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Instructions for Form 8935

(Rev. February 2009)



Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

These instructions are to be used to complete Form 8935 to report airline payments made to current and former airline personnel.

General Instructions

Purpose of Form

This form is used to report payments of any money or other property made by commercial airline passenger carriers under Public Law 110-458, sec. 125.

Who Must File


Every commercial passenger airline carrier that pays one or more airline payment amounts, as defined later.

When to File

File Form 8935 within 90 days of the date of making the airline payment(s) to qualified current and former employees. For payments made before December 24, 2008, file Form 8935 by March 23, 2009.

How to File

File all Forms 8935, regardless of quantities, electronically through the Filing Information Returns Electronically (FIRE) System.

To file electronically, you must have software that can  produce a file in the proper format according to the specifications in Announcement 2009-7, I.R.B. 2009-10, available at www.irs.gov/irb/2009-07_IRB/index.html. The FIRE System does not provide a fill-in form option for information return reporting. The FIRE System operates 24 hours a day, 7 days a week. You may access the FIRE System via the Internet at <http://fire.irs.gov>. See Pub. 1220 for more information.

Substitute Statements to Recipients

If you are not using the official IRS form to furnish statements to recipients, see Pub. 1179 for specific rules about providing "substitute" statements to recipients. Generally, a substitute is any statement other than Copy B of the official form. You may develop them yourself or buy them from a private printer. However, the substitutes must comply with the format and content requirements specified in Pub. 1179, available on the IRS website at www.irs.gov.

When to Furnish Forms or Statements

Furnish Form 8935 to recipients within 90 days of the date of making the airline payment(s) to qualified current and former employees. For payments made before December 24, 2008, furnish Form 8935 by March 23, 2009.

Definitions

Airline payment amount. The term airline payment amount means any payment of any money or other property which is payable by a commercial passenger airline carrier to a qualified airline employee under the approval of an order of a Federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, and in respect of the qualified airline employee's interest in a bankruptcy claim against the carrier, any note of the carrier (or amount paid in lieu of a note being issued), or any other fixed obligation of the carrier to pay a lump sum amount.

The amount of such payment shall be determined without regard to any requirement to deduct and withhold tax from such payment under section 3102(a) and 3402(a).

An airline payment amount shall not include any amount payable on the basis of the carrier's future earnings or profits. **Qualified airline employee.** a qualified airline employee is a current or former employee of a commercial passenger airline carrier who was a participant in a defined benefit plan maintained by the carrier which is a plan described in section 401(a) (including a trust exempt from tax under section 501(a)) that was terminated or because subject to the restrictions contained in paragraphs (2) and (3) of section 402(b) of the Pension Protection Act of 2006.

How to Get Tax Help

Information Reporting Customer Service Site. If you have questions about reporting on Form 8935, you may call a toll-free number, 1-866-455-7438. You may use the original telephone number, 304-263-8700 (not toll free). For TTY/TDD equipment, call 304-267-3367 (not toll free).

Other tax-related matters. For other tax information related to business returns or accounts, call 1-800-829-4933.

If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax account questions or to order forms and publications.

Internal Revenue Bulletin. The Internal Revenue Bulletin (IRB), published weekly, contains newly issued regulations, notices, announcements, legislation, court decisions, and other items of general interest. You may find this publication useful to keep you up to date with current developments. See *How To Get Forms, Publications, and Other Assistance* on this page.

Free Tax Services. To find out what services are available, get Pub. 910, IRS Guide to Free Tax Services. It contains lists of free tax information sources, including publications, services, and free tax education and assistance programs. It also has an index of over 100 TeleTax topics (recorded tax information) you can listen to on your telephone.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.

How To Get Forms, Publications, and Other Assistance

Free Tax Services

Mail. You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 days after your request is received.

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61704-6613

Internet. You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov to:

- Access commercial tax preparation and e-file services.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Sign up to receive local and national tax news by email.

DVD for Tax Products. You can order Pub. 1796, IRS Federal Tax Products DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: An electronic research tool and finding aid.
- Tax Law frequently asked questions (FAQs).

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- Tax Topics from the IRS telephone response system.
- Fill-in, print, and save features for most tax forms.
- Internal Revenue Bulletins.
- Toll-free and email technical support.
- The DVD is released twice during the year.
 - The first release will ship the beginning of January.
 - The final release will ship the beginning of March.

Purchase the DVD from National Technical Information Service at www.irs.gov/cdorders for \$30 (no handling fee) or call **1-877-CDFORMS** (1-877-233-6767) toll-free to buy the DVD for \$30 (plus a \$6 handling fee). Price is subject to change.

Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-829-3676 to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call 1-800-829-4059 to order forms and publications.

Evaluating the quality of our telephone services. To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to figure and collect the right amount of tax.

P.L. 110-348, sec 125, require you to file an information return with the IRS and furnish a statement to recipients. Section 6109 and its regulations require you to provide your TIN on what you file.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be subject to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

| | |
|--|--------------------------|
| Recordkeeping | X hr., X min. |
| Learning about the law or the form | X hr. 58 min. |
| Preparing the form | X hr. 24 min. |
| Copying, assembling, and sending the form to the IRS | X hr. 13 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this office. Instead, see *How To File* on page 1.

Specific Instructions

Filer's Name, Identification Number, and Address

Complete the PAYER'S identification box on the front of the Form 8935 with the information indicated, including a telephone number at which recipients may contact personnel knowledgeable of the payment(s) being reported.

The taxpayer identification number (TIN) for filers of information returns, including sole proprietors and nominees/middlemen, is the federal employer identification number (EIN). The filer's name and TIN should be consistent with the name and TIN used on the filer's other tax returns. The name of the filer's paying agent or service bureau must not be used in place of the name of the filer. EINs have nine digits separated by only one hyphen (00-0000000).

If you do not have an EIN, you may apply for one online. Go to the IRS website www.irs.gov and enter keyword "online EIN" in the upper right corner. You may also apply by calling 1-800-829-4933 or by faxing or mailing Form SS-4, Application for Employer Identification Number, to the IRS. See the Instructions for Form SS-4 for more information.


Recipient's Name, Identification Number, and Address

Recipient name. Show the full name and address in the section provided on the information return. Use the last known address in your official records for recipient's address.


TINs. TINs are used to associate and verify amounts you report to the IRS with corresponding amounts on tax returns. Therefore, it is important that you furnish correct names, social security numbers (SSNs) or individual taxpayer identification numbers (ITINs) for recipients on the forms sent to the IRS.

Requesting a recipient's TIN. If the recipient is a U.S. person (including a U.S. resident alien), the IRS suggests that you request the recipient complete Form W-9, Request for Taxpayer Identification Number and Certification, or Form W-9S, Request for Student's or Borrower's Taxpayer Identification Number and Certification, if appropriate. See the Instructions for the Requester of Form W-9 for more information on how to request a TIN.

If the recipient is a foreign person, the IRS suggests that you request the recipient complete the appropriate Form W-8. See the Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

 **U.S. resident aliens who rely on a "saving clause" of a tax treaty are to complete Form W-9, not Form W-8BEN. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens.**

You may be subject to a penalty for an incorrect or missing TIN on an information return. You are required to maintain the confidentiality of information obtained on a Form W-9/W-9S relating to the taxpayer's identity (including SSNs and ITINs), and you may use such information only to comply with the tax laws.

 **If the recipient does not provide a TIN, leave the box for the recipient's TIN blank on the Form 8935. Only one recipient TIN can be entered on the form.**

The TIN for individual recipients of information returns is the SSN or ITIN. SSNs and ITINs have nine digits separated by two hyphens (000-00-0000).

Box 1

Report the total airline payment amount, paid to the recipient, being reported on this form.

Boxes 2a–6a

Report the year(s) in which you made the payment(s).

Boxes 2b–6b

Report the annual amount(s) paid.