

IRM PROCEDURAL UPDATE

DATE: 01/29/2025

NUMBER: ts-21-0125-0119

SUBJECT: Update Regarding Change in Employment Tax Forms

AFFECTED IRM(s)/SUBSECTION(s): 21.7.2

CHANGE(s):

IRM 21.7.2.2 Added information about discontinued Form 941-SS and Form 94X-PR.

(1) Form 941, Form 943 and Form 944 are filed by employers of individuals to report:

- The amount of federal income tax withheld from the employees' wages
- The employer's and employees' shares of social security and Medicare taxes
- The amount of Additional Medicare Tax (AdMT) withheld from employees' wages (for tax periods after December 31, 2012)
- The amount of any non-refundable Qualified Small Business Payroll Tax Credit for Increasing Research Activities

Note: Social security and Medicare taxes, including Additional Medicare Tax, are collectively referred to as FICA (Federal Insurance Contributions Act) taxes.

(2) Form 945, *Annual Return of Withheld Federal Income Tax*, is filed to report backup withholding (BUWH) and income tax withheld from non-payroll items, such as:

- Pensions
- Annuities
- IRAs (Individual Retirement Accounts)
- Gambling winnings

(3) Form CT-1, *Employer's Annual Railroad Retirement Tax Return*, is filed to report both the employer's and employees' shares of Railroad Retirement Tax Act (RRTA) tax including Additional Medicare Tax (AdMT) withheld from employees' wages (for tax periods after December 31, 2012).

(4) Forms 94XX are used by employers to correct errors made in reporting employment taxes. These forms include Form 941-X, Form 943-X, Form 944-X, Form 945-X and Form CT-1X.

Note: These "X" forms replaced Form 941c, *Supporting Statement to Correct Information* and Form 843, *Claim for Refund or Request for Abatement*, for

employers.

(5) Form 941-SS and Form 94X-PR are no longer available to file for quarters beginning after December 31, 2023. Instead filers of Form 94X-SS or Form 94X-PR will file Form 94X/94X(SP) starting the first quarter of 2024.

IRM 21.7.2.4.4(2) Added Spanish version of forms and removed Form 944-X (PR).

(2) Category codes for these forms are shown in the following table.

Form Filed	Category Code
941-X, 941-X(SP) or 941-X (PR)	941X
943-X, 943-X (SP) or 943-X (PR)	943X
944-X or 944X (SP)	944X
945-X	945X
CT-1 X	CT1X

Note: These forms age 45 days from the IRS received date and are **not** subject to Policy Statement 21-3 (formerly P-6-12) criteria.

IRM 21.7.2.4.4.1(1) Updated table to include Spanish version of Forms 941(SP), Form 943 (SP) and Form 944 (SP). Removed reference to obsolete Form 944-SS and Form 944-PR.

(1) Employers must file the appropriate adjusted employer's federal tax return or claim for refund to request an adjustment or claim a refund of previously reported employment taxes. The following table shows which form must be filed based on the original employment tax return filed and provides a cross-reference to specific processing information.

Return originally filed	Form to File to make corrections	Cross-Reference
Form 941, Form 941(SP) or Form 941-SS	Form 941-X, <i>Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund</i>	IRM 21.7.2.4.5.6
Form 943 or Form 943(SP)	Form 943-X, <i>Adjusted Employer's Annual Tax Return for Agricultural Employees or Claim for Refund</i>	IRM 21.7.2.4.6.3
Form 944 or Form 944(SP)	Form 944-X, <i>Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund</i>	IRM 21.7.2.4.7.4
Form 945	Form 945-X, <i>Adjusted Annual Return of Withheld Federal Income Tax or Claim for Refund</i>	IRM 21.7.2.4.8.1
Form 941-PR	Form 941-X (PR), <i>Adjusted QUARTERLY</i>	IRM 21.7.2.4.5.6

	<i>Federal Tax Return or Claim for Refund (Puerto Rican Version)</i>	
Form 943-PR	Form 943-X (PR), <i>Adjusted Employer's Annual Tax Return for Agricultural Employees or Claim for Refund (Puerto Rican Version)</i>	IRM 21.7.2.4.6.3
Form 944(SP)	Form 944-X (SP), <i>Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund (Spanish Version)</i>	IRM 21.7.2.4.7.4
Form CT-1	Form CT-1X, <i>Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund</i>	IRM 21.7.2.6.5.10

IRM 21.7.2.4.5.6 Updated to include Spanish version of Form 941.

(1) Form 941-X, Form 941(SP), or Form 941-X (PR) is filed to correct income tax withholding and/or FICA tax information (including Additional Medicare Tax). Taxpayers can choose to file either:

- An adjusted employment tax return, or
- A claim

(2) Use the applicable reference numbers to adjust tax, wages, and credits on employment tax returns. The following table shows the valid reference numbers for Form 941-X.

Item Reference Number (IRN)	Explanation
111	Federal income tax withheld from wages, tips, and other compensation (line 7 of Form 941-X - column 4).
004	Taxable social security wages (line 8 of Form 941-X - column 3 plus line 20 of Form 941-X - column 3).
005	Taxable social security tips (line 11 of Form 941-X - column 3).
073	Taxable Medicare wages and tips (line 12 of Form 941-X - column 3 plus line 21 of Form 941-X - column 3).
074	Taxable Wages & tips subject to Additional Medicare Tax withholding (line 13 of Form 941-X - column 3 plus line 22 of Form 941-X - column 3) (valid for tax periods beginning after December 31, 2012).
112	Total social security, Medicare tax, and (for tax periods beginning after December 31, 2012) Additional Medicare Tax.
114	Section 3121(q) Notice and Demand — Tax due on unreported tips (line 14 of Form 941-X - column 4). Only for MFT 01 tax periods 201103 and after.
104	Income tax withheld figured at IRC Section 3509 tax rate on Special addition to wages for federal income tax (line 19 of Form 941-X - column 4).

105	Social security, Medicare taxes, and (for tax periods beginning after December 31, 2012) Additional Medicare taxes figured at IRC Section 3509 tax rates on Special addition to wages for social security taxes, Special addition to wages for Medicare taxes, and Special addition to wages for Additional Medicare Tax (total of lines 20, 21, and 22 from Form 941-X - column 4).
106/107/108	Tax adjustments (line 15 of Form 941-X - column 4). See IRN 113 and Note below table.
113	Total adjustments (total of lines 15, 19, 20, 21, and 22 of Form 941-X - column 4). See IRN 106/107/108 above and Note below table. Reminder: IRN 113 must be used when adjusting IRNs 104 through 108.
119	Qualified Small Business Payroll Tax Credit for Increasing Research Activities (line 16 of Form 941-X - column 4). Note: For ease of reference, this credit is generally referred to as the "QSB Research Credit" throughout this IRM. Caution: For Form 941, IRN 119 is only valid for tax periods 201706 and later.

Note: Use Item reference numbers 106, 107, and 108 to adjust any corrections a taxpayer may have for lines 7, 8, and 9 on Form 941. If Form 941-X does not specify what is actually being corrected, use IRN 107 for total amount on line 13 - column 4. See IRM 21.7.2.4.1, *Item Reference numbers (IRNs) and Credit Reference Numbers (CRNs) - Employment Taxes*, for additional information on IRNs.

Caution: Form 941-X is revised on a regular basis and line numbers for particular adjustment items occasionally change. However, there is no requirement for the taxpayer to use the most current version of Form 941-X. Although line numbers are provided in the table above for easy reference, employees are responsible for ensuring the proper adjustment action is taken based on the form version filed by the taxpayer.

Note: Although CRN 290 is valid for MFT 01, this credit cannot be claimed or adjusted by filing a Form 941-X. This credit is only allowed during the processing of Form 5884-C and Form 5884-D. See IRM 21.7.2.5.15, *Form 5884-C, Work Opportunity Credit for Qualified Tax-Exempt Organizations Hiring Qualified Veterans, and Form 5884-D, Employee Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified Disasters*, for more information.

Caution: See IRM 21.7.2.7.6, *COVID-19 Related Employment Tax Relief and Forms 94XX*, for information on IRN/CRN usage on tax accounts for 2020 and subsequent tax periods.

IRM 21.7.2.4.6.3(1) Updated to include Spanish version of Form 943.

(1) Form 943-X, Form 943-X(SP), or Form 943-X (PR) is filed to correct income tax withholding and/or FICA tax information (including Additional Medicare Tax for tax periods beginning after December 31, 2012) previously reported on Form 943 or Form 943 (PR). Taxpayers can choose to either file:

- An adjusted employment tax return, or
- A claim

IRM 21.7.2.4.7.4 Removed references to Form 944 (PR), Form 944-SS and Form 944-X (PR).

(1) Form 944-X) is filed to correct income tax withholding and/or FICA tax information (including Additional Medicare Tax for tax periods beginning after December 31, 2012) previously reported on Form 944 or Form 944(SP). Taxpayers can choose to either file:

- An adjusted employment tax return, or
- A claim

(2) Refer to the table below for valid item reference numbers for Form 944-X.

Item Reference Number	Explanation
111	Federal income tax withheld from wages, tips, and other compensation (line 7 of Form 944-X - column 4).
004	Taxable social security wages (line 8 of Form 944-X - column 3 plus line 19 of Form 944-X - column 3).
005	Taxable social security tips (line 11 of Form 944-X - column 3).
073	Taxable Medicare wages and tips (line 12 of Form 944-X - column 3 plus line 20 of Form 944-X - column 3).
074	Taxable Wages & tips subject to Additional Medicare Tax withholding (valid for tax periods beginning after December 31, 2012) (line 13 of Form 944-X - column 3 plus line 21 of Form 944-X - column 3).
112	Total social security, Medicare tax, and Additional Medicare Tax (for tax periods beginning after December 31, 2012).
106	Tax adjustments (line 14 of Form 944-X - column 4).
104	Income tax withheld figured at IRC Section 3509 tax rate on Special addition to wages for federal income tax (line 18 of Form 944-X - column 4).
105	Social security, Medicare taxes, and (for tax periods beginning after December 31, 2012) Additional Medicare taxes figured at IRC Section 3509 tax rates on Special addition to wages for social

	security taxes, Special addition to wages for Medicare taxes, and Special addition to wages for Additional Medicare Tax (total of lines 19, 20, and 21 from Form 944-X - column 4).
113	Total adjustments (total of lines 14, 18, 19, 20, and 21 of Form 944-X - column 4). Reminder: IRN 113 must be used when adjusting IRNs 104 through 106.
119	Qualified Small Business Payroll Tax Credit for Increasing Research Activities Note: For ease of reference, this credit is generally referred to as the "QSB Research Credit" throughout this IRM. Caution: For Form 944, IRN 119 is only valid for tax periods 201712 and later.

Caution: See IRM 21.7.2.7.6, *COVID-19 Related Employment Tax Relief and Forms 94XX*, for information on IRN/CRN usage on tax accounts for 2020 and subsequent tax periods.

Caution: Form 944-X is revised on a regular basis and line numbers for particular adjustment items occasionally change. However, there is no requirement for the taxpayer to use the most current version of Form 944-X. Although line numbers are provided in the table above for easy reference, employees are responsible for ensuring the proper adjustment action is taken based on the form version filed by the taxpayer.

Note: See IRM 21.7.2.4.1, *Item Reference Numbers (IRNs) and Credit Reference Numbers (CRNs) - Employment Tax*, for additional requirements with specific item reference numbers.

Caution: Although CRN 290 is valid for MFT 14, this credit cannot be claimed or adjusted by filing a Form 944-X. This credit is only allowed during the processing of Form 5884-C and Form 5884-D. See IRM 21.7.2.5.15, *Form 5884-C, Work Opportunity Credit for Qualified Tax-Exempt Organizations Hiring Qualified Veterans, and Form 5884-D, Employee Retention Credit for Certain Tax-Exempt Organizations Affected by Qualified Disasters*, for more information.

(3) Line 1 of Form 944, wages tips and other compensation, is the equivalent of Line 2 on Form 941. The same considerations and adjustment procedures discussed in IRM 21.7.2.4.5.2, *Line 2, Form 941*, apply to adjustments to Line 1 of Form 944 reported on Form 944-X.