

## Employee Retention Tax Credit

# Form 941-X Quick Guide

This quick guide highlights the sections related to the ERTC in the 941-X form.

**Disclaimer:** this guide is only for the ERTC. If you are taking additional credits we advise that you seek the assistance of your accountant or payroll provider.

## Outline

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Part 1 & Part 2

Part 3 Line 26a

Part 3 Line 27

Part 3 Line 33a

Part 3 - Lines 30 & 31a

Part 4 - Line 43

Where to File Your Taxes (for Form 941-X)



Name (not your trade name)	Employer identification number (EIN)	Correcting quarter (1, 2, 3, 4)
		Correcting calendar year (YYYY)

**Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)**

	Column 1 <i>Total corrected amount (for ALL employees)</i>	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
22. Special addition to wages for Additional Medicare Tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
23. Combine the amounts on lines 7 through 22 of Column 4				<input type="text"/>
24. Deferred amount of social security tax* (Form 941 or 941-SS, line 13b)	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
<small>* Use this line to correct the employer deferral for the second quarter of 2020 and the employer and employee deferral for the third and fourth quarters of 2020.</small>				
25. Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (Form 941 or 941-SS, line 13c)	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>
26a. Refundable portion of employee retention credit (Form 941 or 941-SS, line 13d)	<input type="text"/>	<input type="text"/>	<input type="text"/>	See instructions <input type="text"/>

Insert the amount that you are claiming or the refundable portion of ERTC, or the corrected amount if you have filed the ERC beforehand and you have found out that you have miscalculated it.

Insert the amount that was originally reported.

This is simply the difference between the first and the second cell.

**Scenario 1**

				Correcting calendar year (YYYY)
<b>Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)</b>				
	Column 1 <i>Total corrected amount (for ALL employees)</i>	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
25. Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (Form 941 or 941-SS, line 13c)	<input type="text" value=""/>	- <input type="text" value=""/>	= <input type="text" value=""/>	See instructions <input type="text" value=""/>
26a. Refundable portion of employee retention credit (Form 941 or 941-SS, line 13d)	<input type="text" value="3000.00"/>	- <input type="text" value="00.00"/>	= <input type="text" value="3000.00"/>	See instructions <input type="text" value="-3000.00"/>

After we have calculated the credit we have found out that the actual credit amount is 3000.00 (the correct value).

Leave this blank or insert zero as you have never filed for the ERTC before.

So the difference is 3000 - 0 = 3000  
Meaning the IRS owes you \$3000

**Scenario 2**

				Correcting calendar year (YYYY)
<b>Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)</b>				
	Column 1 <i>Total corrected amount (for ALL employees)</i>	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
25. Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (Form 941 or 941-SS, line 13c)	<input type="text"/>	- <input type="text"/>	= <input type="text"/>	See instructions <input type="text"/>
26a. Refundable portion of employee retention credit (Form 941 or 941-SS, line 13d)	3000 .00	- 2500 .00	= 500 .00	See instructions <input type="text" value="-500 .00"/>

After we have calculated the credit we have found out that the actual credit amount is 3000.00 (the correct value).

The amount that you have previously filed for was 2500.00 (the wrongly calculated value)

So the difference is 3000 - 2500 = 500  
Meaning the IRS owes you \$500

**Scenario 3**

				Correcting calendar year (YYYY)
<b>Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)</b>				
	Column 1 <i>Total corrected amount (for ALL employees)</i>	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
25. Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021 (Form 941 or 941-SS, line 13c)	<input type="text" value="."/>	- <input type="text" value="."/>	= <input type="text" value="."/>	See instructions <input type="text" value="."/>
26a. Refundable portion of employee retention credit (Form 941 or 941-SS, line 13d)	<input type="text" value="1200.00"/>	- <input type="text" value="4100.00"/>	= <input type="text" value="-2900.00"/>	See instructions <input type="text" value="2900.00"/>

After we have calculated the credit we have found out that the actual credit amount is 1200.00 (the correct value).

the amount that you have previously filed for was 4100.00 (the wrongly calculated value) if you are filing for the first time leave this blank.

So the difference is 1200 - 4100 = -2900 Meaning that you owe the IRS \$2900

If you are filing for only the ERTC, you need to put the amount of line 26a in line 27 (**Scenario 1**), however, if you are filing for more than the ERTC, line 27 should contain the sum of all the claimed credits (**Scenario 2**).

**Scenario 1**

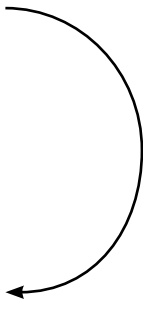
23.	Combine the amounts on lines 7 through 22 of Column 4 . . . . .								
24.	<b>Deferred amount of social security tax*</b> (Form 941 or 941-SS, line 13b)						See instructions		
25.	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021</b> (Form 941 or 941-SS, line 13c)						See instructions		
26a.	<b>Refundable portion of employee retention credit</b> (Form 941 or 941-SS, line 13d)	1200.00	-	4100.00	=	-2900.00	See instructions	2900.00	
26b.	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021</b> (Form 941 or 941-SS, line 13e)						See instructions		
26c.	<b>Refundable portion of COBRA premium assistance credit</b> (Form 941 or 941-SS, line 13f)						See instructions		
27.	<b>Total.</b> Combine the amounts on lines 23 through 26c of Column 4 . . . . .							2900.00	

\* Use this line to correct the employer deferral for the second quarter of 2020 and the employer and employee deferral for the third and fourth quarters of 2020.

**If line 27 is less than zero:**

- If you checked line 1, this is the amount you want applied as a credit to your Form 941 or 941-SS for the tax period in which you're filing this form. (If you're currently filing a Form 944, Employer's ANNUAL Federal Tax Return, see the instructions.)
- If you checked line 2, this is the amount you want refunded or abated.

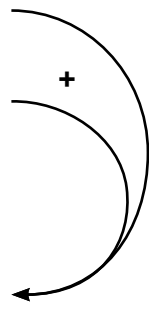
**If line 27 is more than zero, this is the amount you owe.** Pay this amount by the time you file this return. For information on how to pay, see *Amount you owe* in the instructions.





**Scenario 2**

23.	Combine the amounts on lines 7 through 22 of Column 4 . . . . .							
24.	<b>Deferred amount of social security tax*</b> (Form 941 or 941-SS, line 13b)	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>	See instructions	<input type="text"/>
								<small>* Use this line to correct the employer deferral for the second quarter of 2020 and the employer and employee deferral for the third and fourth quarters of 2020.</small>
25.	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken before April 1, 2021</b> (Form 941 or 941-SS, line 13c)	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>	See instructions	<input type="text"/>
26a.	<b>Refundable portion of employee retention credit</b> (Form 941 or 941-SS, line 13d)	<input type="text" value="1200.00"/>	-	<input type="text" value="4100.00"/>	=	<input type="text" value="-2900.00"/>	See instructions	<input type="text" value="2900.00"/>
26b.	<b>Refundable portion of credit for qualified sick and family leave wages for leave taken after March 31, 2021</b> (Form 941 or 941-SS, line 13e)	<input type="text" value="3000.00"/>	-	<input type="text" value="5100.00"/>	=	<input type="text" value="-2100.00"/>	See instructions	<input type="text" value="2100.00"/>
26c.	<b>Refundable portion of COBRA premium assistance credit</b> (Form 941 or 941-SS, line 13f)	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>	See instructions	<input type="text"/>
27.	<b>Total.</b> Combine the amounts on lines 23 through 26c of Column 4 . . . . .							<input type="text" value="5000.00"/>



**If line 27 is less than zero:**

- If you checked line 1, this is the amount you want applied as a credit to your Form 941 or 941-SS for the tax period in which you're filing this form. (If you're currently filing a Form 944, Employer's ANNUAL Federal Tax Return, see the instructions.)
- If you checked line 2, this is the amount you want refunded or abated.

**If line 27 is more than zero, this is the amount you owe.** Pay this amount by the time you file this return. For information on how to pay, see *Amount you owe* in the instructions.

**33a. Qualified Wages Paid March 13 Through March 31, 2020, for the Employee Retention Credit (Use This Line To Correct Only the Second Quarter of 2020)**

If you're correcting the qualified wages paid March 13, 2020, through March 31, 2020, for the employee retention credit that you reported on Form 941, line 24, for the second quarter of 2020, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 2, Step 2, line 2c.

<i>Name (not your trade name)</i>	Employer identification number (EIN)	Correcting quarter
		Correcting calendar year

**Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)**

	<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
	<i>Total corrected amount (for ALL employees)</i>	<i>Amount originally reported or as previously corrected (for ALL employees)</i>	<i>Difference (If this amount is a negative number, use a minus sign.)</i>
<b>33a. Qualified wages paid March 13 through March 31, 2020, for the employee retention credit*</b> (Form 941 or 941-SS, line 24)	<input type="text"/>	- <input type="text"/>	= <input type="text"/>

\* Use line 33a to correct only the second quarter of 2020.

			Correcting calendar year (YYYY)	
<b>Part 3: Enter the corrections for this quarter. If any line doesn't apply, leave it blank. (continued)</b>				
	Column 1 <i>Total corrected amount (for ALL employees)</i>	Column 2 <i>Amount originally reported or as previously corrected (for ALL employees)</i>	Column 3 <i>Difference (If this amount is a negative number, use a minus sign.)</i>	Column 4 <i>Tax correction</i>
		–	=	
<small>Before April 1, 2021 (Form 941 or 941-SS, line 20)</small>				
<b>30. Qualified wages for the employee retention credit</b> <small>(Form 941 or 941-SS, line 21)</small>	<input type="text"/>	– <input type="text"/>	= <input type="text"/>	
<b>31a. Qualified health plan expenses for the employee retention credit</b> <small>(Form 941 or 941-SS, line 22)</small>	<input type="text"/>	– <input type="text"/>	= <input type="text"/>	

Insert the total amount of the qualified wages.

Insert the total amount of qualified wages that the were originally reported.

This is simply the difference between the first and the second cell  
(Column 1 - Column 2 = Column 3)

**Part 4: Explain your corrections for this quarter.**

- 41. Check here if any corrections you entered on a line include both underreported and overreported amounts. Explain both your underreported and overreported amounts on line 43.
- 42. Check here if any corrections involve reclassified workers. Explain on line 43.

43. You must give us a detailed explanation of how you determined your corrections. See the instructions.

[Large ruled area for providing a detailed explanation of corrections]

Line 43 must contain a paragraph about how the credit has been calculated in detail, you could use the Report paragraph on page 6, it describes the calculation methodology for each year, 2020 and 2021, please use them accordingly.

**Part 5: Sign here. You must complete all five pages of this form and sign it.**

Under penalties of perjury, I declare that I have filed an original Form 941 or Form 941-SS and that I have examined this adjusted return or claim, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.



Sign your name here

[Signature line]

Print your name here

[Print name line]

Print your title here

[Print title line]

Date / /

Best daytime phone

**Paid Preparer Use Only**

Check if you're self-employed

Preparer's name

PTIN

Preparer's signature

Date / /

Firm's name (or yours if self-employed)

EIN

Address

Phone

City State

ZIP code

## Where to File Your Taxes (for Form 941-X)

IF you are located in ...	THEN use this address ...
Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Department of the Treasury Internal Revenue Service Cincinnati, OH 45999-0005
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0005
No legal residence or principal place of business in any state	Internal Revenue Service P.O. Box 409101 Ogden, UT 84409
Special Filing Addresses for exempt organizations; federal, state, and local governmental entities; and Indian tribal governmental entities regardless of location	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0005
If you use a private delivery service to send your Form 941-X from any location to the IRS, it should be delivered to:	Ogden – Internal Revenue Submission Processing Center 1973 Rulon White Blvd. Ogden, UT 84201