hear from you. Write to the address shown in the *Privacy Act and Paperwork Reduction Act Notice* on the back of Form 944-V(SS), Payment Voucher.

**Alternative signature method.** Corporate officers or duly authorized agents may sign Form 944-SS by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39. You can find Rev. Proc. 2005-39 on page 82 of Internal Revenue Bulletin 2005-28 at [www.irs.gov/pub/irs-irbs/irb05-28.pdf](http://www.irs.gov/pub/irs-irbs/irb05-28.pdf).

**Credit card payments.** Beginning in 2007, employers can pay the balance due shown on Form 944-SS by credit card. For more information on paying your taxes with a credit card, visit the IRS website at [www.irs.gov](http://www.irs.gov) and type "e-pay" in the *Search* box. However, **do not** use a credit card to make federal tax deposits.

**Social security wage base for 2006.** Do not withhold social security tax after an employee reaches \$94,200 in social security wages. (There is no limit on the amount of wages subject to Medicare tax.)

### Reminders

**Correcting Form 941-SS.** If you discover an error on a previously filed Form 941-SS, make the correction using Form 944-SS for the year in which you discovered the error and attach Form 941c, Supporting Statement to Correct Information. For example, in March 2006, you discover that you underreported \$100 in social security and Medicare wages on your fourth quarter 2005 Form 941-SS. Correct the error by showing \$15.30 (15.3% × \$100) on line 6c of your 2006 Form 944-SS and attaching a completed Form 941c. See *Adjustments* in section 9 of Pub. 80 (Circular SS), Federal Tax Guide for Employers in the U.S. Virgin Islands,

Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, for more information.

**Electronic payment.** Now, more than ever before, businesses can enjoy the benefits of paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, IRS offers you convenient programs to make paying easier. Spend less time and worry on taxes and more time running your business. Use Electronic Federal Tax Payment System (EFTPS) to your benefit. Visit [www.eftps.gov](http://www.eftps.gov) or call EFTPS Customer Service at 1-800-555-4477 (U.S. Virgin Islands only), or 720-332-3780 (toll call).

**Where can you get telephone help?** You can call the IRS toll free at 1-800-829-4933 (U.S. Virgin Islands only) or 215-516-2000 (toll call) to order tax deposit coupons (Form 8109) and for answers to your questions about completing Form 944-SS, tax deposit rules, or obtaining an employer identification number (EIN). Or visit the IRS website at [www.irs.gov](http://www.irs.gov) and type "Employment Tax" in the *Search* box.

## General Instructions: Understanding Form 944-SS

Federal law requires you, as an employer, to withhold taxes from your employees' paychecks. Each time you pay wages, you must withhold — or take out of your employees' paychecks — certain amounts for social security tax and Medicare tax. Under the withholding system, taxes withheld from your employees are credited to your employees in payment of their tax liabilities.

Federal law also requires employers to pay any liability for the employer's portion of social security and Medicare taxes. This portion of social security and Medicare taxes is not withheld from employees.

## What Is the Purpose of Form 944-SS?

Form 944-SS, Employer's ANNUAL Federal Tax Return, is designed so the smallest employers (those whose annual liability for social security and Medicare taxes is \$1,000 or less) will have to file and pay these taxes only once a year instead of every quarter. These instructions give you some background information about Form 944-SS. They tell you who must file the form, how to fill it out line by line, and when and where to file it. If you want more in-depth information about payroll tax topics, see Pub. 80 (Circular SS), Federal Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. Or visit the IRS website at [www.irs.gov](http://www.irs.gov) and type "Employment Tax" in the *Search* box.

Use Form 944-SS to report all the following items.

- Payroll taxes (both employee and employer shares of social security and Medicare taxes) for the year.
- Current year's adjustments to social security and Medicare taxes for fractions of cents, sick pay, tips, and group-term life insurance.
- Prior years' adjustments to payroll taxes (attach Form 941c).

## Who Must File Form 944-SS?

In general, if the IRS has notified you to file Form 944-SS, then you must file Form 944-SS to report all the following amounts.

- Wages you have paid.
- Tips your employees have received.
- Both the employer's and the employee's share of social security and Medicare taxes.

You must file a Form 944-SS for each year even if you have no taxes to report unless the IRS notifies you that your filing requirement has been changed to Form 941-SS (or you filed a final return — See *If your business has closed...* below). See also *What if you don't want to file Form 944-SS?* below.

In February 2006, the IRS will mail eligible employers a notice to file Form 944-SS for 2006 if their expected annual liability for social security and Medicare taxes will be \$1,000 or less.

If you believe you are eligible to file Form 944-SS for 2006 but the IRS did not notify you, call the IRS at 1-800-829-0115 (U.S. Virgin Islands only), or 215-516-2000 (toll call) to determine if you can file Form 944-SS. If you contact the IRS and the IRS determines you are eligible to file Form 944-SS, we will send you a notice that your filing requirement has been changed. To determine if you can file Form 944-SS to report your 2006 employment tax liability, you must contact the IRS by April 1, 2006.

**New employers** are also eligible to file Form 944-SS if they will meet the eligibility requirements. New employers filing Form SS-4, Application for Employer Identification Number, must complete line 13 of Form SS-4 indicating the highest number of employees expected in the next 12 months and must check the "yes" box or the "no" box to indicate whether they expect to have \$1,000 or less in employment tax liability for the calendar year. Generally, if you pay \$4,000 or less in wages subject to social security and Medicare taxes, you are likely to pay \$1,000 or less in employment taxes. If a new employer indicates on line 13 of Form SS-4 it expects to have \$1,000 or less in employment tax liability for the calendar year, the IRS will notify the new employer to file Form 944-SS to report social security and Medicare taxes. The IRS's determination may be made after April 1, 2006, so long as it is made before the employer's first Form 941-SS would have been due.

## What if you don't want to file Form 944-SS?

You must file Form 944-SS if you have been notified to do so, unless you meet certain exceptions. If the IRS has notified you to file Form 944-SS and the exception noted in the paragraph below applies to you, you can contact the IRS by telephone at 1-800-829-0115 (U.S. Virgin Islands only), or 215-516-2000 (toll call) about what form to file. To determine if you can file Form 941-SS quarterly to report your social security and Medicare taxes, you must contact the IRS by April 1, 2006 for the 2006 calendar year unless you are a new employer. See *New employers...* above.

You may be eligible to file Form 941-SS quarterly, instead of Form 944-SS annually, if you expect your 2006

liability for social security and Medicare taxes to be more than \$1,000.

If you contact the IRS and the IRS determines you can file Forms 941-SS instead of Form 944-SS, the IRS will send you a written notice that your filing requirement has been changed.

## Who cannot file Form 944-SS?

The following employers **cannot** file Form 944-SS.

- **Employers who are not notified.** If the IRS does not notify you to file Form 944-SS, do not file Form 944-SS. However, as explained above, you can call the IRS at 1-800-829-0115 (U.S. Virgin Islands only) or 215-516-2000 (toll call) by April 1, 2006, to determine if you can file Form 944-SS.
- **Household employers.** If you employ only household employees, do not file Form 944-SS. For more information, see Pub. 926, Household Employer's Tax Guide, and Schedule H (Form 1040), Household Employment Taxes.
- **Agricultural employers.** If you employ only agricultural employees, do not file Form 944-SS. For more information, see Pub. 51 (Circular A), Agricultural Employer's Tax Guide, and Form 943, Employer's Annual Federal Tax Return for Agricultural Employees.

## What if you close your business?

### If your business has closed...

If you go out of business or stop paying wages to your employees, you must file a **final return**. To tell the IRS that the form for a particular year is your final return, check the box in Part 3 on page 2 of Form 944-SS and enter the final date you paid wages. Also attach a statement to your return showing the name of the person keeping the payroll records and the address where those records will be kept.

## When Must You File?

File Form 944-SS by January 31, 2007, after the end of the 2006 calendar year. File your initial Form 944-SS for the year in which you paid wages that are subject to social security and Medicare taxes if the IRS has notified you that you are to file Form 944-SS for that year. If you made deposits in full payment of your taxes for the year by January 31, 2007, you have 10 more calendar days after that date to file your Form 944-SS.

After you file your first Form 944-SS, you must file Form 944-SS for every year after that, even if you have no taxes to report (unless you file a final return — see *If your business has closed...* above) or until the IRS notifies you to file Form 941-SS.

**TIP** If IRS notified you to file Form 944-SS for 2006, file Form 944-SS (and not Forms 941-SS) even if your tax liability for 2006 exceeds \$1,000.

We consider your form filed on time if it is properly addressed and mailed First-Class or if it is sent by an IRS-designated private delivery service on or before the due date. See Pub. 80 (Circular SS) for more information on IRS-designated private delivery services.

If any due date for filing falls on a Saturday, Sunday, or legal holiday, you may file your return on the next business day.

## How Should You Complete Form 944-SS?

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### Review Your Business Information at the Top of the Form

If you are using a copy of Form 944-SS that has your business name and address preprinted at the top of the form, check to make sure the information is correct. If you pay a tax preparer to fill out Form 944-SS, make sure the preparer uses your business name and EIN **exactly** as they appear on the preprinted form. Carefully review your EIN to make sure that it exactly matches the EIN assigned to your business by the IRS. If any information is incorrect, cross it out and type or print the correct information. See also *If you change your name or address...* below.

If you are not using a preprinted Form 944-SS, type or print your EIN, name, and address in the spaces provided. You **must** enter your name and EIN here and on the top of the second page. **Do not** use your social security number (SSN) or individual taxpayer identification number (ITIN). Generally, enter the business (legal) name that you used when you applied for your EIN on Form SS-4, Application for Employer Identification Number. For example, if you are a sole proprietor, enter "Ronald Smith" on the "Name" line and "Ron's Cycles" on the "Trade name" line. Leave the "Trade name" line blank if it is the same as your "Name."

**Employer identification number (EIN).** To make sure that businesses comply with federal tax laws, the IRS monitors tax filings and payments by using a numerical system to identify taxpayers. A unique 9-digit employer identification number (EIN) is assigned to all corporations, partnerships, and some sole proprietors. Businesses needing an EIN must apply for a number and use it throughout the life of the business on all tax returns, payments, and reports.

Your business should have only one EIN. If you have more than one and are not sure which one to use, write to the IRS office where you file your returns (using the "without payment" address on page 4) or call the IRS Business & Specialty Tax Line at 1-800-829-4933 (U.S. Virgin Islands only) or 215-516-6999 (toll call). TTY/TDD users in the U.S. Virgin Islands can call 1-800-829-4059.

If you do not have an EIN, apply for one from the IRS by mail, by telephone, by fax, or by visiting the IRS website at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz). Request Form SS-4, Application for Employer Identification Number. If you do not have an EIN by the time a return is due, write "Applied For" and the date you applied in the space shown for the number.



*Always be sure the EIN on the form you file exactly matches the EIN that IRS assigned to your business. Do not use your social security number on forms that ask for an EIN. Filing a Form 944-SS with an incorrect EIN or using another business's EIN may result in penalties and delays in processing your return.*

**If you change your name or address...** Notify the IRS **immediately** if you change your business name or address.

- **Name change.** Write to the IRS office where you would file your return "without payment" on page 4 to notify the IRS of any name change. (Get Pub. 1635, Understanding Your EIN, to see if you need to also apply for a new EIN.)
- **Address change.** Complete and mail Form 8822, Change of Address, for any address change.

### Completing and Filing Form 944-SS

Make entries on Form 944-SS as follows to enable accurate processing.

- Use 12-point Courier font (if possible) for all entries if you are using a typewriter or computer to fill out your form.
- Omit dollar signs and decimal points. Commas are optional. (Report dollars to the left of the preprinted decimal point and cents to the right of it.)
- Leave blank any data field with a value of zero (except line 7).
- Enter negative amounts in parentheses (if possible). Otherwise, use a minus sign.
- Enter your name and EIN on **all** pages and attachments. (Filers using the IRS-preaddressed Form 944-SS are not required to enter their name and EIN on page 2.)

### Reconciling Forms 944-SS and Form W-3SS

The IRS matches amounts reported on your Form 944-SS with Form W-2AS, W-2GU, W-2CM, or W-2VI amounts totaled on your Form W-3SS, Transmittal of Wage and Tax Statements. If the amounts do not agree, the IRS or SSA may contact you. The reconciled amounts are for all the following items.

- Social security wages.
- Social security tips.
- Medicare wages and tips.

### Must You Deposit Your Taxes?

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If your liability for social security and Medicare taxes is less than \$2,500 for the year, you can pay the taxes with your return if you file on time. You do not have to deposit the taxes. However, you may choose to make deposits of these taxes even if your liability is less than \$2,500. If your liability for these taxes is \$2,500 or more, see the *Federal Tax Deposit Requirements for Form 944-SS Filers* chart on page 4.

**Note.** The \$2,500 threshold at which federal tax deposits must be made is different from the amount of annual tax liability (\$1,000 or less) that makes an employer eligible to participate in the Employer's Annual Federal Tax Program and file Form 944-SS, Employer's ANNUAL Federal Tax Return. Designated Form 944-SS filers whose businesses grow during the year may be required to make federal tax deposits (see chart below), but they will still file Form 944-SS for the year. If your total tax liability for calendar year 2006 is more than \$1,000, the IRS will notify you when to begin filing quarterly Forms 941-SS.

| Federal Tax Deposit Requirements for Form 944-SS Filers             |   |
|---|---|
| If Your Tax Liability is:   | Your Deposit Requirement is:  |
| Less than \$2,500 for the year                                      | No deposit required. You may pay the tax with your return. (If you are unsure that your tax liability for the year will be less than \$2,500, deposit under the rules below)  |
| \$2,500 or more for the year, but less than \$2,500 for the quarter | You can deposit by the last day of the month after the end of a quarter. However, if your fourth quarter tax liability is less than \$2,500, you may pay the fourth quarter's tax liability with your timely filed Form 944-SS. |
| \$2,500 or more for the quarter                                     | You must deposit monthly, or semiweekly, depending on your deposit schedule. But, if you accumulate \$100,000 or more of taxes on any day, you must deposit the tax by the next banking day. See section 8 of Pub. 80.          |

## What About Penalties and Interest?

### Avoiding penalties and interest

You can avoid paying penalties and interest if you do all the following.

- Pay your taxes when they are due.
- File your fully completed Form 944-SS on time.
- Report your tax liability accurately on Part 2 of the Form 944-SS.
- Submit valid checks for tax payments.
- Give accurate Forms W-2 to employees.
- File Copies A of Form W-2 with the Social Security Administration (SSA) on time and accurately.

Penalties and interest are charged on taxes paid late and returns filed late at a rate set by law. See section 8 of Pub. 80 (Circular SS) for details.

Use Form 843, Claim for Refund and Request for Abatement, to request abatement of assessed penalties or interest. **Do not** request abatement of assessed penalties or interest on Form 944-SS or Form 941c, Supporting Statement To Correct Information.



**A trust fund recovery penalty may apply if social security and Medicare taxes that must be withheld are not withheld or paid. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply when these unpaid taxes cannot be collected from the employer. The trust fund recovery penalty may be imposed on all people the IRS determines to be responsible for collecting, accounting for, and paying these taxes, and who acted willfully in not doing so. For details, see section 8 of Pub. 80 (Circular SS).**

## Where Should You File?

|                             |  |
|-----------------------------|--|
| Form 944-SS with payment    | Internal Revenue Service<br>P. O. Box 80106<br>Cincinnati, OH 45280-0006 |
| Form 944-SS without payment | Internal Revenue Service<br>Ogden, UT 84201-0046                         |



Your filing or payment address may have changed from that used to file your employment tax return in prior years. If you are using an IRS-provided envelope, use only the labels and envelope provided with this tax package. Do not send Form 944-SS or any payments to the Social Security Administration (SSA). Private delivery services cannot deliver to P.O. boxes.

## Specific Instructions

### Part 1: Answer these questions for 2006

Employers in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands are not required to complete lines 1, 2, 5, 6b, 6d, 8, 9, and 14 on Form 944-SS.

### 3. If no wages, tips, and other compensation are subject to social security or Medicare tax...

If no wages, tips, and compensation are subject to social security or Medicare taxes, check the box on line 3 and go to line 6. If this question does not apply to you, leave the box blank. For more information about exempt wages, see section 12 of Pub. 80 (Circular SS) and section 4 of Pub. 15-A, Employer's Supplemental Tax Guide.

### 4. Taxable social security and Medicare wages and tips

**4a. Taxable social security wages.** Report the total wages, sick pay, or fringe benefits subject to social security taxes that you paid to your employees during the year.

Enter the amount before deductions. **Do not** include tips on this line. For information on types of wages subject to social security taxes, see section 4 of Pub. 80 (Circular SS).

The rate of social security tax on taxable wages is 6.2% (.062) each for the employer and employee or 12.4% (.124) for both. Stop paying social security tax on and reporting an employee's wages on line 4a when the employee's taxable wages (including tips) reach \$94,200 during 2006. However, continue to withhold Medicare taxes for the whole year on wages and tips even when the social security wage base of \$94,200 has been reached.

$$\begin{array}{r} \text{line 4a (column 1)} \\ \times .124 \\ \hline \text{line 4a (column 2)} \end{array}$$

**4b. Taxable social security tips.** Enter all tips your employees reported to you during the year until the total of the tips and wages for an employee reach \$94,200 in 2006. Do this even if you were unable to withhold the 6.2% employee's share of social security tax.

An employee must report cash tips to you, including tips you paid the employee for charge customers, totaling \$20 or more in a month by the 10th of the next month. Employees may use Form 4070, Employee's Report of Tips to Employer, or submit a written statement or electronic tip record.

$$\begin{array}{r} \text{line 4b (column 1)} \\ \times .124 \\ \hline \text{line 4b (column 2)} \end{array}$$

**4c. Taxable Medicare wages & tips.** Report all wages, tips, sick pay, and taxable fringe benefits that are subject to

Medicare tax. Unlike social security wages, there is no limit on the amount of wages subject to Medicare tax.

Include all tips your employees reported during the quarter, even if you were unable to withhold the employee tax of 1.45%.

$$\begin{array}{r} \text{line 4c (column 1)} \\ \times \text{.029} \\ \hline \text{line 4c (column 2)} \end{array}$$

For more information, see sections 4, 5, and 7 of Pub. 80 (Circular SS).

**4d. Total social security and Medicare taxes.** Add social security tax, social security tips tax, and Medicare tax.

$$\begin{array}{r} \text{line 4a (column 2)} \\ \text{line 4b (column 2)} \\ + \text{line 4c (column 2)} \\ \hline \text{line 4d} \end{array}$$

## 6. TAX ADJUSTMENTS

Enter **tax amounts** on lines 6a–6e that result from current or prior period adjustments. Use parentheses (if possible) to show an adjustment that decreases the total taxes shown on line 4d. Otherwise, use a minus sign. **Do not** enter an amount on 6e unless the IRS has sent you a notice instructing you to do so.

**6a. Current year's adjustments.** In certain cases, you must adjust the amounts you reported as social security and Medicare taxes in column 2 of lines 4a, 4b, and 4c to figure your correct tax liability for this year's Form 944-SS. See section 9 of Pub. 80 (Circular SS). **Do not** attach Form 941c or an equivalent statement for current year adjustments.

**Fractions of cents.** Enter adjustments for fractions of cents (due to rounding) relating to the employee share of social security and Medicare taxes withheld. The employee share (one-half) of amounts shown in column 2 of lines 4a–4c may differ slightly from amounts actually withheld from employees' paychecks due to rounding social security and Medicare taxes based on statutory rates.

**Sick pay.** Enter the adjustment for the employee share of social security and Medicare taxes that were withheld by your third-party sick pay payer.

**Adjustments for tips and group-term life insurance.** Enter adjustments for both the following items.

- Any uncollected employee share of social security and Medicare taxes on tips.
- The uncollected employee share of social security and Medicare taxes on group-term life insurance premiums paid for former employees.

**6c. Prior years' social security and Medicare tax adjustments.** Use line 6c to adjust amounts reported on **previous returns**. If you need to report both an increase and a decrease for the same line, show only the difference.

Adjustments you report here change your tax liability and your tax deposits. You will have to take these adjustments into account on lines 13a to 13l. Fill in your tax liability amounts for each month. You **must** explain any adjustments that you make on Form 941c, Supporting Statement of Correct Information, or in an equivalent statement.

Form 941c is **not** an amended return but is a statement providing the necessary information and certifications for adjustments shown on lines 6c through 6e. **Do not** file Form 941c separately from Form 944-SS. See also section 9 of Pub. 80 (Circular SS).



**TIP** If you are adjusting an employee's social security wages, social security tips, or Medicare wages and tips 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.

**6e. Special additions to social security and Medicare taxes.** This line is reserved for employers with special circumstances. Use this line **only** if the IRS has sent you a notice instructing you to do so. You **must** attach Form 941c explaining the tax increase.

**6f. TOTAL ADJUSTMENTS.** Combine all adjustments shown on lines 6a through 6e and enter the result on line 6f.

## 7. Total taxes after adjustments

Combine the amounts shown on lines 4d and 6f and enter the result on line 7.

- **If line 7 is less than \$2,500**, you may pay the full amount with a timely filed return because you were not required to deposit. See section 8 of Pub. 80 (Circular SS) for information and rules about federal tax deposits.
- **If line 7 is \$2,500 or more**, you generally must deposit your tax liabilities by using the Electronic Federal Tax Payment System (EFTPS) or deposit at an authorized financial institution with Form 8109. However, if you deposited all taxes accumulated in the first three quarters of the year and your fourth quarter liability is less than \$2,500, you may pay taxes accumulated during the fourth quarter with a timely filed Form 944-SS. The amount shown on line 7 **must** equal line 13m, *Total liability for year*.

## 10. Total deposits for this year, including overpayment applied from a prior year

Enter your deposits for this year, including any deposits that you were required to make to cover prior period liabilities resulting from adjustments shown on lines 6a–6e. Also include in the amount shown any overpayment from a previous period that you applied to this return.

## 11. Balance due

If line 7 is more than line 10, write the difference in line 11. Otherwise, see *Overpayment* below.

You do not have to pay if line 11 is less than \$1. Generally, you should have a balance due only if your total taxes after adjustments (line 7) are less than \$2,500. See *If line 7 is \$2,500 or more* above for an exception.

If line 11 is:

- less than \$1, you do not have to pay it;
- between \$1 and \$2,500, you can pay the amount owed with your return. Make your check payable to the *United States Treasury* and write your EIN, *Form 944-SS*, and *2006* on the check;
- \$2,500 or more, you must deposit your tax. See *Must You Deposit Your Taxes?* on page 3.

You may pay the amount shown on line 11 using EFTPS or credit card.

If you pay by EFTPS or credit card, file your return using the "without payment" address on page 4 under *Where should you file?* and **do not** file Form 944-V(SS), Payment Voucher.



**CAUTION** If you are required to make deposits and, instead, pay the taxes with Form 944-SS, you may be subject to a penalty.

## 12. Overpayment

If line 10 is more than line 7, write the amount in line 12. **Never** make an entry in both lines 11 and 12.

If you deposited more than the correct amount for a year, you can choose to have us either refund the overpayment or

apply it to your next return. Check the appropriate box in line 12. If you do not check either box, we will automatically refund the overpayment. We may apply your overpayment to any past due tax account that is shown in our records under your EIN.

If line 12 is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

### Fill out both pages.

You must fill out both pages of Form 944-SS and sign it on the second page. Failure to do so may delay processing of your return.

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## Part 2: Tell us about your tax liability for 2006.

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### 13. Check one:

- If line 7 is less than \$2,500, check the first box in line 13 and go to line 15.
- If line 7 is \$2,500 or more, check the second box in line 13 and fill out your tax liability for each month and figure the total liability for the year. If you do not fill out your tax liability for each month, the IRS will not know when you should have made deposits and may assess an “averaged” failure-to-deposit penalty. See section 8 of Pub. 80 (Circular SS). If your tax liability for any month is negative (for example, if you are adjusting an overreported liability in a prior month), do not enter a negative amount for the month. Instead, enter zero for the month and subtract that negative amount from your tax liability for the next month.

**Note.** Your total tax liability for the year (line 13m) must equal your total taxes on line 7.

If you accumulate \$100,000 or more in tax liability at any time during the year, you must complete Form 945-A, Annual Record of Federal Tax Liability, and file it with your Form 944-SS. See the \$100,000 Next Day Deposit Rule in section 8 of Pub. 80 (Circular SS).

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## Part 3: Tell us about your business.

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In Part 3, answer question 15 only if it applies to your business. If it does not apply, leave it blank and go to Part 4.

### 15. If your business has closed or you stopped paying wages...

If you go out of business or stop paying wages, you must file a final return. To tell IRS that a particular Form 944-SS is your **final return**, check the box on line 15 and enter the date you last paid wages in the space provided.

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

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If you want to allow an employee, a paid tax preparer, or another person to discuss your Form 944-SS with the IRS, check the “Yes” box in Part 4. Then tell us the name and the 5-digit personal identification number (PIN) of the specific person to contact—not the name of the firm who prepared your tax return. The designee may choose any numbers as his or her PIN.

By checking “Yes,” you authorize the IRS to talk to the person you named (your designee) about any questions we

may have while we process your return. You also authorize your designee to do all the following.

- Give us any information that is missing from your return.
- Call us for information about processing your return.
- Respond to certain IRS notices that you have shared with your designee about math errors and return preparation. IRS will **not** send notices to your designee.

You are **not authorizing** your designee to bind you to anything (including additional tax liability) or to otherwise represent you before the IRS. If you want to expand your designee’s authorization, see Pub. 947, Practice Before the IRS and Power of Attorney.

The authorization will automatically **expire** 1 year after the due date (without regard to extensions) for filing your Form 944-SS. If you or your designee want to terminate the authorization, write to the IRS office for your locality using the “without payment” address under *Where Should You File?* on page 4.

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## Part 5: Sign here.

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You must fill out both pages of Form 944-SS and sign it. In Part 5, sign your name and print your name and title. Then enter the date signed and the best daytime telephone number where IRS can reach you, including area code.

### Who Must Sign the Form 944-SS?

Form 944-SS must be signed as follows.

- **Sole proprietorship**— The individual who owns 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.

If you have filed a valid power of attorney, your duly authorized agent may also sign your Form 944-SS.

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## Part 6: For paid preparers only (optional).

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You may complete Part 6 if you were paid to prepare Form 944-SS and are not an employee of the business that is filing this return.

Sign in the space provided. Give the employer the return to file with IRS and include a copy of the return for the employer’s records.

If you are a paid preparer, write your Social Security Number (SSN) or your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, write the firm’s name and the EIN of your firm.

Do not fill out Part 6 if you are filing the return as a reporting agent and have a valid Form 8655, Reporting Agent Authorization, on file with the IRS.

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## How to Order Forms and Publications from the IRS

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Call 1-800-829-3676 (U.S. Virgin Islands only) or 215-516-2000 (toll call).



Visit the IRS website at [www.irs.gov](http://www.irs.gov).

## Other IRS Products You May Need

- Form SS-4, Application for Employer Identification Number
- Form W-2AS, W-2GU, W-2CM or W-2VI, Wage and Tax Statement
- Form W-2c, Corrected Wage and Tax Statement
- Form W-3SS, Transmittal of Wage and Tax Statements
- Form W-3c, Transmittal of Corrected Wage and Tax Statements
- Form W-4, Employee's Withholding Allowance Certificate
- Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return
- Form 941c, Supporting Statement to Correct Information
- Form 943, Employer's Annual Federal Tax Return for Agricultural Employees
- Form 945, Annual Return of Withheld Federal Income Tax
- Form 945-A, Annual Record of Federal Tax Liability
- Form 4070, Employee's Report of Tips to Employer
- Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips
- Instructions for Form 941-SS, Employer's QUARTERLY Federal Tax Return
- Pub. 80 (Circular SS), Employer's Tax Guide for Employers in the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands
- Pub. 15-A, Employer's Supplemental Tax Guide
- Pub. 15-B, Employer's Tax Guide to Fringe Benefits
- Pub. 51, (Circular A), Agricultural Employer's Tax Guide
- Pub. 926, Household Employer's Tax Guide
- Pub. 947, Practice Before the IRS and Power of Attorney
- Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors
- Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations
- Schedule H (Form 1040), Household Employment Taxes