

***Caution: DRAFT FORM***

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](http://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

▶ Attach to your tax return.

Attachment  
Sequence No. **98**

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.

<b>1</b>	Tips received by employees for services on which you paid or incurred employer social security and Medicare taxes during the tax year (see instructions)		
<b>2</b>	Tips not subject to the credit provisions (see instructions)		
<b>3</b>	Creditable tips. Subtract line 2 from line 1		
<b>4</b>	Multiply line 3 by 7.65% (.0765). If you had any tipped employees whose wages (including tips) exceeded \$102,000, see instructions and check here <input type="checkbox"/>		
<b>5</b>	Credit for employer social security and Medicare taxes paid on certain employee tips from partnerships and S corporations		
<b>6</b>	Add lines 4 and 5. Partnerships and S corporations, report this amount on Schedule K; all others, go to line 7		
<b>7</b>	Credit for employer social security and Medicare taxes paid on certain employee tips included on line 6 from passive activities (see instructions)		
<b>8</b>	Subtract line 7 from line 6		
<b>9</b>	Credit for employer social security and Medicare taxes paid on certain employee tips allowed for 2008 from passive activities (see instructions)		
<b>10</b>	Carryforward of the credit for employer social security and Medicare taxes paid on certain employee tips that originated in a tax year that began after 2006 (see instructions)		
<b>11</b>	Carryback of the credit for employer social security and Medicare taxes paid on certain employee tips from 2009 (see instructions)		
<b>12</b>	Add lines 8 through 11. Report this amount on Form 3800, line 29f		