



# Instructions for Form 941

(Revised April 1994)

(Use with Form 941 revised April 1994)

## Employer's Quarterly Federal Tax Return

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

**Paperwork Reduction Act Notice.**—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	10 hr., 3 min.
<b>Learning about the law or the form</b> . . . . .	.22 min.
<b>Preparing the form</b> . . . . .	1 hr., 29 min.
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	.16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Attention: Reports Clearance Officer, PC:FP, Washington, DC 20224; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0029), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see **Where To File** on page 2.

### Important Changes for 1994

**Nonpayroll Income Tax Withholding No Longer Reported on Form 941.**—All nonpayroll items have been removed from Form 941 beginning in the first quarter of 1994. The nonpayroll items include backup withholding and withholding for pensions, annuities, IRAs, military retirement, and gambling winnings. These nonpayroll items will be reported on **Form 945**, Annual Return of Withheld Federal Income Tax, for 1994. Form 945 is an **annual** tax return and the return for 1994 will be due January 31, 1995. Form 941 will continue to be filed quarterly. See Chapter II of **Circular E**, Employer's Tax Guide, for more details.

**Separate Deposit Requirements for Form 945 Tax Liabilities.**—Beginning January 1, 1994, separate deposits are required for nonpayroll income tax withholding required to be reported on Form 945. **DO NOT** combine deposits for Form 941 and Form 945 tax liabilities. See Chapter II of Circular E for details.

**Form 941E Eliminated.**—**Form 941E**, Quarterly Return of Withheld Federal Income Tax and Medicare Tax, has been eliminated beginning in the first quarter of 1994. Previous filers of Form 941E will be required to report any employment tax and withholding from wages on Form 941 beginning in the first quarter of 1994. Income tax withholding on nonpayroll items must be reported on Form 945 and deposited separately as discussed above.

**Social Security Wage Base for 1994.**—Stop withholding social security tax after an employee reaches **\$60,600** in taxable wages.

**Medicare Wage Base Limit Eliminated.**—Effective January 1, 1994, the wage base limit for Medicare tax has been eliminated. All 1994 taxable wages are subject to Medicare tax.

**Supplemental Wage Withholding Rate.**—The withholding rate for supplemental wages has been increased to 28% for payments made after December 31, 1993.

See page 2 of Circular E for more information concerning 1994 tax law changes affecting employment taxes.

## General Instructions

**Purpose of Form.**—To report—

- Income tax you withheld from wages, tips, supplemental unemployment compensation benefits, and third-party payments of sick pay.
- Social security and Medicare taxes.

**Who Must File.**—Employers who withhold income tax on wages, social security tax, or Medicare tax, must file Form 941 quarterly. Exceptions follow:

- **Seasonal employers** who no longer file for quarters when they regularly have no tax liability because they have paid no wages. To alert the IRS that you will not have to file a return for one or more quarters during the year, check the **Seasonal employer** box above line 1 on page 1. The IRS will mail two Forms 941 to you once a year after March 1. The preprinted label will not include the date the quarter ended. You must enter the date the quarter ended when you file the return. The IRS will generally not inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the **Seasonal employer** box on each quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.
- Employers who report wages on household employees, see **Form 942**, Employer's Quarterly Tax Return for Household Employees, and Circular E. However, if you are a sole proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941.
- Employers who report wages on farmworkers, see **Form 943**, Employer's Annual Tax Return for Agricultural Employees, and Circular A.

**Business Reorganization or Termination.**—If you sell or transfer your business, both you and the new owner must file a return for the quarter in which the change took place. Neither should report wages paid by the other. (An example of a transfer is when a sole proprietor forms a partnership or corporation.) If a change occurs, please attach to your return a statement that shows: new owner's name (or new name of the business); whether the business is now a sole proprietorship, partnership, or corporation; kind of change that took place (sale, transfer, etc.); and date of the change.

When a business is merged or consolidated with another, the continuing firm must file the return for the quarter in which the change took place. The return should show all wages paid for that quarter. The other firm should file a final return.

*If you go out of business or stop paying wages, you should file a final return. Be sure to mark the final return checkbox and enter the date final wages were paid above line 1. You may also file Forms W-2 with the Social Security Administration now, but not later than February 28, 1995.*

**Form Preparation Suggestions.**—The red color of Form 941 permits machine scanning, which results in faster and more accurate processing. Below are suggestions that will allow the IRS to process Form 941 by machine scanning:

- Make dollar entries without the dollar sign and comma (0000.00).
- Use the "red" Form 941 provided by the IRS.
- Entries should not be handwritten; type or machine print data entries using black ink.
- Do not staple, tape, or clip anything to the form.
- Do not tear.

**When To File.**—File starting with the first quarter in which you are required to withhold income tax or pay wages subject to social security and Medicare taxes.

Quarter	Ending	Due Date
Jan.-Feb.-Mar.	March 31	April 30
Apr.-May-June	June 30	July 31
July-Aug.-Sept.	Sept. 30	Oct. 31
Oct.-Nov.-Dec.	Dec. 31	Jan. 31

If you deposited all taxes when due for a quarter, you have 10 more days after the above due date to file. If the due date for filing a return falls on a Saturday, Sunday, or legal holiday, you may file the return on the next business day.

After you file your first return, we will send you a form every 3 months. Please use this form. If you don't have a form, get one from an IRS office in time to file the return when due.

**Where To File.**—

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

Florida, Georgia, South Carolina

<b>Return without payment:</b> Atlanta, GA 39901-0049	<b>Return with payment:</b> P.O. Box 105703 Atlanta, GA 30348-5703
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New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)

<b>Return without payment:</b> Holttsville, NY 00501-0049	<b>Return with payment:</b> P.O. Box 416 Newark, NJ 07101-0416
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New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

<b>Return without payment:</b> Andover, MA 05501-0049	<b>Return with payment:</b> P.O. Box 371493 Pittsburgh, PA 15250-7493
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Illinois, Iowa, Minnesota, Missouri, Wisconsin

<b>Return without payment:</b> Kansas City, MO 64999-0049	<b>Return with payment:</b> P.O. Box 970007 St. Louis, MO 63197-0007
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Delaware, District of Columbia, Maryland, Pennsylvania, Virginia

<b>Return without payment:</b> Philadelphia, PA 19255-0049	<b>Return with payment:</b> P.O. Box 1477 Newark, NJ 07101-1477
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Indiana, Kentucky, Michigan, Ohio, West Virginia

<b>Return without payment:</b> Cincinnati, OH 45999-0049	<b>Return with payment:</b> P.O. Box 7329 Chicago, IL 60680-7329
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Kansas, New Mexico, Oklahoma, Texas

<b>Return without payment:</b> Austin, TX 73301-0049	<b>Return with payment:</b> P.O. Box 970013 St. Louis, MO 63197-0013
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Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

<b>Return without payment:</b> Ogden, UT 84201-0049	<b>Return with payment:</b> P.O. Box 7922 San Francisco, CA 94120-7922
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California (all other counties), Hawaii

<b>Return without payment:</b> Fresno, CA 93888-0049	<b>Return with payment:</b> P.O. Box 60407 Los Angeles, CA 90060-0407
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Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee

<b>Return without payment:</b> Memphis, TN 37501-0049	<b>Return with payment:</b> P.O. Box 70503 Charlotte, NC 28272-0503
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If you have no legal residence or principal place of business in any state

**All returns:**  
Philadelphia, PA 19255-0005

**Forms W-4.**—Each quarter, send with Form 941 copies of any Forms W-4 received during the quarter from employees claiming (1) more than 10 withholding allowances or (2) exemption from income tax withholding if their wages will normally be more than \$200 a week. For details, see Chapter I, section 9, of Circular E.

**Form W-5.**—Each eligible employee wishing to receive any advance earned income credit (EIC) payments must give you a completed Form W-5. The employer's requirement to notify certain employees about the EIC can be met by giving each eligible employee **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC). See Chapter I, section 15, of Circular E and **Pub. 596**, Earned Income Credit, for more information.

**Employer Identification Number (EIN).**—If you do not have an EIN, apply for one on **Form SS-4**, Application for Employer Identification Number. Get this form from the IRS or the Social Security Administration (SSA). 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. You can receive your EIN over the telephone and use it immediately to file a return or make a payment (get Form SS-4 instructions for details).

**Note:** Always be sure the EIN on the form you file matches the EIN assigned to your business by the IRS. Do not show your personal social security number on forms calling for an EIN. Filing a Form 941 with an incorrect EIN or using another business' EIN may result in penalties and delays in processing your return.

**Penalties and Interest.**—There are penalties for filing a return late and paying or depositing taxes late, unless there is reasonable cause. If you are late, please attach an explanation to your return. There are also penalties for willful failure to file returns and pay taxes when due, furnish Forms W-2 to employees and file copies with the SSA, keep records, deposit taxes when required, and for filing false returns or submitting bad checks. Interest is charged on taxes paid late at the rate set by law. See Circular E for additional information.

**Caution:** A trust fund recovery penalty may apply where income, social security, and Medicare taxes that should be withheld are not withheld or are not paid to the IRS. Under this penalty, certain officers or employees of a corporation, or certain members or employees of a partnership become personally liable for payment of the taxes and are penalized an amount equal to the unpaid taxes. This penalty may be applicable when 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. Willfully in this case means voluntarily, consciously, and intentionally. Please see Circular E, Chapter I, section 12, for more information concerning who may be liable for the trust fund recovery penalty.

**Depositing Taxes.**—Use **Form 8109**, Federal Tax Deposit Coupon, to deposit your taxes. See Chapter I, section 11, of Circular E for information and rules concerning Federal tax deposits.

Do not use the deposit coupons to pay delinquent taxes for which you have received a notice from the IRS. These payments should be sent directly to your Internal Revenue Service Center with a copy of any related notice the IRS sent you.

**State Code.**—If you made your deposits in a state other than that shown in your address on Form 941, enter the state code for that state in the box provided in the upper left corner of the form. 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.

Circular E explains the rules for withholding, paying, depositing, and reporting Federal income tax, social security and Medicare taxes, and Federal unemployment (FUTA) tax on wages and fringe benefits. See **Pub. 952**, Sick Pay Reporting, for information on sick pay paid by third-party payers. **Circular A**, Agricultural Employer’s Tax Guide, explains rules for employers who have farm workers. These publications are available free at IRS offices.

## Specific Instructions

**Reconciliation of Forms 941 and W-3.**— Certain amounts reported on the four quarterly Forms 941 for 1994 should agree with the **Form W-2**, Wage and Tax Statement, totals reported on **Form W-3**, Transmittal of Wage and Tax Statements, or with information filed on equivalent magnetic media reports with the SSA. The amounts that should agree are social security wages, social security tips, Medicare wages and tips, and the advance earned income credit. If the totals do not agree, the IRS will require you to explain any differences and correct any errors. You can avoid this by making sure correct amounts (including adjustments) are reported on Forms 941 and W-3. See Chapter III, section 3, of Circular E, for more details.

**Line 1—Number of employees.**—Enter the number of employees on your payroll during the pay period including March 12 (on the January-March calendar quarter return only). Do not include household employees, persons who received no pay during the pay period, pensioners, or members of the Armed Forces. If you have only household employees in the pay period, enter zero. An entry of 250 or more on line 1 indicates a need to file wage reports on magnetic media. You should immediately request Publication TIB-4 from the SSA if not already a magnetic media filer. Call 1-800-772-1213 for more information.

**Line 2**—Enter the total of all wages paid, tips reported, taxable fringe benefits provided, and other compensation paid to your employees, **even if you do not have to withhold income or social security and Medicare taxes on it.** Do not include supplemental unemployment compensation benefits, even if you withheld income tax on them.

If you get timely notice from your insurance carrier concerning the amount of third-party sick pay it paid your employees, include the sick pay on line 2. If you are an insurance company, do not include sick pay you paid policyholders’ employees here if you gave the policyholders timely notice of the payments. See **Pub. 952** for more details.

**Line 3**—Enter the income tax you withheld on wages, tips, taxable fringe benefits, and supplemental unemployment compensation benefits. An insurance company should enter the income tax it withheld on third-party sick pay here.

**Line 4—Adjustment of withheld income tax.**—Use line 4 to correct errors in income tax withheld from wages paid in earlier quarters of the same calendar year. Because any amount shown on line 4 increases or decreases your tax liability, the adjustment must be taken into account on line 17, Monthly Summary of Federal Tax Liability, or on **Schedule B (Form 941)**, Employer’s Record of Federal Tax Liability. Your deposit requirements determine which liability report is used (see instructions for line 17 on page 4). Include the adjustment in the report entry area that corresponds with the date on which the error was found.

Explain any amount on **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows (a) what the error was, (b) quarter in which the error was made, (c) the amount of the error for each quarter, (d) date on which you found the error, and (e) how you and your payees have settled any overcollection or undercollection.

*Do not adjust income tax withholding for quarters in earlier years unless it is to correct an administrative error.* An administrative error is any error that does not change the amount of income tax that was actually withheld or deducted from an employee. For example, if the total income tax actually withheld was incorrectly reported due to a mathematical error, this is an administrative error. You may not adjust or claim a refund or credit for any overpayment of income tax that you withheld or deducted from an employee in a prior year. This is because the employee uses the amount shown on Form W-2 as a credit when filing his or her income tax return (Form 1040, etc.).

**Line 5—Adjusted total of income tax withheld.**—Add line 4 to line 3 if you are reporting additional income tax withheld for an earlier quarter in this calendar year. Subtract line 4 from line 3 if you are reducing the amount of income tax withheld. If there is no entry on line 4, the entry will be the same as line 3.

**Line 6a—Taxable social security wages.**—Enter the total wages subject to social security taxes that you paid your employees during the quarter. Also include any sick pay and taxable fringe benefits subject to social security taxes. See Chapter I, section 5, of Circular E for information on types of wages subject to social security taxes. Enter the amount before deductions. Do not include tips on this line. Stop reporting an employee’s wages (including tips) when they reach \$60,600 for 1994. However, continue to withhold income tax for the whole year on wages and tips even when the social security wage base of \$60,600 is reached. See line 7 below for Medicare tax. **If none of the payments are subject to social security tax, mark the checkbox in line 8.**

**Line 6b—Taxable social security tips.**—Enter all tips your employees reported during the quarter, until tips and wages for each employee reach \$60,600 in 1994. Do this even if you were not able to withhold the employee tax (6.2%). However, see line 9 instructions below.

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

Do not include allocated tips on this line. Instead, report them on **Form 8027**, Employer’s Annual Information Return of Tip Income and Allocated Tips. Allocated tips are not reportable on Form 941 and are not subject to withholding of income, social security, or Medicare taxes.

**Line 7—Taxable Medicare wages and tips.**—Use this line to report all wages and tips subject to the Medicare portion of social security. Also include any sick pay and taxable fringe benefits subject to Medicare taxes. See Chapter I, section 5, of Circular E for information on types of wages subject to Medicare taxes. Beginning January 1, 1994, there is no limit on the amount of wages subject to Medicare tax. **If none of the payments are subject to Medicare tax, mark the checkbox in line 8.**

Include all tips your employees reported during the quarter, even if you were not able to withhold the employee tax (1.45%). However, see line 9 instructions below.

**Line 9—Adjustment of social security and Medicare taxes.**—Use line 9 to correct errors in social security and Medicare taxes reported on an earlier return. If you report both an underpayment and an overpayment, show only the difference. Enter the adjustments for sick pay and fractions-of-cents (see instructions below) in the appropriate line 9 entry spaces. Enter the amount of all other adjustments in the “other” entry space and enter the total of the three types of adjustments in the line 9 entry space to the right.

Because any amount shown on line 9 increases or decreases your tax liability, the adjustment must be taken into account on

line 17, Monthly Summary of Federal Tax Liability, or on **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability. Your deposit requirements determine which liability report is used (see instructions for line 17 below). Include the adjustment in the report entry area that corresponds with the date on which the error was found.

Explain any amount in the "other" entry space of line 9 on Form 941c. If you do not have a Form 941c, attach a statement that shows (a) what the error was; (b) ending date of each quarter in which the error was made and the amount of the error; (c) date on which you found the error; (d) that you repaid the employee tax or got each affected employee's written consent to this refund or credit, if the entry corrects an overcollection; and (e) if the entry corrects social security and Medicare taxes overcollected in an earlier year, that you got from the employee a written statement that he or she has not claimed and will not claim a refund or credit for the amount.

Enter on Form 941c or include in the statement the total social security wages, social security tips, and Medicare wages and tips for all your employees as previously reported and as corrected. However, if you are correcting wage amounts for years prior to 1991 only, you need not show separate entries for Medicare wages and tips. If some or all of your wages are not subject to both social security and Medicare, you must include a statement explaining why. DO NOT file Form 941c separately from Form 941. Form 941c is not an amended return, but is a statement providing necessary background information and certifications supporting the adjustments on lines 4 and/or 9 on Form 941. You can get Form 941c from the IRS or by calling 1-800-TAX-FORM (1-800-829-3676).

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

*Adjustments of tax on tips and group-term life insurance premiums paid for former employees.*—If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on lines 6b (social security tips) and 7 (Medicare wages and tips). Include as an adjustment on line 9 the total uncollected employee share of these social security and Medicare taxes.

The employee share of social security and Medicare taxes on group-term life insurance over \$50,000 **for a former employee** is paid by the former employee, and is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 6a and 7 (social security and Medicare taxes), and back out the amount of the employee share of these taxes as an adjustment on line 9. Include this adjustment amount on Form W-2 (see Form W-2 instructions).

*Adjustment of tax on third-party sick pay.*—Deduct on line 9 the social security and Medicare taxes on third-party sick pay for which you are not responsible, and enter the amount of the sick pay adjustment in the line 9 entry space for "sick pay." (See Pub. 952 for details.)

*Fractions of cents.*—If there is a difference between the total tax on line 8 and the total deducted from your employees' wages or tips plus the employer's contribution, and this difference is caused by adding or dropping fractions of cents in collecting the tax, report the difference on line 9. Enter the amount of this adjustment in the line 9 entry space for "fractions of cents."

**Line 10—Adjusted total of social security and Medicare taxes.**—Add line 9 to line 8 if you are reporting additional taxes for an earlier quarter. Subtract line 9 from line 8 if you are reducing the amount of taxes reported for an earlier quarter.

**Line 12—Advance earned income credit (EIC) payments made to employees.**—Enter advance EIC payments made to

employees, if any. Your eligible employees may elect to receive part of the EIC as an advance payment. Eligible employees must give you a completed Form W-5 stating that they qualify for the EIC. Once the employee gives you a signed and completed Form W-5, you must make the advance EIC payments. The advance EIC payments made to eligible employees are generally made from withheld income tax and employee and employer social security and Medicare taxes. See **Pub. 937**, Employment Taxes and Information Returns; Chapter I, section 15, of Circular E; and Pub. 596 for more information on advance EIC payments and eligibility requirements.

If the amount of your advance EIC payments exceeds your total taxes (line 11) for the quarter, you may claim a refund of the overpayment or elect to have the credit applied to your return for the following quarter. Provide a statement with your return identifying the amount of excess payment(s) and the pay period(s) in which it was paid. See section 15 of Circular E for more details.

**Line 14—Total deposits for quarter.**—Enter the total deposits for the quarter, including any overpayment applied from the previous quarter.

**Line 15—Balance due.**—You should have a balance due only if your net tax liability for the quarter (line 13) is less than \$500. (However, see Chapter I, section 11, of Circular E regarding payments made under the Accuracy of Deposits rule.) If line 13 is \$500 or more and you have deposited all taxes when due, the amount shown on line 15 (balance due) should be zero. **Caution:** *If you fail to make required deposits at a qualified depository and instead pay these amounts with your return, you may be subject to a penalty.* Enter your EIN, "Form 941," and the tax period to which the payment applies on your check or money order.

**Line 16—Overpayment.**—If you deposited more than the correct amount for a quarter, you can have the overpayment refunded or applied to your next return by checking the appropriate box. The IRS may apply your overpayment to any past-due tax account that we have under your EIN.

**Line 17—Monthly Summary of Federal Tax Liability.**— **Note:** *This is a summary of your monthly tax liability, NOT a summary of deposits made. If line 13 is less than \$500, you need not complete line 17 or Schedule B (Form 941).*

Complete line 17 if you are qualified to deposit on a monthly basis (see Chapter I, section 11, of Circular E for more details on the deposit rules). You are a monthly depositor for the calendar year if the amount of employment and withholding tax liability accumulated during the lookback period is not more than \$50,000. The lookback period is defined as the four consecutive quarters ending on June 30 of the prior year. For 1994, the lookback period begins 07/01/92 and ends 06/30/93. If you accumulated more than \$50,000 during the lookback period or accumulated \$100,000 or more on any day during a deposit period, do not complete columns (a) through (d) of line 17. Instead, complete and attach Schedule B (Form 941).

*Reporting adjustments on line 17.*—If the net adjustment during a month is negative (e.g., correcting an overreported liability in a prior period) and it exceeds the 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, Employer A discovered on 2/10/94 that it overreported social security tax on a prior quarter return by \$2,500. Its employment tax liabilities for the 1st quarter of 1994 were: January \$2,000, February \$2,000, March \$2,000. Employer A should enter \$2,000 in column 17(a), -0- in column 17(b), \$1,500 in column 17(c), and \$3,500 in column 17(d). The prior period adjustment (\$2,500) offsets the \$2,000 liability for February and the excess \$500 must be used to offset March liabilities. Since the error was not discovered until February, it does not affect January liabilities reported in column 17(a).

If excess negative adjustments are carried forward to the next quarter, do not show these excess adjustments on lines 4 or 9. Line 17, column (d), must equal line 13.

