SSA/IRS

Social Security Administration

Internal Revenue Service

Reporter

Summer 2005

A Newsletter for Employers

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IRS

Department of the Treasury
Internal Revenue Service

www.irs.gov

Publication 1693 (Rev.06-05)
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IRS to Discontinue 941TeleFile

TeleFilers urged to use other IRS *e-file* options

The IRS has announced that it is discontinuing the TeleFile system after the 2005 filing season. The IRS TeleFile program allows the telephone filing of Form 941, *Employer's Quarterly Federal Tax Return*, Form 1040EZ, *Income Tax Return for Single Filers and Joint Filers With No Dependents*, and Form 4868, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*.

The decision to discontinue TeleFile was based on several factors: the steady decline in usage; the expense of the TeleFile system; and, the growth of other electronic filing alternatives.

Those who TeleFile their 2005 second quarter Form 941 return will be sent a paper package for the third quarter. Any filer indicating on a subsequent quarter's return that they filed electronically or used a paid preparer will no longer be sent quarterly 941 mailings.

When does this happen?

- Form 941TeleFile ends August 11, 2005. Note: The system will allow the filing of the second (2nd) quarter Form 941 (for tax period April through June—due July 31, 2005), beginning at 9:00 a.m., July 1, 2005. August 11, 2005 is the last date the 941TeleFile system will be available.
- The 1040EZ TeleFile program ends August 16, 2005.
- Form 4868 (automatic 4-month extension) ends August 16, 2005 (including military filers). TeleFile cannot be used to request an additional 2-month extension using Form 2688.

With the discontinuance of TeleFile, the next reasonable question to ask is, "What do I use now?" There are several electronic alternatives available for 941, 1040EZ, and 4868 filers: *continued on page 2*

Filing W-2s Online – It's Easier Than You Think

Social Security's W-2 Online is the service everyone is talking about this year. It is ideal for companies that need to prepare 20 or fewer W-2s because you can access blank Forms W-2, complete and submit them online. You also can print copies for your employees and your records, and it is easier than you think. A recent survey conducted by an independent research company found that 97 percent of employers who used W-2 Online last year rated it as easy to use. Additionally, 96 percent gave the service an overall rating of good, very good or excellent.

You can use Social Security's W-2C Online if you have corrections to file (W-2C, Corrected Wage and Tax Statement). It has all the features of W-2 Online and you can use it regardless of how you submitted your original W-2 report.

Because you will be using a secure site to file your Forms W-2 or W-2C, you will first need to register for a PIN and password. To get started, go to *http://www.socialsecurity.gov/employer* and select Business Services Online; then select Registration. For more information, or for one-on-one assistance, call 800-772-6270 and ask for the Employer Service Liaison Officer serving your state. SSA

Automate Your 941 FTD Payments

The Electronic Federal Tax Payment System—EFTPS—is the easiest, safest, most convenient way to make your federal business tax payments securely via the Internet or over the phone. And it's free from the U.S. Department of the Treasury.

EFTPS is ideal for making your 941 payments—and all your federal business tax payments. Through the scheduling feature of EFTPS, you can plan your payments up to 120 days in advance, which means you won't miss a deadline.

EFTPS® Electronic Federal Tax Payment System

You can also eliminate the hassles and risks associated with writing a check and taking it to the bank, *and* you receive many more benefits.

- Make your tax payments from home or office, 24 hours a day, 7 days a week.
- If you need to cancel any scheduled payments, you can—anytime up to two business days in advance of the settlement date.
- Make payments weekly, monthly or quarterly.
- Access up to 16 months of your EFTPS payment history online or you may call EFTPS Customer Service to access your payment history by telephone.
- Receive an immediate Acknowledgement Number that can be used as a receipt of the transaction.
- You control initiating your payments. EFTPS uses the highest level of security, so you can be assured your information is protected and no one has access to your account unless you authorize them. When you make payments online, you are required to enter three pieces of unique information; Taxpayer Identification Number, Personal Identification Number, Internet Password. This level of authentication adds to the security of the system.

Consider using EFTPS to schedule your payments in advance to avoid missing a deadline and incurring an IRS penalty. To enroll, visit *www.eftps.gov* or call 800-555-4477. IRS

Payroll Cards

Payroll cards are emerging as a popular wage payment option. Payroll cards offer the employer an avenue to further reduce the need to issue a paper check for wage payments. This can be beneficial for employers that have a significant number of employees without bank accounts ("unbanked" employees). Payroll cards can offer the employer reduced administrative costs and the employee is presented with a convenient means of securing their wage payment.

The IRS has issued no official guidance on payroll cards and treats this system no different than traditional systems of wage payment, such as check, cash, or direct deposit. Employers utilizing payroll cards have the same payroll tax responsibilities and record keeping requirements as with more traditional payment options. As such, an employer's use of payroll cards solely for the payment of wages does not change the fact that the employee has received taxable wage income and the employer is still bound to comply with withholding rules, information reporting requirements, and to file appropriate employment tax returns. If an employer utilizing payroll cards is presented with a wage levy on one of their employees, the employer still has the same legal requirements and responsibilities for transmitting any due funds to the IRS. (As provided for in IRC Section 6331.)

Additional details on wage payments, payroll tax responsibilities and record keeping requirements can be found in Publication 15, *Circular E: Employer's Tax Guide*. Chapter 5 provides information about Wages and other compensation. Similar information can be found at: *http://www.irs.gov/publications/p15/ ar02.html #d0e1001*. Additional information about employment taxes and contact information can also be found at: *http://www.irs.gov/ businesses/small/ content/0,,id=98942,00.html*. Additional information on Payroll Cards can be found at the American Payroll Association's Paycard Portal at: *http://www.payrollannex.org/ paycard/ paycardportal.cfm?pageid=1*. IRS

IRS to Discontinue 941TeleFile continued from page 1

- **IRS *e-file*. Go to *www.irs.gov* and select the e-file logo for a comprehensive list of e-file options.**
- **Taxpayers can check out Free File *http://www.irs.gov/efile/article/0,,id=118986,00.html* for free online filing of their individual income tax returns.**
- **Individual and business taxpayers (and tax professionals) can find out more about IRS *e-file* by logging on to *www.aboutefile.com.***
- **IRS Walk-in Sites are available for taxpayers needing face-to-face help solving individual or business tax problems. For the location nearest them they can check *www.irs.gov* or check their local phone directory.**

There are several options available for small business/self-employed filers as well:

- **e-file for Business and Self-Employed Taxpayers *http://www.irs.gov/efile/article/0,,id=118520,00.html* Electronic filing and payment options for businesses, including employment taxes, information returns, partnerships, corporations, and estates & trusts. Certain large corporations are now required to e-file their returns. (See *http://www.irs.gov/ efile/article/0,,id=133842,00.html*)**
- **Employment Tax e-file System *http://www.irs.gov/ efile/article/0,,id=98368,00.html* The Employment Tax e-file System is available for Authorized IRS *e-file* Providers (*http://www.irs.gov/ efile/article/0,,id=118663,00.html*). Business taxpayers who use a payroll service provider (Reporting Agent) can electronically file Forms 940 and 941 if their service provider offers these services.**
- **IRS *e-file* for Business Providers *http://www.irs.gov/ efile/article/0,,id=118516,00.html* Business taxpayers may find a listing of companies who offer IRS *e-file* for Business products and services. The listing of Approved IRS *e-file* for Business Providers contains addresses and phone numbers including links to their Web sites.**
- **IRS *e-file* for Business Partners *http://www.irs.gov/ efile/lists/0,,id=101242,00.html* The IRS has partnered with various private industry companies to bring you special offers and discounts for using their e-file and payment option products.** IRS

SSA/IRS

Reporter

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Small Business/Self-Employed Communications
600 17th Street, MS:6400 DEN
Denver, CO 80202-2490

e-mail (NOT for change of address):
SSA.IRS.REPORTER@irs.gov

Fax: 303-446-1764

CHANGE OF ADDRESS? OUT OF BUSINESS?

Notify the IRS. Send a letter to the IRS center to which you sent your business returns. Please include your employer Identification Number (EIN).

Cincinnati IRS Center,
Cincinnati, OH 45999

Ogden IRS Center,
Ogden, UT 84201

Outside U.S.:

Philadelphia IRS Center,
Philadelphia, PA 19255.

About Reprinting Articles

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Form 990 e-file

The IRS released its newest electronic form for the tax-exempt community–Form 990-PF, *Return of Private Foundation*, in January 2005.

In February 2004, the IRS released electronic forms for tax-exempt organizations in partnership with software developers, tax professionals and state charity officials, including Form 990, *Return of Organization Exempt from Income Tax*, Form 990-EZ, *Short Return of Organization Exempt from Income Tax*, Form 1120-POL, *U.S. Income Tax Return of Political Organizations*, and Form 8868, *Application for Extension of Time To File an Exempt Organization Return*.

Five software developers currently offer electronic filing options to the Exempt Organization (EO) community for filing year 2005. These developers are CCH, Fast-Tax, Internet Programming & Consulting Inc. (1120POL only), Creative Solutions, and The Urban Institute, who offers free electronic filing over the Internet. You'll find a complete list of Approved IRS *e-file* for Business Providers, including links to each company's Web sites at *http://www.irs.gov/efile/article/0,,id=118516,00.html*. IRS

W-2 News — Subscribe Today!

Do you submit Forms W-2 (Wage and Tax Statement) to Social Security for your business or your clients? If you do, you will want to sign up for *W-2 News* — a free electronic newsletter.

Because your time is valuable, we will issue this newsletter only when important wage reporting information becomes available, such as when:

- **Changes occur in W-2 reporting requirements;**
- **Changes occur in Paper and Electronic Filing Instructions;**
- **The new MMREF and AccuWage become available; or**
- **The Business Services Online Web site opens for business.**

To sign up, just go to *http://www.socialsecurity.gov/employer/w2news*, provide your email address and select Submit. It's that easy.

NOTE: **You will automatically receive this newsletter if you provided your email address when you registered with Business Services Online, or if you indicated in your MMREF Record RA, Submitter Record, that your preferred method of contact was email/Internet.** SSA

IRS Strengthens Withholding Compliance Program; Reduces Paperwork for Employers

Employers will no longer be required to routinely send copies of questionable Forms W-4, Employee's Withholding Allowance Certificate, to the IRS.

In the past, employers had to send to the IRS any Form W-4 claiming more than 10 allowances or claiming complete exemption from withholding if $200 or more in weekly wages was expected. New regulations that eliminate this requirement are effective immediately.

Forms W-4 are still subject to review by the IRS. However, employers will no longer have to submit them to the IRS, unless directed to do so in a written notice to the employer or in future published guidance.

The IRS will use information reported on Forms W-2 to more effectively identify workers with withholding compliance problems. In some cases where a serious under-withholding problem is found to exist for a particular employee, the IRS will notify the employer to withhold income tax from that employee at a more appropriate rate. This new process will also enable the IRS to more effectively address situations in which employees fail to file a federal income tax return.

Publication 919, "How Do I Adjust My Tax Withholding?" and a withholding calculator are available on *www.irs.gov* to help employees determine the proper amount of federal tax withholding. Publication 919 can also be obtained by calling 800-TAX-FORM (829-3676).

The IRS welcomes comments on these new regulations. You can find T.D. 9196 and the proposed regulations (REG-162813-04) in Internal Revenue Bulletin 2005-19 dated May 9, 2005, at www. irs.gov/pub/irs-irbs/irb-05-19.pdf, along with procedures for submitting comments. IRS

IRS is Reducing Mailings to Save Postage and Printing Costs

In an effort to reduce printing costs and postage and eliminate waste of unnecessary forms, the Internal Revenue Service is cutting back on the number of Forms 941, *Employer's Quarterly Federal Tax Return* mailed to taxpayers. Beginning with the 2005 third quarter mailing, any filer who indicates on their previous quarterly return that it was prepared by a preparer will no longer receive the quarterly mailing. Many filers have requested that the IRS stop mailing forms for this reason and until now it was not possible.

In a related move, filers of Form 941 who file electronically will no longer receive the *SSA/IRS Reporter* newsletter in the mail. We encourage you to access either the IRS or SSA Web sites at either *http://www.irs.gov/businesses/small/article/0,,id=109886,00.html* or *http://www.ssa.gov/employer/pub.htm* to keep up with the news and information in this newsletter. If you would like notification that the publication is available, sign up for the Small Business Self Employed e-mail list server newsletter at: *http://www.irs.gov/ businesses/small/page/0,,id=81399,00.html.*

Tax professionals may also sign up for notification of the availability of the *SSA/IRS Reporter* via the *e-News for Tax Professionals* e-mail list server at: *http://www.irs.gov/taxpros/ article/0,,id=98120,00.html*. IRS

New e-file Requirements

On January 12, 2005, the IRS released regulations that require certain tax-exempt organizations to file annual exempt organization returns electronically beginning in 2006. For tax year 2005 returns due in 2006, the regulations require organizations with total assets of $100 million or more to file electronically. The electronic filing requirements only apply to entities that file at least 250 returns, including income tax, excise tax, employment tax, and information returns, during a calendar year. *Example*: If an organization has 245 employees, it must file Form 990, *Return of Organization Exempt From Income Tax*, electronically, because each Form W-2, *Wage and Tax Statement*, and quarterly Form 941 is considered a separate return; therefore, the organization files a total of 251 returns (245 W-2's, four 941's, one 940 and one 990).

Beginning in 2007, private foundations and charitable trusts will be required to file Form 990-PF, *Return of Private Foundation or Section 4947(a) Trust Treated as a Private Foundation*, electronically regardless of their asset size, if they file at least 250 returns. IRS

The 2005 Small Business Resource Guide CD-ROM

The Small Business Resource Guide CD-ROM for 2005 has a new look and enhanced navigation features. This year we have included the IRS Tax Map to help you find forms, publications and instructions by searching on a keyword or topic. This handy, interactive CD includes all of the business tax forms, instructions and publications along with all of the new tax law changes for 2005. In addition, the CD provides a wide variety of Web links to various government agencies, business associations and IRS organizations. Additionally, the "Rate the Product" survey feature is your opportunity to suggest changes for future editions of the Small Business Resource Guide CD. To request a copy of this CD online, visit the SB/SE Web site at: *http://www.irs.gov/businesses/small/article/0,,id=101169,00.html*. IRS

TEST YOUR KNOWLEDGE

Payments to Workers

Situation: **Wallace hung up the phone after talking to the service manager at Willow Oak Motors about a new mechanic, Sarah, who had started in their five-bay repair facility. While Willow Oak Motors treated the other mechanics as employees, Sarah questioned whether she should be classified as an independent contractor due to her extensive experience. The service manager wasn't sure how to proceed and referred the request to Wallace, the office manager.**

Wallace knew that the mechanics at Willow worked regular hours and were paid on a percentage basis of the repair work performed. Willow furnished the service bay, parts, and supplies. The amounts charged for repair work were based on standard guidelines, as were the parts needed and the time for completion. Because of Sarah's experience, she would require less supervision than the other mechanics (repair orders and estimates are checked by the service manager).

Question: **Can Wallace treat the payments to Sarah as being made to an independent contractor?**

Answer: **Sarah is probably an employee of Willow Oak Motors for federal employment tax purposes. In determining whether a worker is an independent contractor or an employee under common law, the relationship between the worker and the business needs to be considered, including all evidence of the degree of control and the degree of independence. These factors fall into three categories – *Behavioral Control*, *Financial Control*, and the *Type of Relationship* of the parties.**

***Behavioral Control* covers facts that show whether the business has a right to direct and control how the work is done (for example, instructions about when, where, and how to accomplish the work). *Financial Control* shows whether the business has a right to control the business aspects of the relationship, including the extent of the worker's investment in the facilities and the extent to which a worker can realize a profit or loss. The type of *Relationship* category includes facts about the employee-type benefits available (insurance, vacation pay, etc.) and the extent to which the services of the worker are a key aspect of the regular business of the company.**

If Wallace wanted the IRS to determine whether or not Sarah was an employee, he could file a Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding*, with the IRS.

For further details and examples regarding the above factors, see Chapter 2 of Publication 15-A. Chapter 1 of Publication 15-A also discusses workers treated as employees by statute for certain employment tax purposes (statutory employees) and situations where a worker may be a statutory nonemployee.

Resources for Additional Information:

***Publication 15-A, Employer's Supplemental Tax Guide – Chapters 1 and 2* (*http://www.irs.gov/pub/irs-pdf/p15a.pdf*)**

***Publication 1779, Independent Contractor or Employee* (*http://www.irs.gov/pub/irs-pdf/p1779.pdf*)**

***Independent Contractors vs. Employees* (*http://www.irs.gov/businesses/small/article/0,,id=99921,00.html*)**

Consider Strategies to Protect Customer and Employee Data

Today, identity theft continues to be one of the fastest growing crimes in the United States. Almost 10 million people – or 4.6 percent of the adult population – were victims of some type of identity theft in 2002. Identity theft cost American businesses approximately $50 billion in 2003. This cost includes the fraudulent creation and use of new financial accounts under an identity-theft victim's name without his or her knowledge, or the misuse of existing financial accounts belonging to them.

Recently there have been significant security breaches at several large and reputable organizations that maintain personal information about individuals, including their social security numbers. These security breaches have generated a great deal of anxiety and attention from the general public, the business community, and lawmakers at both the federal and state levels. The public is deeply concerned as they could spend countless hours and financial resources to clear their good names should identity theft strike them. The business community is worried as the public and government policymakers are casting more scrutiny on them to create or improve safeguards that will truly protect critical customer and employee data that could be used to commit identity theft. Legislators and government regulators are paying more attention to this national problem because victims of identity theft are also voters who are complaining about their identity theft experiences and looking for policy makers to create laws and regulations to help prevent or minimize this insidious problem.

Businesses/employers of all sizes and types must consider proactive measures to protect customer and employee data to minimize the risk of direct revenue losses as well as costs associated with liability for data security breaches. Here are some ideas to consider:

- Determine who within your organization should have access to customer, human resources, payroll, and employment tax data and limit access to those individuals.
- If your organization uses temporary workers, learn how your temporary-worker agency screens the workers it sends you and consider whether to use them for tasks that require access to your sensitive data.
- Evaluate your customer-relationship management, HR, payroll, and/or employment tax software systems for their ability to allow you to systemically limit access to key data elements that are not necessary for viewing by all employees.
- With the help of your information technology department or technology support provider, educate employees on strategies to secure access to your customer, HR, payroll, and employment tax data on desktop and/or laptop personal computers.
- Create a data-privacy task force to include members of your HR, payroll, IT, and marketing/sales departments as well as senior management to address data privacy policies, procedures, and initiatives.

By considering and implementing many of these data privacy and security ideas, you will take the first steps toward minimizing identity theft that could harm the good name and reputation of your customers and employees, and, more importantly, of your own organization.

The American Payroll Association's strong partnership with the IRS and SSA allows it to prepare its many classes and publications with the most accurate and up-to-date information to educate employers. APA actively monitors data privacy and identity theft issues to educate employers about the importance of protecting employee data. More information about the APA is available at *www.americanpayroll.org*. APA

Social Security Requires Electronic W-2 Filing Beginning in Tax Year 2005

If your company now files W-2s with Social Security on magnetic tape or cartridge, you will be required to file electronically beginning in tax year (TY) 2005 (W-2s due in calendar year 2006). Similarly, if your company now files W-2s with Social Security on diskette, you will be required to file electronically starting in TY 2006 (W-2s due in calendar year 2007).

Companies that currently file on magnetic tape, cartridge or diskette format their reports according to Social Security's Magnetic Media Reporting and Electronic Filing format (MMREF).

Filing electronically uses the same MMREF format, so re-programming is not necessary. Follow the same year-end process, up to the point where you copy the W-2 report onto a tape, cartridge or diskette and mail it to Social Security. Instead, log onto the Social Security Web site and upload the file. It's that simple. For security purposes, you will need to register first for a PIN and password, which you may already have since the PIN is required in the RA- Submitter Record in your wage report. Social Security receives more than 230 million W-2s a year. Sixty-five percent of them are now transmitted electronically. Find out why so many businesses choose e-filing. Visit *http://www.socialsecurity.gov/ bso/bsowelcome.htm* today. You'll be glad you did. SSA

IRA and IRA-Based Retirement Plan Information on Free CD/ROM

Does your firm have a SEP or SIMPLE IRA plan? Maybe you could use some help convincing clients or employees to get serious about retirement savings. Or maybe you're interested in learning more about your own IRA.

The IRS has a new CD-ROM containing information about traditional and Roth IRAs along with retirement plans based on IRAs, including SEPs, SARSEPs, and SIMPLE IRA plans. Included on the CD is information from the IRS, Social Security Administration, the Securities and Exchange Commission and other federal agencies about setting up, investing, making withdrawals from and correcting mistakes in operating these powerful retirement savings tools.

You'll also find IRA forms and publications, a calculator for estimating funds needed at retirement, investing tips, video clips and links to other Federal agency Web sites with information useful to you, your clients and your employees. There's also research material related to IRAs — from Code and Regulations to Revenue Procedures, Notices and Announcements — included in a section for tax and benefits professionals.

Order a free copy of Publication 4395, *Individual Retirement Arrangement (IRA) Resource Guide for Small Business Owners* and Individuals CD-ROM, at *http://www.irs.gov/ep* under "Educational Services" or by calling 800-TAX-FORM (800-829-3676). IRS

HELP Telephone Numbers and Web Addresses to Use When You Have Questions:

Internal Revenue Service

Business and Specialty Tax Line
800-829-4933

Electronic Federal Tax Payment System (EFTPS) Hotline
800-555-4477

Employee Plans Taxpayer Assistance Telephone Service
877-829-5500 (toll free)

Employer Identification Number (EIN) Requests
800-829-4933
Monday - Friday, 7:00 a.m. to 10:00 p.m., local time (Pacific time in AK and HI) or *http://www.irs.gov*, key word (upper right) "EIN."

Form 941 and Form 940 Filing On-Line Filling Program / Austin Submission Center
New Toll Free Number for e-Help
866-255-0654
Supports IRS *e-file*, TeleFile and future e-Services customers. Go to *http://www.irs.gov/efile/article/0,,id=118520,00.html* for specifics.

Forms (IRS)
Order at 800-829-3676.

General IRS Tax Law Questions and Account Information
800-829-1040

Information Reporting Program Customer Service Section
866-455-7438 (toll free)
304-263-8700 (non-toll free)
Monday - Friday, 8:30 a.m. to 4:30 p.m., ET.
Telecommunications Devices for the Deaf (TDD) may be reached non-toll free at 304-267-3367.
Taxpayers can contact this unit via e-mail at mccirp@irs.gov.

Information Reporting Program Web Page
http://www.irs.gov/smallbiz

IRS Tax Fax
703-368-9694 (non-toll free)
This service offers faxed topical tax information.

Keywords on IRS.gov
IRS.gov is now using keywords as another way to help makes your visit less taxing! Look for the IRS keywords in its public service, outreach, and other materials for taxpayers and tax professionals. For a current list and more information about IRS keywords, check out *http://www. irs.gov/help/article/0,,id=108258,00.html*.

National Taxpayer Advocate's Help Line
877-777-4778 (toll free)

Retirement Plans Web Page
http://www.irs.gov/ep?

Social Security Tax Questions
Social Security Tax questions should be referred to the IRS at 800-829-1040.

Taxpayer Advocacy Panel
888-912-1227 (toll-free)

Telephone Device for the Deaf (TDD)
800-829-4059

Tele-Tax System
800-829-4477

Child Support Web Site for Employers
http://www.acf.hhs.gov/programs/cse/newhire/employer/home.htm

Social Security Administration

Copy A / Form W-2 Reporting
Questions about wage reporting (submitting Copy A of Form W-2 to SSA) should be referred to the SSA's Employer Reporting Service at 800-772-6270 or e-mailed to employerinfo@socialsecurity.gov.

General SSA Benefit Questions
General Social Security benefit questions should be referred to SSA's Tele Service Center at 800-772-1213.

Corporate e-file Updates

2004 Start-up exceeded IRS Projections for 1120/1120S and extensions

Through March 15, 2005, the first major due date for corporate 1120/1120S returns, *U.S. Corporate Income Tax Return/U.S. Income Tax Return for an S Corporation*, the IRS had received over 142,030 returns and extensions and exceeded their goal.

New e-file Requirements for Large Corporations starting in 2006

Corporations with gross assets of $50 million or more, and which also file at least 250 returns a year, are required to electronically file their returns starting in 2006 (for 2005 returns) under new Treasury Regulations. As noted, the electronic filing requirements for Tax Year 2005 only apply to entities that have assets of $50 million or more and file at least 250 returns, including income tax, excise tax, employment tax, and information returns, during a calendar year. *Example:* If an organization has 245 employees in Tax Year 2005, it must file Form 1120 or 1120-S electronically, if it meets the other criteria (assets $50 million or more) because each Form W-2, *Wage and Tax Statement*, and quarterly Form 941, *Employer's Quarterly Federal Tax Return*, is considered a separate return; therefore, the organization files a total of 250 returns (245 W-2's, four 941's, and one 1120/1120-S).

After the first effective year, the requirement will affect corporations with $10 million or more in gross assets. For more information visit the irs.gov Web site at: *http://www.irs.gov/taxpros/article/0,,id=109646,00.html*.

Future Enhancements — The IRS is building a Fed/State e-file program, which will be able to process 1120 and 990 families for 2006.

If you would like more information on 1120/1120S e-file contact the project by email at 1120@irs.gov. IRS

Own a small business? Have a household worker?

No need to file paper W-2s

File for free on our website

www.socialsecurity.gov/employer

Internal Revenue Service
Small Business/
Self Employed Communications
600 17th Street
MS:6400 DEN
Denver, CO 80202-2490

Official Business
Penalty For Private Use, $300

PRSTD STD
Postage and Fees Paid
IRS
Permit NO. G-48

Cat. No. 35588V

Form **8160-Q**
Department of the Treasury
Internal Revenue Service

Form 941 Tax Package Information

2005

Dear Taxpayer:

In an effort to save the cost of printing and mailing a tax package to electronic filers of Form 941 (that they may not need), we are sending this information as part of the *SSA/IRS Reporter*. This edition is also sent to tax professionals.

If you need forms or instructions, see the information below. For "HELP" telephone numbers and Web addresses, see page 6 of this issue of the *SSA/IRS Reporter*.

Mark W. Everson
Commissioner, Internal Revenue Service

How To Get a Tax Package or Other Forms and Instructions

You can get these items 24 hours a day, 7 days a week, by...

Personal Computer

Go to **www.irs.gov**, select the **Forms and Publications** option and follow the directions or other forms and instructions.

Phone

Call **1-800-TAX-FORM** (1-800-829-3676). You should receive your order within 10 days.