

## [UPDATE: IRS Releases Revised Form 941 for Employers' Use in Claiming HIRE Act Tax Exemptions](#)

June 18, 2010 by [Kelley Kaufman](#)

The [Internal Revenue Service](#) ("IRS") recently released a revised [Form 941](#), the Employer's Quarterly Federal Tax Return, and [related instructions](#) to guide eligible employers in claiming the payroll tax exemption offered under the Hiring Incentives to Restore Employment ("HIRE") Act ([H.R. 2847](#)). The HIRE Act offers a tax exemption from having to pay the employer's 6.2% share of social security tax on the wages paid to a qualified employee from March 19, 2010 through December 31, 2010. In order to receive this tax benefit for qualified new hires, employers must claim the exemption on their quarterly federal tax returns, beginning with the second quarter of 2010. The exemption applies to wages paid to qualified employees from March 19, 2010, through December 31, 2010.

President Barack Obama signed the HIRE Act into law on March 18, 2010. As detailed in our blog post, [HIRE Act Provides Employers with Tax Incentives for Hiring and Retaining Qualified Employees](#), the HIRE Act amended the Internal Revenue Code to provide tax incentives for employers to hire unemployed workers. Specifically, the HIRE Act created two new tax benefits for eligible employers: the aforementioned payroll tax exemption for certain new hires, and a tax credit for retaining the qualified new hires. The IRS previously released a sample affidavit form, which employers' qualified hires must complete as part of the qualification process for the tax exemption. The newly-released Form 941 will allow qualifying employers to claim the HIRE Act tax exemption on their Quarterly Tax Returns. Employers must claim the retention tax credit on their 2011 tax returns.

For additional information on the tax benefits offered under the HIRE Act, and related qualifications, visit the [IRS's website](#) to read their Frequently Asked Questions regarding the HIRE Act tax benefits, or contact one of the attorneys in McNees Wallace and Nurick LLC's Labor and Employment Practice Group.

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