

**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 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).

## Overview

Employers must use Form 940 to report annual Federal Unemployment Tax Act (FUTA) tax. Together with state unemployment tax systems, the FUTA tax provides funds for paying unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax. Only employers pay FUTA tax. Do not deduct or collect FUTA tax from your employees' wages.

Although Form 940 covers a calendar year, you may have to deposit your FUTA tax before you file your return. If your FUTA tax is more than \$500 for the calendar year, you must deposit at least one quarterly payment.

You must determine when to deposit your tax based on the amount of your quarterly liability. If your FUTA tax is \$500 or less in a quarter, carry it over to the next quarter. Continue carrying your tax liability over until your cumulative tax is more than \$500. At that point, you must deposit your tax for the quarter. Deposit your FUTA tax by the last day of the month after the end of the quarter. If your tax for the next quarter is \$500 or less, you are not required to deposit your tax again until the cumulative amount is more than \$500.

For a detailed explanation of each line, refer to Instructions for [Form 940](#)

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.

Next

Name (not your trade name)	Employer identification number (EIN)
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**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.**

<b>16a 1st quarter</b> (January 1 – March 31)		<b>16a</b>	<input style="width:90%;" type="text"/>		
<b>16b 2nd quarter</b> (April 1 – June 30)		<b>16b</b>	<input style="width:90%;" type="text"/>		
<b>16c 3rd quarter</b> (July 1 – September 30)		<b>16c</b>	<input style="width:90%;" type="text"/>		
<b>16d 4th quarter</b> (October 1 – December 31)		<b>16d</b>	<input style="width:90%;" type="text"/>		
<b>17 Total tax liability for the year</b> (lines 16a + 16b + 16c + 16d = line 17)	<b>17</b>		<input style="width:90%;" type="text"/>		<b>Total must equal line 12.</b>

**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	<input style="width:95%;" type="text"/>	PTIN	<input style="width:95%;" type="text"/>
Preparer's signature	<input style="width:95%;" type="text"/>	Date	<input style="width:60px;" type="text"/> / <input style="width:30px;" type="text"/> / <input style="width:30px;" type="text"/>
Firm's name (or yours if self-employed)	<input style="width:95%;" type="text"/>	EIN	<input style="width:95%;" type="text"/>
Address	<input style="width:95%;" type="text"/>		
City	<input style="width:100px;" type="text"/>	State	<input style="width:100px;" type="text"/>
		ZIP code	<input style="width:100px;" type="text"/>

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