

IRM PROCEDURAL UPDATE

DATE: 12/14/2022

NUMBER: wi-21-1222-1195

SUBJECT: Employment and Railroad Tax Returns

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

IRM 21.7.2.3.3(2) Added wage base information in table for 2023 and removed information for 2013.

(2) Social security taxes are withheld at a combined tax rate of 12.4% (6.2% contributed by the employer and 6.2% contributed by the employee) except as modified by legislation for particular tax years (2010, 2011, and 2012) as described in (3), (4), and (5) below. However, social security taxes are withheld from wages and tips only up to a wage limit. The table below shows the social security wage limits from year to year.

Year	Maximum Amount of Wages
2014	117,000
2015 — 2016	118,500
2017	127,200
2018	128,400
2019	132,900
2020	137,700
2021	142,800
2022	147,000
2023	160,200

IRM 21.7.2.4.6(13) Clarified blocking series guidance in exception.

(13) Blocking series "20" **must** be used when adjusting an account as a result of a Form 941-X, 943-X, 944-X, 945-X or CT-1X being filed.

Note: Blocking series 20 **must** also be used when adjusting accounts per instructions in IRM 21.7.2.4.6.7, *Exception Processing — Incorrect Filing, Including Forms Routed to AM from SP*.

Exception: Blocking series 98 (or blocking series 99 if the original return is attached) must be used when a Form 94XX is being disallowed and blocking series 15 (or blocking series 00 if the original return is attached) must be used when a

Form 94XX is being "no considered". See IRM 21.5.3.4.6, *No Consideration and Disallowance of Claims and Amended Returns*, for additional information.

IRM 21.7.2.6.4.2(3) Added Tier I wage base information in table for 2023 and removed information for 2013.

(3) The Tier I portion equivalent to the social security portion is 6.2% for both employer and employee (12.4% total) except as modified by legislation for particular years (2010, 2011, and 2012) as described in (4), (5), and (6) below. Tier I taxes are withheld from wages and tips only up to a wage limit. The table below shows the Tier I wage limits from year to year.

Tax Year	Taxable Amount
2014	On the first \$117,000
2015 - 2016	On the first \$118,500
2017	On the first \$127,200
2018	On the first \$128,400
2019	On the first \$132,900
2020	On the first \$137,700
2021	On the first \$142,800
2022	On the first \$147,000
2023	On the first \$160,200

IRM 21.7.2.6.4.2(8) Added Tier II wage base and tax rate information in table for 2023 and removed information for 2013.

(8) Tier II tax rates are shown in the table below.

Tax Year	Employer %/Employee %	On the first:
2014	12.6%/4.4%	\$87,000
2015 - 2016	13.1%/4.9%	\$88,200
2017	13.1%/4.9%	\$94,500
2018	13.1%/4.9%	\$95,400
2019	13.1%/4.9%	\$98,700
2020	13.1%/4.9%	\$102,300
2021	13.1%/4.9%	\$106,200
2022	13.1%/4.9%	\$109,200
2023	13.1%/4.9%	\$118,800

IRM 21.7.2.7(11) Updated case assignment numbers.

(11) Specialization of CARES Act and ARP Act COVID-related credit PAPER claims cases within AM. Form 94XX and other paper cases involving claims for COVID-related employment tax credits received within AM will be handled by designated employees (only). To ensure proper tracking and delivery of the cases, employees must take the following actions when such cases are identified:

- **CARES Act Paper Cases — COVID-related credits for tax periods 202103 and earlier:** Claims and related paper correspondence for COVID-related employment tax credits applicable to tax period 202103 and earlier (Employee Retention Credit (ERC) and Credit for Qualified Sick and Family Leave Wages) **received in AM** by employees not designated and trained to work those cases are to be recontrolled with activity code "CARESACT" and reassigned to either IDRS number **0230239468** (CAMC) or **0430489341** (OAMC) as appropriate.
- **ARP Act Paper Cases — COVID-related credits for tax periods 202106 and later:** Claims and related paper correspondence for COVID-related employment tax credits applicable to tax period 202106 and later (Employee Retention Credit (ERC), Credit for Qualified Sick and Family Leave Wages and COBRA Premium Assistance Credit) **received in AM** by employees not designated and trained to work those cases are to be recontrolled with activity code "ET-ARP-ACT" and reassigned to either IDRS number **0230274283** (CAMC) or **0430476726** (OAMC) as appropriate.

Note: Employees who are designated to work cases described above are **not** required to update the cases with the specified activity codes.

Reminder: See (3) in IRM 21.7.2.8, *Deferred Payment of Social Security Taxes for 2020*, for instructions on controlling inquiries and cases involving deferred social security tax.