

Form **940 for 2016: Employer's Annual Federal Unemployment (FUTA) Tax Return**  
 Department of the Treasury — Internal Revenue Service

850113  
 OMB No. 1545-0028

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/country Foreign postal code

**Type of Return**  
 (Check all that apply.)

a. Amended

b. Successor employer

c. No payments to employees in 2016

d. Final: Business closed or stopped paying wages

Instructions and prior-year forms are available at [www.irs.gov/form940](http://www.irs.gov/form940).

Read the separate instructions before you complete this form. Please type or print within the boxes.

**Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.**

- 1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . . . . . 1a
- 1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer . . . . . 1b  Check here. Complete Schedule A (Form 940).
- 2 If you paid wages in a state that is subject to CREDIT REDUCTION . . . . . 2  Check here. Complete Schedule A (Form 940).

**Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.**

- 3 Total payments to all employees . . . . . 3
- 4 Payments exempt from FUTA tax . . . . . 4
- Check all that apply: 4a  Fringe benefits 4c  Retirement/Pension 4e  Other  
 4b  Group-term life insurance 4d  Dependent care
- 5 Total of payments made to each employee in excess of \$7,000 . . . . . 5
- 6 Subtotal (line 4 + line 5 = line 6) . . . . . 6
- 7 Total taxable FUTA wages (line 3 - line 6 = line 7). See instructions . . . . . 7
- 8 FUTA tax before adjustments (line 7 x 0.006 = line 8) . . . . . 8

**Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.**

- 9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 . . . . . 9
- 10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . . . . . 10
- 11 If credit reduction applies, enter the total from Schedule A (Form 940) . . . . . 11

**Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.**

- 12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) . . . . . 12
- 13 FUTA tax deposited for the year, including any overpayment applied from a prior year . . . . . 13
- 14 Balance due. If line 12 is more than line 13, enter the excess on line 14.  
 • If line 14 is more than \$500, you must deposit your tax.  
 • If line 14 is \$500 or less, you may pay with this return. See instructions . . . . . 14
- 15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below 15
- ▶ You MUST complete both pages of this form and SIGN it. Check one:  Apply to next return.  Send a refund.



Name (not your trade name)

Employer identification number (EIN)

**Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.**

**16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.**

16a 1st quarter (January 1 – March 31) . . . . . 16a

16b 2nd quarter (April 1 – June 30) . . . . . 16b

16c 3rd quarter (July 1 – September 30) . . . . . 16c

16d 4th quarter (October 1 – December 31) . . . . . 16d

**17 Total tax liability for the year (lines 16a + 16b + 16c + 16d = line 17) 17  Total must equal line 12.**

**Part 6: 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 IRS

**No.**

**Part 7: Sign here. You MUST complete both pages of this form 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, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**X 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

# Form 940-V, Payment Voucher

## Purpose of Form

Complete Form 940-V if you're making a payment with Form 940. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

## Making Payments With Form 940

To avoid a penalty, make your payment with your 2016 Form 940 **only** if your FUTA tax for the fourth quarter (plus any undeposited amounts from earlier quarters) is \$500 or less. If your total FUTA tax after adjustments (Form 940, line 12) is more than \$500, you must make deposits by electronic funds transfer. See *When Must You Deposit Your FUTA Tax?* in the Instructions for Form 940. Also see sections 11 and 14 of Pub. 15 for more information about deposits.



*Use Form 940-V when making any payment with Form 940. However, if you pay an amount with Form 940 that should've been deposited, you may be subject to a penalty. See Deposit Penalties in section 11 of Pub. 15.*

## Specific Instructions

**Box 1—Employer Identification Number (EIN).** If you don't have an EIN, you may apply for one online. Go to [IRS.gov](http://IRS.gov) and type "EIN" in the search box. You may also apply for an EIN by faxing or mailing Form SS-4 to the IRS. If you haven't received your EIN by the due date of Form 940, write "Applied For" and the date you applied in this entry space.

**Box 2—Amount paid.** Enter the amount paid with Form 940.

**Box 3—Name and address.** Enter your name and address as shown on Form 940.

- Enclose your check or money order made payable to "United States Treasury." Be sure to enter your EIN, "Form 940," and "2016" on your check or money order. Don't send cash. Don't staple Form 940-V or your payment to Form 940 (or to each other).
- Detach Form 940-V and send it with your payment and Form 940 to the address provided in the Instructions for Form 940.

**Note:** You must also complete the entity information above Part 1 on Form 940.



▼ Detach Here and Mail With Your Payment and Form 940. ▼



Form **940-V**

Department of the Treasury  
Internal Revenue Service

## Payment Voucher

OMB No. 1545-0028

**2016**

▶ Don't staple or attach this voucher to your payment.

<p><b>1</b> Enter your employer identification number (EIN).</p>	<p><b>2</b> Enter the amount of your payment. ▶ Make your check or money order payable to "United States Treasury"</p>	Dollars	Cents
<p><b>3</b> Enter your business name (individual name if sole proprietor).</p> <hr/> <p>Enter your address.</p> <hr/> <p>Enter your city, state, and ZIP code or your city, foreign country name, foreign province/county, and foreign postal code.</p>			

**Privacy Act and Paperwork Reduction Act Notice.**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. Chapter 23, Federal Unemployment Tax Act, of Subtitle C, Employment Taxes, of the Internal Revenue Code imposes a tax on employers with respect to employees. This form is used to determine the amount of the tax that you owe. Section 6011 requires you to provide the requested information if you are liable for FUTA tax under section 3301. Section 6109 requires you to provide your identification number. If you fail to provide this information in a timely manner or provide a false or fraudulent form, you may be subject to penalties.

You aren't required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103. However, section 6103 allows or requires the IRS to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose

your tax information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions to administer their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

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

**Recordkeeping** . . . . . 9 hr., 19 min.

**Learning about the law or the form** . . . 1 hr., 23 min.

**Preparing, copying, assembling, and sending the form to the IRS** . . . . . 1 hr., 36 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 940 simpler, we would be happy to hear from you. You can send us comments from [www.irs.gov/formspubs](http://www.irs.gov/formspubs). Click on *More Information* and then click on *Give us feedback*. Or you can send your comments to Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Don't** send Form 940 to this address. Instead, see *Where Do You File?* in the Instructions for Form 940.

# Schedule A (Form 940) for 2016:

860312

## Multi-State Employer and Credit Reduction Information

Department of the Treasury — Internal Revenue Service

OMB No. 1545-0028

See the instructions on page 2. File this schedule with Form 940.

Employer identification number (EIN)   -

Name (not your trade name)

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For each state with a credit reduction rate greater than zero, enter the FUTA taxable wages, multiply by the reduction rate, and enter the credit reduction amount. Don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states don't apply to you, leave them blank.

Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
<input type="checkbox"/> AK	.	x 0.000	.	<input type="checkbox"/> NC	.	x 0.000	.
<input type="checkbox"/> AL	.	x 0.000	.	<input type="checkbox"/> ND	.	x 0.000	.
<input type="checkbox"/> AR	.	x 0.000	.	<input type="checkbox"/> NE	.	x 0.000	.
<input type="checkbox"/> AZ	.	x 0.000	.	<input type="checkbox"/> NH	.	x 0.000	.
<input type="checkbox"/> CA	.	x 0.018	.	<input type="checkbox"/> NJ	.	x 0.000	.
<input type="checkbox"/> CO	.	x 0.000	.	<input type="checkbox"/> NM	.	x 0.000	.
<input type="checkbox"/> CT	.	x 0.000	.	<input type="checkbox"/> NV	.	x 0.000	.
<input type="checkbox"/> DC	.	x 0.000	.	<input type="checkbox"/> NY	.	x 0.000	.
<input type="checkbox"/> DE	.	x 0.000	.	<input type="checkbox"/> OH	.	x 0.000	.
<input type="checkbox"/> FL	.	x 0.000	.	<input type="checkbox"/> OK	.	x 0.000	.
<input type="checkbox"/> GA	.	x 0.000	.	<input type="checkbox"/> OR	.	x 0.000	.
<input type="checkbox"/> HI	.	x 0.000	.	<input type="checkbox"/> PA	.	x 0.000	.
<input type="checkbox"/> IA	.	x 0.000	.	<input type="checkbox"/> RI	.	x 0.000	.
<input type="checkbox"/> ID	.	x 0.000	.	<input type="checkbox"/> SC	.	x 0.000	.
<input type="checkbox"/> IL	.	x 0.000	.	<input type="checkbox"/> SD	.	x 0.000	.
<input type="checkbox"/> IN	.	x 0.000	.	<input type="checkbox"/> TN	.	x 0.000	.
<input type="checkbox"/> KS	.	x 0.000	.	<input type="checkbox"/> TX	.	x 0.000	.
<input type="checkbox"/> KY	.	x 0.000	.	<input type="checkbox"/> UT	.	x 0.000	.
<input type="checkbox"/> LA	.	x 0.000	.	<input type="checkbox"/> VA	.	x 0.000	.
<input type="checkbox"/> MA	.	x 0.000	.	<input type="checkbox"/> VT	.	x 0.000	.
<input type="checkbox"/> MD	.	x 0.000	.	<input type="checkbox"/> WA	.	x 0.000	.
<input type="checkbox"/> ME	.	x 0.000	.	<input type="checkbox"/> WI	.	x 0.000	.
<input type="checkbox"/> MI	.	x 0.000	.	<input type="checkbox"/> WV	.	x 0.000	.
<input type="checkbox"/> MN	.	x 0.000	.	<input type="checkbox"/> WY	.	x 0.000	.
<input type="checkbox"/> MO	.	x 0.000	.	<input type="checkbox"/> PR	.	x 0.000	.
<input type="checkbox"/> MS	.	x 0.000	.	<input type="checkbox"/> VI	.	x 0.018	.
<input type="checkbox"/> MT	.	x 0.000	.				

**Total Credit Reduction.** Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

# Instructions for Schedule A (Form 940) for 2016:

860412

## Multi-State Employer and Credit Reduction Information

### Specific Instructions: Completing Schedule A

**Step 1. Place an "X" in the box of every state (including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) in which you had to pay state unemployment taxes this year, even if the state's credit reduction rate is zero.**

**Note:** Make sure that you have applied for a state reporting number for your business. If you don't have an unemployment account in a state in which you paid wages, contact the state unemployment agency to receive one. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at [www.workforcesecurity.doleta.gov/unemploy/agencies.asp](http://www.workforcesecurity.doleta.gov/unemploy/agencies.asp).

The table below provides the two-letter postal abbreviations used on Schedule A.

State	Postal Abbreviation	State	Postal Abbreviation
Alabama	AL	Montana	MT
Alaska	AK	Nebraska	NE
Arizona	AZ	Nevada	NV
Arkansas	AR	New Hampshire	NH
California	CA	New Jersey	NJ
Colorado	CO	New Mexico	NM
Connecticut	CT	New York	NY
Delaware	DE	North Carolina	NC
District of Columbia	DC	North Dakota	ND
Florida	FL	Ohio	OH
Georgia	GA	Oklahoma	OK
Hawaii	HI	Oregon	OR
Idaho	ID	Pennsylvania	PA
Illinois	IL	Rhode Island	RI
Indiana	IN	South Carolina	SC
Iowa	IA	South Dakota	SD
Kansas	KS	Tennessee	TN
Kentucky	KY	Texas	TX
Louisiana	LA	Utah	UT
Maine	ME	Vermont	VT
Maryland	MD	Virginia	VA
Massachusetts	MA	Washington	WA
Michigan	MI	West Virginia	WV
Minnesota	MN	Wisconsin	WI
Mississippi	MS	Wyoming	WY
Missouri	MO	Puerto Rico	PR
		U.S. Virgin Islands	VI

**Step 2. You're subject to credit reduction if you paid FUTA taxable wages that were also subject to state unemployment taxes in any state listed that has a credit reduction rate greater than zero.**

If you paid FUTA taxable wages that were also subject to state unemployment taxes in any state that is subject to credit reduction, find the line for each state.

In the *FUTA Taxable Wages* box, enter the total FUTA taxable wages that you paid in that state. (The FUTA wage base for all states is \$7,000.) However, don't include in the *FUTA Taxable Wages* box wages that were excluded from state unemployment tax. For example, if you paid \$5,000 in FUTA taxable wages in a credit reduction state but \$1,000 of those wages were excluded from state unemployment tax, report \$4,000 in the *FUTA Taxable Wages* box for that state.

**Note:** Don't enter your state unemployment wages in the *FUTA Taxable Wages* box.

Then multiply the total FUTA taxable wages by the reduction rate.

Enter your total in the *Credit Reduction* box at the end of the line.

### Step 3. Total credit reduction

To calculate the total credit reduction, add up all of the *Credit Reduction* boxes and enter the amount in the *Total Credit Reduction* box.

Then enter the total credit reduction on Form 940, line 11.

### Example 1

You paid \$20,000 in wages to each of three employees in State A. State A is subject to credit reduction at a rate of 0.003 (.3%). Because you paid wages in a state that is subject to credit reduction, you must complete Schedule A and file it with Form 940.

Total payments to all employees in State A . . . . .	\$60,000
Payments exempt from FUTA tax (see the Instructions for Form 940) . . . . .	\$0
Total payments made to each employee in excess of \$7,000 (3 x (\$20,000 - \$7,000)) . . . . .	\$39,000
Total FUTA taxable wages you paid in State A entered in the <i>FUTA Taxable Wages</i> box (\$60,000 - \$0 - \$39,000) . . . . .	\$21,000
Credit reduction rate for State A . . . . .	0.003
Total credit reduction for State A (\$21,000 x 0.003) . . . . .	\$63



**Don't include in the FUTA Taxable Wages box wages in excess of the \$7,000 wage base for each employee subject to state unemployment insurance in the credit reduction state. The credit reduction applies only to FUTA taxable wages that were also subject to state unemployment tax.**

In this case, you would write \$63.00 in the *Total Credit Reduction* box and then enter that amount on Form 940, line 11.

### Example 2

You paid \$48,000 (\$4,000 a month) in wages to Employee A and no payments were exempt from FUTA tax. Employee A worked in State B (not subject to credit reduction) in January and then transferred to State C (subject to credit reduction) on February 1. Because you paid wages in more than one state, you must complete Schedule A and file it with Form 940.

The total payments in State B that aren't exempt from FUTA tax are \$4,000. Since this payment to Employee A doesn't exceed the \$7,000 FUTA wage base, the total FUTA taxable wages paid in State B are \$4,000.

The total payments in State C that aren't exempt from FUTA tax are \$44,000. However, \$4,000 of FUTA taxable wages was paid in State B with respect to Employee A. Therefore, the total FUTA taxable wages with respect to Employee A in State C are \$3,000 (\$7,000 (FUTA wage base) - \$4,000 (total FUTA taxable wages paid in State B)). Enter \$3,000 in the *FUTA Taxable Wages* box, multiply it by the *Reduction Rate*, and then enter the result in the *Credit Reduction* box.

Attach Schedule A to Form 940 when you file your return.