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defer the collection and payment of employee payroll taxes has caused confusion and concern among accountants and businesses.

Aug. 13, 2020

a Employee's social security number		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN)		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Locality name

Form W-2 Wage and Tax Statement 2019 Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

The memorandum issued by President Trump mandating the Treasury Department defer the collection and payment of employee payroll taxes has caused confusion and concern among accountants and businesses. The [American Institute of CPAs](#) (AICPA) submitted a letter (attached) to Treasury and the Internal Revenue Service (IRS) in response, requesting additional guidance and clarification and providing specific recommendations.

In the letter, the AICPA requests that Treasury and the IRS provide guidance to

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employees to pay the deferred taxes.

A subsequent announcement by Treasury Secretary Steven Mnuchin indicated that the payroll tax deferral would not be mandatory for employers to implement. "Since the taxes being discussed are those 'imposed on the income of each employee,' a big question we have is whether or not *employees* will have the option to opt in or out of the program," said AICPA Vice President of Taxation, Edward Karl, CPA, CGMA.

"Employees should make the deferral decision and should also be responsible for repayment, however, there are certain questions that need to be considered that taxpayers and businesses need guidance on. For example, what if an employee works more than one job? What if the company goes out of business? What if the employee changes jobs? Employers still have to figure out how to implement this policy, but right now, there are too many unknowns."

Payroll

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