



Ask HR Knowledge: We are hiring seasonal help for the Holiday Season, how do we handle their taxes?

With the holidays around the corner, many employers will be taking advantage of seasonal help. However many employers are confused about how to handle taxes for seasonal and part-time employees.

As an employer, you normally must file a quarterly Form 941 to report your employees' wages and withholding. Each quarter, if you pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or Social Security and Medicare taxes you must file Form 941, although there are some exceptions.

However, seasonal employers don't have a Form 941 for quarters where no wages have been paid and, therefore, there is no tax liability. You will find a line on Form 941 that lets you check a box noting that you are a seasonal employer and thus will not have to file a return for every quarter of the year.

The preprinted label on Form 941 doesn't include the date the quarter ended. You need to enter it yourself when you file the return. The IRS doesn't inquire about unfiled returns if at least one taxable return is filed each year. However, you need to check the seasonal employer box on every Form 941 you file.

Some businesses often need to hire workers on a seasonal or part-time basis for help with things like sporting events, holidays, harvest season or commercial fishing. You even may hire temporary help for fireworks stands. Seasonal work is especially common in the hospitality industry. The IRS also has special guidance on independent contractors and employees, and there are detailed rules for farm workers.

You are required to keep good records so that you can file accurate returns. It's a good idea to keep all receipts, payment information and tax data in one location to make filing your taxes easier.

Do you have part-time or seasonal workers, and have additional questions about tax rules for these employees? Feel free to [contact us](#); we'll help make sure you're on track with state and federal taxing authorities.

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