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This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**Credit for Employer Social Security and Medicare Taxes
Paid on Certain Employee Tips**

Department of the Treasury
Internal Revenue Service

2006
Attachment
Sequence No. **98**

▶ **Attach to your tax return.**

Name(s) shown on return

Identifying number

Note. Claim this credit **only** for social security and Medicare taxes paid by a food or beverage establishment where tipping is customary for providing food or beverages. See the instructions for line 1.

1	Tips received by employees for services on which you paid or incurred employer social security and Medicare taxes during the tax year (see instructions)	1		
2	Tips not subject to the credit provisions (see instructions)	2		
3	Creditable tips. Subtract line 2 from line 1	3		
4	Multiply line 3 by 7.65% (.0765). If you had any tipped employees whose wages (including tips) exceeded \$94,200, see instructions and check here ▶ <input type="checkbox"/>	4		
5	Credit for employer social security and Medicare taxes paid on certain employee tips from partnerships and S corporations.	5		
6	Current year credit. Add lines 4 and 5. Partnerships and S corporations, report this amount on Schedule K; all others, report this amount on Form 3800, line 1j	6		