

Monthly Deposit Schedule

- Deposit taxes for payments made during a month by the 15th day of the following month.
- If a deposit is required to be made on a day that is not a banking day, the deposit is considered timely if it is made by the close of the next banking day.
- Electronic deposits must be initiated by 5:00 on the banking day before the due date.
- Penalties will not be applied for depositing less than 100% of the tax, if both of the following conditions are met.
 - Any deposit shortfall does not exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited.
 - The deposit shortfall is deposited or paid with Form 941 by the due date of the return.
 - In this situation, the shortfall may be paid in with the return, even if the amount is \$2,500 or more.
- If both of the above conditions are not met and the shortfall is paid in with the return, it will be subject to a 10% penalty, in addition to late deposit penalties.
- If the total liability for the quarter is less than \$2,500, it may be paid in with the return, with no penalties.

Semi-weekly Deposit Schedule

- Deposit taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit taxes for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday.
- Semi-weekly schedule depositors have at least three banking days to make a deposit. That is, if any of the three weekdays after the end of a semi-weekly period is a banking holiday, you will have one additional banking day to make the deposit.
- Electronic deposits must be initiated by 5:00 on the banking day before the due date, to be considered timely.

Semi-weekly Deposit Schedule, continued

- If the semi-weekly deposit period spans two quarters and there are payments in both quarters, two separate deposits need to be made. Be sure to indicate the correct quarter, when making each deposit.
- Penalties will not be applied for depositing less than 100% of the tax, if both of the following conditions are met.
 - Any deposit shortfall does not exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited.
 - The deposit shortfall is deposited by the first Wednesday or Friday (whichever comes first) that falls on or after the 15th of the month following the month in which the shortfall occurred.
 - The shortfall may not be paid in with the return. It must be deposited separately.
- If the total liability for the quarter is less than \$2,500, it may be paid in with the return, with no penalties.

\$100,000 Next-Day Deposit Rule

- If you accumulate \$100,000 or more of taxes on any day during a deposit period, you must deposit the tax by the next banking day, whether you are a monthly or semi-weekly depositor.
- For purposes of the \$100,000 rule, do not continue accumulating the tax liability after the end of a deposit period.
 - For example, if a monthly schedule depositor has accumulated a liability of \$95,000 as of September 28 and incurred an additional \$10,000 on October 1, the \$100,000 rule does not apply. Thus, \$95,000 must be deposited by October 15 and \$10,000 begins the accumulation for the new deposit period.
- If you are a monthly schedule depositor and accumulate \$100,000 tax liability on any day, you become a semi-weekly schedule depositor on the next day and remain so for at least the rest of the current and the following calendar year.

Note: New employers are always monthly schedule depositors in the initial payroll year.