

### **Local Extension Unit Instructions for Form 941**

Extension Units that pay wages subject to income tax withholding or Social Security and Medicare taxes, must file IRS Form 941 Employer's QUARTERLY Federal Tax Return by the end of the month following the end of the quarter. An IRS Form 941 must be filed even if there are no taxes to report for the quarter – unless a final return was filed (for instance, an Extension Council joining an Extension District would file a final IRS Form 941).

Federal tax deposits must be made by electronic funds transfer (Electronic Federal Tax Payment System is a free service provided by the Department of the Treasury). If the total taxes on Form 941 during the look period is less than \$50,000 (for extension units, this determination is made at the beginning of the calendar year, so the look back period is the prior year), the extension unit follows the monthly deposit schedule for the year. Employment taxes on payments made during a month must be deposited by the 15<sup>th</sup> day of the following month.

If the total FORM 941 taxes during the look back period are over \$50,000, then the Semiweekly Deposit schedule applies and employment taxes for payments made on Wednesday, Thursday, and/or Friday must be deposited by the following Wednesday. Deposit taxes for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday. Also, semiweekly schedule depositors must complete Schedule B of the Form 941.

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