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withholding, reporting, and paying employment taxes. The IRS website, IRS.gov, ...

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The [IRS website](http://www.irs.gov) offers many tax resources for small businesses to help them understand and comply with the law. Products range from online [calculators](#), printable [calendars](#), step-by-step [guides](#) and a series of [educational webinars](#).

Federal law requires most employers to withhold federal taxes from their employees' wages. IRS tools can help small businesses understand some of the requirements for withholding, reporting, and paying employment taxes. The IRS website, IRS.gov,

provides easily accessible [information](#) and guides on what forms employers should

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employers' matching share. In 2013, employers became responsible for withholding the Additional Medicare Tax on wages that exceed a [threshold amount](#). There is no employer match for the Additional Medicare Tax and certain types of [wages](#) and [compensation](#) are not subject to withholding.

Federal Unemployment (FUTA) Tax- Employers report and pay [FUTA tax](#) separately from other taxes. Employees do not pay this tax or have it withheld from their pay. Businesses pay FUTA taxes from their own funds.

Depositing Employment Taxes- Generally, employers pay employment taxes by making federal tax deposits through the [Electronic Federal Tax Payment System](#) (EFTPS). The amount of taxes withheld during a prior one-year period determines when to make the deposits. [Publication 3151-A, The ABCs of FTDs: Resource Guide for Understanding Federal Tax Deposits](#) and the [IRS Tax Calendar for Businesses and Self-Employed](#) are helpful tools.

Failure to make a timely deposit can mean being subject to a [failure-to-deposit](#) penalty of up to 15 percent. But the penalty can be waived if an employer has a history of filing required returns and making tax payments on time. For more information, see the [Penalty Relief Due to First Time Penalty Abatement](#) page on IRS.gov.

Reporting Employment Taxes – Generally, employers [report](#) wages and compensation paid to an employee by filing the [required forms](#) with the IRS. [E-filing](#) Forms 940, 941, 943, 944 and 945 is an easy, secure and accurate way to file employment tax forms. Employers filing quarterly tax returns with an estimated total of \$1,000 or less for the calendar year may now request to file [Form 944 annually](#) instead. At the end of the year, the employer must provide employees with [Form W-2, Wage and Tax Statement](#), to report wages, tips and other compensation. Small businesses file Forms W-2 and [Form W-3, Transmittal of Wage](#)

and [Tax Statements](#), with the Social Security Administration and if required, state or

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