



American Payroll Association

Government Relations • Washington, DC

September 19, 2017

For Distribution to the IRS:
Joseph M. Guillen
Office of National Public Liaison
Joseph.M.Guillen@irs.gov

Re: Electronic capabilities for filing the amended Form 94x series and related forms and schedules

Dear Mr. Guillen:

The American Payroll Association (APA) is requesting electronic filing capabilities for amendments to the Form 94x series, related forms, and corresponding schedules to increase efficiency for both the IRS and employers. Including the principal form and all of the related schedules and forms is important because employers are less likely to file returns electronically if all components of the filing cannot be filed together. This also reduces processing time and the potential for lost information.

The amended forms at issue include the following:

- Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*, and related Schedule A;
- Form 941-X, *Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund*, and related Form 941 Schedules B, D, and R;
- Form 943-X, *Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund*;
- Form 944, *Adjusted Employer's Annual Federal Tax Return or Claim for Refund*; and
- Form 945-X, *Adjusted Annual Return of Withheld Federal Income Tax or Claim for Refund*.

About APA

Established in 1982, APA is a nonprofit professional association serving the interests of more than 20,000 payroll professionals in the United States. APA's primary mission is to educate members and the payroll industry about the best practices associated with paying America's workers while complying with all applicable federal, state, and local laws and regulations.

APA's Government Relations Task Force (GRTF) works with legislative and executive branches at the federal and state levels to assist employers with understanding their legal obligations with significant emphasis on minimizing the administrative burden on government, employers, and individual workers. The GRTF maintains a close working relationship with the IRS to ensure that APA's members receive the latest information about federal tax law changes and that the IRS receives meaningful feedback on its programs, regulations, policies, guidance, and tax forms.

Explanation for APA's request

The accelerated deadline requiring employers to report Forms W-2 to the Social Security Administration (SSA) by January 31 significantly increased the volume of Form W-2c filing, as the SSA reported in July, by more than 35 percent. Because of the increase in Form W-2c filing, the volume of corrected Form 94x series and related forms and schedules filed with the IRS also rose dramatically.

Although an employer can upload a Form W-2c file electronically to the SSA, which is then transmitted electronically to the IRS, the corresponding Form 94x series corrections must be filed on paper with the IRS. The lag time between these two filings (electronic and paper) creates an unnecessary administrative and cost burden for payroll departments and employers.

In addition, paper versions are more difficult for employers to track in terms of when and in what order amended forms are processed by the IRS. The IRS must be able to consume the returns electronically without manual intervention with a date and time stamp to ensure that multiple corrections are entered in the proper order. In this way, electronic filing avoids unnecessary confusion and frustration for both the IRS and employers.

Any form submitted electronically will help reduce the number of paper returns received by the IRS. In turn, this will help reduce the number of duplicate returns that must be sent because they were lost, undelivered, or misplaced. Further, the IRS will be able to see an audit trail of when forms were submitted by an employer. Potentially, electronic filing reduces or eliminates errors including, but not limited to, returns processed out of order, confusion regarding amounts already reported to the IRS, and duplicate submissions. In

addition, employers will have the ability to review and track the processing of tax returns much more effectively. They also will be able to verify if an amended return has been processed. This will help ensure that the most up-to-date tax records and adjustments have been submitted to the IRS.

Thank you for your consideration of APA’s request for electronic capabilities to file the amended Form 94x series, related forms, and schedules. APA understands the limited resources available at the IRS, however, in the long-term, electronic filing will minimize costs. We would be pleased to discuss this further.

Sincerely,

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