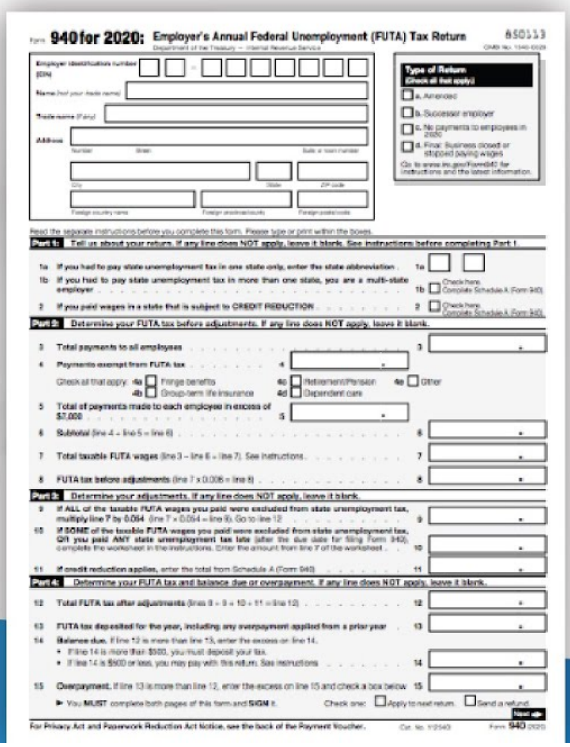
How to fill out FORM 940



Form **940 for 2020:** Employer's Annual Federal Unemployment (FUTA) Tax Return

Department of the Treasury — Internal Revenue Service

650113

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/county Foreign postal code

Type of Return (Check all that apply)

- a. Amended
- b. Successor employer
- c. No payments to employees in 2020
- d. Final: Business closed or stopped paying wages

Go to www.irs.gov/Form940 for instructions and the latest information.

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 4b ☐ Group-term life insurance 4c ☐ Retirement/Pension 4d ☐ Dependent care 4e ☐ Other

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.

Next ▶

For Privacy Act and Paperwork Reduction Act Notice, see the back of the Payment Voucher.

Cat. No. 11234O Form 940 (2020)

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