

# Worksheet—Line 10

Keep for Your Records



**Before you begin:** Read the *Example* before completing this worksheet.

Use this worksheet to figure your credit if:

- ✓ Some of the wages you paid were excluded from state unemployment tax, OR
- ✓ You paid any state unemployment tax late.

For this worksheet, **do not round your figures.**

Before you can properly fill out this worksheet, you must gather this information:

- Taxable FUTA wages (Form 940, line 7)
- Taxable state unemployment wages
- The experience rates assigned to you by the states where you paid wages
- The amount of state unemployment taxes you paid on time. (*On time* means that you paid the state unemployment taxes by the due date for filing Form 940.) Include any state unemployment taxes you paid on nonemployees who were treated as employees by your state unemployment agency.
- The amount of state unemployment taxes you paid late. (*Late* means after the due date for filing Form 940.)

1. **Maximum allowable credit** — Enter Form 940, line 7 \_\_\_\_\_ x .054 on line 1 \_\_\_\_\_ 1. \_\_\_\_\_  
(Form 940, line 7 x .054 = line 1).

2. **Credit for timely state unemployment tax payments — How much did you pay on time?** 2. \_\_\_\_\_

- If line 2 is **equal to or more than** line 1, **STOP here.** You have completed the worksheet. Leave Form 940, line 10 blank.
- If line 2 is **less than** line 1, continue this worksheet.

3. **Additional credit — Were ALL of your assigned experience rates 5.4% or more?**

- If **yes**, enter zero on line 3. Then go to line 4 of this worksheet.
- If **no**, fill out the computations below. List **ONLY THOSE STATES** for which your assigned experience rate for any part of the calendar year was less than 5.4%.

| State    | Computation rate<br>The difference between 5.4%<br>(.054) and your assigned<br>experience rate (.054 - .XXX<br>(assigned experience rate) =<br>computation rate) |   | Taxable state<br>unemployment wages at<br>assigned experience rate |   | Additional Credit |
|----------|--|---|--|---|-------------------|
| 1. _____ | _____  | x | _____  | = | _____             |
| 2. _____ | _____  | x | _____  | = | _____             |
| 3. _____ | _____  | x | _____  | = | _____             |
| 4. _____ | _____  | x | _____  | = | _____             |
| 5. _____ | _____  | x | _____  | = | _____             |

If you need more lines, use another sheet and include those additional credits in the total.

**Total** \_\_\_\_\_

Enter the total on line 3.

3. \_\_\_\_\_

4. **Subtotal** (line 2 + line 3 = line 4)

4. \_\_\_\_\_

- If line 4 is equal to or more than line 1, **STOP here.** You have completed the worksheet. Leave Form 940, line 10 blank.
- If line 4 is less than line 1, continue this worksheet.

5. **Credit for paying state unemployment taxes late:**

5a. **What is your remaining allowable credit?** (line 1 – line 4 = line 5a) 5a. \_\_\_\_\_

5b. **How much state unemployment tax did you pay late?** 5b. \_\_\_\_\_

5c. **Which is smaller, line 5a or line 5b?** Enter the smaller number here. 5c. \_\_\_\_\_

5d. **Your allowable credit for paying state unemployment taxes late** (line 5c x .90 = line 5d) 5d. \_\_\_\_\_

6. **Your FUTA credit** (line 4 + line 5d = line 6) 6. \_\_\_\_\_

- If line 6 is equal to or more than line 1, **STOP here.** You have completed the worksheet. Leave Form 940, line 10 blank.
- If line 6 is less than line 1, continue this worksheet.

7. **Your adjustment** (line 1 – line 6 = line 7) Enter line 7 from this worksheet on Form 940, line 10. 7. \_\_\_\_\_

**Do not attach this worksheet to your Form 940. Keep it for your records.**