

Instructions for Form CT-1X

(Rev. March 2024)

Adjusted Employer's Annual Railroad Retirement Tax Return or Claim for Refund

Volume 2 of 2



Department of the Treasury
Internal Revenue Service

Instruction for Form CT-1X (Rev 03-2024) Catalog Number 58526T
Department of the Treasury Internal Revenue Service www.irs.gov



Visit the Accessibility
Page on IRS.gov

This page intentionally left blank

Multiply the amount in column 3 **by the rate stated on line 7 of the Form CT-1 for the year that you're correcting** and enter the result in column 4. If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 2 Employee compensation decreased. Following *Example—Tier 1 Employer compensation decreased* in the instructions for line 6, the compensation that you counted twice was also Tier 2 Employee compensation. Because you're correcting your 2023 Form CT-1 in this example, use the rate for line 7 (4.9%) shown on that return. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	7,000.00
Column 2 (Form CT-1, line 7)	- 9,000.00
Column 3 (difference)	<hr/> -2,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	-2,000.00
Tax rate (4.9%)	x 0.049
Column 4 (tax correction)	<hr/> -98.00

Be sure to explain the reasons for this correction on line 43.



For purposes of these instructions, all references to "sick pay" mean ordinary sick pay, not "qualified sick leave compensation."

13. Tier 1 Employer Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employer tax you reported on Form CT-1, line 8, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 13 (column 1)

- line 13 (column 2)

line 13 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and enter the result in column 4.

line 13 (column 3)

x 0.062

line 13 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Example—Tier 1 Employer sick pay increased. You reported \$8,000 as Tier 1 Employer sick pay in computing the tax on line 8 of your 2023 Form CT-1. In December 2024, you discover that you overlooked \$1,000 in sick pay for one of your employees. To correct the error, figure the difference on Form CT-1 X as shown.

Column 1 (corrected amount)	9,000.00
Column 2 (Form CT-1, line 8)	- 8,000.00
Column 3 (difference)	<hr/> 1,000.00

Use the difference in column 3 to determine your tax correction.

Column 3 (difference)	1,000.00
Tax rate (6.2%)	x 0.062
Column 4 (tax correction)	<hr/> 62.00

Be sure to explain the reasons for this correction on line 43.

14. Tier 1 Employer Medicare Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employer Medicare tax you reported on Form CT-1, line 9, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 14 (column 1)

- line 14 (column 2)

line 14 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 14 (column 3)

x 0.0145

line 14 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 43.

15. Tier 1 Employee Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employee tax you reported on Form CT-1, line 10, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 15 (column 1)

- line 15 (column 2)

line 15 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.062 (6.2% tax rate) and enter the result in column 4.

line 15 (column 3)

x 0.062

line 15 (column 4)

If the amount in column 3 used a minus sign, also use a minus sign in column 4.

Be sure to explain the reasons for this correction on line 43.

16. Tier 1 Employee Medicare Tax—Sick Pay

If you're correcting the sick pay for the Tier 1 Employee Medicare tax you reported on Form CT-1, line 11, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

line 16 (column 1)

- line 16 (column 2)

line 16 (column 3)

If the amount in column 2 is larger than the amount in column 1, use a minus sign in column 3.

Multiply the amount in column 3 by 0.0145 (1.45% tax rate) and enter the result in column 4.

line 16 (column 3)

x 0.0145

line 16 (column 4)	If the amount in column 3 used a minus sign, also use a minus sign in column 4.
--------------------	---

Be sure to explain the reasons for this correction on line 43.

17. Tier 1 Employee Additional Medicare Tax—Sick Pay

You may use Form CT-1 X to correct errors to Tier 1 Employee Additional Medicare Tax withholding for prior years if the amount reported on Form CT-1, line 12, isn't the amount you actually withheld. This type of error is an administrative error.

If a prior year error was a nonadministrative error, you may correct only the **sick pay** subject to Tier 1 Employee Additional Medicare Tax withholding that was originally

reported on Form CT-1, line 12, or previously corrected on Form CT-1 X. You can't correct the tax reported on Form CT-1, line 12.

For more information on the types of errors that can be corrected on line 17, see the detailed examples in the instructions for line 11, earlier.

18. Tax Adjustments

Don't enter an amount on line 18 unless you need to correct any current year adjustments reported on Form CT-1, line 14. However, if you need to correct sick pay adjustments for prior years reported on Form CT-1, line 14, include the corrections in the calculations of Form CT-1 X, lines 13–17.

Enter the corrected amount for tax adjustments in column 1. Enter the originally reported or previously corrected current year amount from Form CT-1, line 14, in column 2. In column 3, enter the difference between columns 1 and 2.

line 18 (column 1)

- line 18 (column 2)

line 18 (column 3)



You may need to report negative numbers in any column. Make sure that the difference you enter in column 3 accurately represents the change to adjustments originally reported or previously corrected on Form CT-1, line 14.

Copy the amount in column 3 to column 4.
Include any minus sign shown in column 3.

On line 43, describe what you misreported on Form CT-1. Tell us which current year adjustments have changed, that is, fractions of cents; uncollected Tier 1 Employee tax, Tier 1 Employee Medicare tax, or Tier 2 Employee tax on tips; or credits for overpayments of penalty or interest paid on tax for earlier years.



Only use line 18 to correct adjustments for fractions of cents; uncollected Tier 1 Employee tax, Tier 1 Employee Medicare tax, Tier 1 Employee Additional Medicare Tax, and Tier 2 Employee tax on tips; or credits for overpayments of penalty or interest previously reported. File a separate Form CT-1 X for each year being corrected.

19. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021



Form CT-1 X and these instructions use the terms "nonrefundable" and "refundable" when discussing credits. The term "nonrefundable" means the portion of the credit which is limited by law to certain taxes. The term "refundable" means the portion of the credit which is in excess of those taxes.

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form CT-1, line 16, enter the total corrected amount from Worksheet 1, Step 2, line 2j, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave compensation, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4.



Adjustments to the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form CT-1 X, line 19, and adjustments to the refundable portion of the credit are reported on Form CT-1 X, line 24. Adjustments to qualified sick leave compensation and qualified family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form CT-1 X, lines 27 and 29, respectively. Adjustments to qualified health plan expenses allocable to qualified sick leave compensation and qualified family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, are reported on Form CT-1 X, lines 28 and 30, respectively. For corrections to 2020 Form CT-1, line 16, the credit for qualified sick and family leave compensation is only available for compensation paid with respect to leave taken after March 31, 2020, and before

January 1, 2021. For corrections to 2021, 2022, or 2023 Form CT-1, line 16, the credit for qualified sick and family leave compensation is only available for compensation paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2020, and before April 1, 2021. If you're correcting a year before 2020, don't enter any amount on line 19. If you claimed the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, on your original Form CT-1, and you make any corrections on Form CT-1 X for the year to amounts used to figure this credit, you'll need to refigure the amount of the credit using Worksheet 1. You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form CT-1 X. For more information about the credit for qualified sick and family leave compensation, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

Example—Nonrefundable portion of credit for qualified sick and family leave compensation increased. You originally reported a \$1,000 nonrefundable portion of credit for qualified sick and family leave compensation on your 2021 Form CT-1, line 16, but later determined that you understated qualified sick leave compensation eligible for the credit. You use Worksheet 1 to refigure the correct nonrefundable portion of the credit for qualified sick and family leave compensation and you determine that the correct credit is now \$2,000. To correct the error, figure the difference on Form CT-1 X as shown below.

Column 1 (corrected amount)	2,000.00
Column 2 (Form CT-1, line 16)	- 1,000.00
Column 3 (difference)	<hr/> 1,000.00

To properly show the credit increase as a reduction to your balance, enter the positive number in column 3 as a negative number in

column 4. Here is how you would enter the numbers on Form CT-1 X, line 19.

Column 1	Column 2	Column 3	Column 4
(corrected amount)	(Form CT-1, line 16)	(difference)	(tax correction)
2,000.00	1,000.00	1,000.00	-1,000.00

Be sure to explain the reasons for this correction on line 43.

20a. Nonrefundable Portion of Employee Retention Credit

Use line 20a only for corrections to a 2020 or 2021 Form CT-1.

Instructions for Qualified Compensation Paid After March 12, 2020, and Before July 1, 2021

If you're correcting the nonrefundable portion of the employee retention credit for qualified compensation paid after March 12, 2020, and

before July 1, 2021, that you reported on Form CT-1, line 17 (2020) or line 17a (2021), enter the total corrected amount from Worksheet 2, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4, see the instructions for line 19, earlier.

For more information about the employee retention credit for qualified compensation paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See Notice 2021-23, 2021-16 I.R.B. 1113, available at [IRS.gov/irb/2021-16_IRB#NOT-](https://www.irs.gov/irb/2021-16_IRB#NOT-)

[2021-23](#), for more information about the employee retention credit for qualified compensation paid after December 31, 2020, and before July 1, 2021. Also see section IV of Notice 2021-49, 2021-34 I.R.B. 316, available at [IRS.gov/irb/ 2021-34 IRB#NOT-2021-49](#); and [Rev. Proc. 2021-33](#).

Be sure to explain the reasons for this correction on line 43.



For corrections to a 2020 Form CT-1, the employee retention credit is only available for qualified compensation paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form CT-1, the employee retention credit is only available for qualified compensation paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for compensation paid after September 30, 2021, and before

January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified compensation paid after March 12, 2020, and before July 1, 2021, are reported on Form CT-1 X, line 20a, and adjustments to the refundable portion of the credit are reported on Form CT-1 X, line 25a. Adjustments to qualified compensation for the employee retention credit are reported on Form CT-1 X, line 31. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form CT-1 X, line 32. If you claimed the employee retention credit on your original 2020 Form CT-1 or your original 2021 Form CT-1 for qualified compensation paid before July 1, 2021, and you make any corrections on Form CT-1 X for the year to amounts used to figure this credit, you'll need to refigure the amount of the credit using Worksheet 2. You'll also use this worksheet to figure the credit for qualified compensation paid after March 12, 2020, and before July 1, 2021, if

you're claiming the credit for the first time on Form CT-1 X.

Instructions for Qualified Compensation Paid After June 30, 2021, and Before January 1, 2022



The Infrastructure Investment and Jobs Act amends section 3134 of the Internal Revenue Code, as enacted under the ARP, to limit the availability of the employee retention credit in the fourth quarter of 2021 to employers that are recovery startup businesses, as defined in section 3134(c)(5). Thus, for compensation paid after September 30, 2021, and before January 1, 2022, only the compensation paid by recovery startup businesses can be qualified compensation. See the 2021 revision of the Instructions for Form CT-1 for more information about a recovery startup business.

If you're correcting the nonrefundable portion of the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022, that you reported on Form CT-1, line 17a, enter the total corrected amount from Worksheet 4, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 19, earlier.

For more information about the employee retention credit for qualified compensation paid after June 30, 2021, and before January

1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See Notice 2021-65, 2021-51 I.R.B. 880, available at [IRS.gov/2021-51 IRB#NOT-2021-65](#), for modifications to Notice 2021-49.

Be sure to explain the reasons for this correction on line 43.



For corrections to a 2021 Form CT-1, the employee retention credit is only available for qualified compensation paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for compensation paid after September 30, 2021, and before January 1, 2022. Adjustments to the nonrefundable portion of the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022, are reported on Form CT-1 X, line 20a, and adjustments to the refundable portion of the credit are reported on Form CT-

1 X, line 25a. Adjustments to qualified compensation for the employee retention credit are reported on Form CT-1 X, line 31. Adjustments to qualified health plan expenses allocable to the employee retention credit are reported on Form CT-1 X, line 32. If you claimed the employee retention credit on your original 2021 Form CT-1 and you make any corrections on Form CT-1 X to amounts used to figure the credit for qualified compensation paid after June 30, 2021, and before January 1, 2022, you'll need to refigure the amount of the credit using Worksheet 4. You'll also use this worksheet to figure this credit if you're claiming the credit for the first time on Form CT-1 X.

20b. Nonrefundable Portion of Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 17b, enter the total corrected amount from Worksheet 3, Step 2, line 2r, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave compensation, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

For corrections to 2021, 2022 or 2023 Form CT-1, line 17b, the credit for qualified sick and family leave compensation is only available for compensation paid in 2021, 2022, or 2023 with respect to leave taken after

March 31, 2021, and before October 1, 2021. If you're correcting a year before 2021, don't enter any amount on line 20b.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

20c. Nonrefundable Portion of COBRA Premium Assistance Credit

COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021. For more information, see *Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage*

beginning on or before September 30, 2021
under Reminders.



Premium payees that receive an election from an assistance eligible individual are entitled to the COBRA premium assistance credit for premiums not paid during the quarter in which the election is received. See [Notice 2021-31](#) for more information.

If you're correcting the nonrefundable portion of the COBRA premium assistance credit that you reported on Form CT-1, line 17c, enter the total corrected amount from Worksheet 5, Step 2, line 2g, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3

as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

20d. Number of Individuals Provided COBRA Premium Assistance

If you're correcting the number of individuals provided COBRA premium assistance that you reported on Form CT-1, line 17d, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Be sure to explain the reasons for this correction on line 43.

21. Subtotal

Combine the amounts from column 4 on lines 6–20c and enter the result on line 21.

Example. You entered “-500.00” in column 4 of line 6, “-100.00” in column 4 of line 7, and “1,400.00” in column 4 of line 18. Combine these amounts and enter “800.00” in column 4 of line 21.

Line 6	-500.00
Line 7	-100.00
Line 18	+ 1,400.00
	<hr/>
Line 21	800.00

22. Deferred amount of the Tier 1 Employer Tax

Use Form CT-1 X, line 22, if you need to correct the deferred amount of the Tier 1 Employer tax that you reported on your 2020

Form CT-1, line 21. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of Tier 1 Employer tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the Tier 1 Employer tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

If you're filing Form CT-1 X to increase the amount of the Tier 1 Employer tax (Form CT-1 X, line 6) and Tier 1

Employer tax—Sick pay (Form CT-1 X, line 13) on compensation paid on or after March 27, 2020, and before January 1, 2021, so that there is an additional amount of Tier 1 Employer tax that hasn't yet been paid, and hasn't yet been deferred, then you may use Form CT-1 X to increase the amount of the deferred Tier 1 Employer tax originally reported on Form CT-1, line 21. If you're filing Form CT-1 X to decrease the amount of Tier 1 Employer tax on compensation paid on or after March 27, 2020, and before January 1, 2021, so that there is a decrease in the amount of Tier 1 Employer tax that is eligible for deferral, then you must use Form CT-1 X to decrease the amount of the deferred Tier 1 Employer tax originally reported on Form CT-1, line 21, if the decrease in compensation causes the amount you originally deferred to exceed the amount that is now eligible for deferral. Otherwise, you may only correct the amount of the deferred Tier 1 Employer tax if the amount originally reported on Form CT-1,

line 21, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already paid the correct amount of the Tier 1 Employer tax during the payroll tax deferral period, you may not subsequently defer the payment by filing Form CT-1 X. See [IRS.gov/ETD](https://www.irs.gov/ETD) for more information about the interaction of credits and the deferral of employment tax deposits and payments.

The deferred amount of the Tier 1 Employer tax was only available for deposits and payments due on or after March 27, 2020, and before January 1, 2021, as well as deposits and payments due after January 1, 2021, that were required for compensation paid during the applicable period. Generally, 50% of the deferred amounts were required to be paid by December 31, 2021, and the other 50% was required to be paid by December 31, 2022.

Because both December 31, 2021, and December 31, 2022, were nonbusiness days, payments made on the next business day were considered timely. Any payments or deposits you made before December 31, 2021, were first applied against your payment due on December 31, 2021, and then applied against your payment due on December 31, 2022. For more information about the deferral of employment tax deposits and payments, including when the deferral must be paid, go to [IRS.gov/ ETD](https://www.irs.gov/ETD).

Be sure to explain the reasons for any corrections on line 43.

23. Deferred Amount of the Tier 1 Employee Tax

Use Form CT-1 X, line 23, if you need to correct the deferred amount of the Tier 1 Employee tax that you reported on your 2020 Form CT-1, line 22. Enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as

previously corrected by you or the IRS. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, because an increase to the deferred amount of Tier 1 Employee tax defers the payment due, to properly show the amount as a deferral of payment, enter a positive number in column 3 as a negative number in column 4. A decrease to the deferred amount of the Tier 1 Employee tax decreases the payment you can defer and must be shown as a balance due item; therefore, to properly show the amount as a balance due item, enter a negative number in column 3 as a positive number in column 4.

You may only correct the amount of the deferred Tier 1 Employee tax if the amount originally reported on Form CT-1, line 22, isn't the amount you actually deferred (for example, you incorrectly reported the amount that you actually deferred). If you already

paid the correct amount of the Tier 1 Employee tax, you may not subsequently defer the payment by filing Form CT-1 X.

The deferred amount of the Tier 1 Employee tax was only available for compensation of less than \$4,000 paid to an employee in any biweekly pay period (or the equivalent threshold amount for other pay periods) paid on a pay date during the period beginning on September 1, 2020, and ending on December 31, 2020. The due date for withholding and payment of the deferred Tier 1 Employee tax was postponed until the period beginning on January 1, 2021, and ending on December 31, 2021. The employer was liable to pay the deferred Tier 1

Employee tax to the IRS and was required to do so before January 1, 2022, to avoid interest, penalties, and additions to tax on those amounts. Because January 1, 2022, was a nonbusiness day, payments made on January 3, 2022, were considered timely. For

more information about the deferral of employee social security tax, see Notice 202065, 2020-38 I.R.B. 567, available at [IRS.gov/irb/2020-38_IRB#NOT-2020-65](https://www.irs.gov/irb/2020-38_IRB#NOT-2020-65); and Notice 2021-11, 2021-06 I.R.B. 827, available at [IRS.gov/irb/ 2021-06_IRB#NOT-2021-11](https://www.irs.gov/irb/2021-06_IRB#NOT-2021-11).

Be sure to explain the reasons for any corrections on line 43.

24. Refundable Portion of Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the refundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form CT-1, line 23, enter the total corrected amount from Worksheet 1, Step 2, line 2k, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For

more information about the credit for qualified sick and family leave compensation, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

For corrections to 2020 Form CT-1, line 23, the credit for qualified sick and family leave compensation is only available for compensation paid with respect to leave taken after March 31, 2020, and before January 1, 2021. For corrections to 2021, 2022, or 2023 Form CT-1, line 23, the credit for qualified sick and family leave compensation is only available for compensation paid in 2021, 2022, or 2023 with respect to any leave taken after March 31, 2020, and before April 1, 2021. If you're correcting a year before 2020, don't enter any amount on line 24.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3

as a positive number in column 4. For an example of how to report amounts in columns 1–4, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

25a. Refundable Portion of Employee Retention Credit

Use line 25a only for corrections to a 2020 or 2021 Form CT-1.



For corrections to a 2020 Form CT-1, the employee retention credit is only available for qualified compensation paid after March 12, 2020, and before January 1, 2021. For corrections to a 2021 Form CT-1, the employee retention credit is only available for qualified compensation paid after December 31, 2020, and before October 1, 2021, unless the employer was a recovery startup business. An employer that was a recovery startup business could also claim the employee retention credit for compensation

paid after September 30, 2021, and before January 1, 2022.

Instructions for Qualified Compensation Paid After March 12, 2020, and Before July 1, 2021

If you're correcting the refundable portion of the employee retention credit that you reported on Form CT-1, line 24 (2020) or line 24a (2021), for qualified compensation paid after March 12, 2020, and before July 1, 2021, enter the total corrected amount from Worksheet 2, Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified compensation paid after March 12, 2020, and before January 1, 2021, see [Notice 2021-20](#). See [Notice 2021-23](#) for more information about the employee retention credit for qualified compensation paid after December

31, 2020, and before July 1, 2021. Also see section IV of [Notice 2021-49](#), and [Rev. Proc. 2021-33](#).

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4, see the instructions for [line 19](#), earlier.

Be sure to explain the reasons for this correction on line 43.

Instructions for Qualified Compensation Paid After June 30, 2021, and Before January 1, 2022

If you're correcting the refundable portion of the employee retention credit that you reported on Form CT-1, line 24a, for qualified compensation paid after June 30, 2021, and before January 1, 2022, enter the total

corrected amount from Worksheet 4, Step 2, line 2i, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022, see [Notice 2021-49](#) and [Rev. Proc. 2021-33](#). See [Notice 2021-65](#) for modifications to Notice 2021-49.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

25b. Refundable Portion of Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the refundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 24b, enter the total corrected amount from Worksheet 3, Step 2, line 2s, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. For more information about the credit for qualified sick and family leave compensation, go to [IRS.gov/PLC](https://www.irs.gov/PLC).

For corrections to 2021, 2022, or 2023 Form CT-1, line 24b, the credit for qualified sick and family leave compensation is only available for compensation paid in 2021,

2022, or 2023 with respect to leave taken after March 31, 2021, and before October 1, 2021. If you're correcting a year before 2021, don't enter any amount on line 25b.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns 1–4 for an employment tax credit, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

25c. Refundable Portion of COBRA Premium Assistance Credit

COBRA premium assistance was available for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021.

For more information, see *Credit for COBRA premium assistance payments is limited to periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021.* under *Reminders.*

If you're correcting the refundable portion of the COBRA premium assistance credit that you reported on Form CT-1, line 24c, enter the total corrected amount from Worksheet 5, Step 2, line 2h, in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Copy the amount in column 3 to column 4. However, to properly show the amount as a credit or balance due item, enter a positive number in column 3 as a negative number in column 4 or a negative number in column 3 as a positive number in column 4. For an example of how to report amounts in columns

1–4 for an employment tax credit, see the instructions for line 19, earlier.

Be sure to explain the reasons for this correction on line 43.

Corrections to Form CT-1, Line 26

Form CT-1 X doesn't include a line to correct amounts reported on Form CT-1, line 26, for the total advances received from filing Form(s) 7200 for the year. If a discrepancy exists between the amount reported on Form CT-1 and the amount of advance payments issued, the IRS will generally correct the amount reported on Form CT-1, line 26, to match the amount of advance payments issued.

26. Total

Combine the amounts from column 4 on lines 21–25c and enter the result on line 26.

Your credit. If the amount entered on line 26 is less than zero, for example, “-115.00,” you have a credit because you overreported your RRTA taxes.

- If you checked the box on line 1, include this amount on Form CT-1, line 20 (“Total railroad retirement tax deposits”) for the year during which you filed Form CT-1 X. Don’t make any changes to your Record of Railroad Retirement Tax Liability in Part II of Form CT-1 or on Form 945-A, unless you were assessed an FTD penalty. For more information, see the Form 945-A instructions. The amounts reported on the record should reflect your actual tax liability for the period.
- If you checked the box on line 2, you’re filing a claim for refund or abatement of the amount shown.

If your credit is less than \$1, we will send a refund or apply it to your next return only if you ask us in writing to do so.

Amount you owe. If the amount entered on line 26 is a positive number, you must **pay** the amount you owe **by the time you file** Form CT-1 X. You may not use any credit that you show on another Form CT-1 X to pay the amount you owe, even if you filed for the amount you owe and the credit at the same time.

If you owe tax and are filing a timely Form CT-1 X, don't file an amended Form 945-A unless you were assessed an FTD penalty caused by an incorrect, incomplete, or missing Form 945-A. Don't include the tax increase reported on Form CT-1 X on any amended Form 945-A you file.

If you owe tax and are filing a late Form CT-1 X, that is, after the due date for Form CT-1 for the period in which you discovered the error, you must file an amended Form 945-A with the Form CT-1 X. Otherwise, the IRS may assess an "averaged" FTD penalty. The total tax reported on Form 945-A, line M,

must match the corrected tax (Form CT-1, line 19 (line 15 for years before 2020), combined with any correction reported on Form CT-1 X, line 21) for the year, less any previous abatements and interest-free tax assessments.

Payment methods. You may pay the amount you owe on line 26 electronically using the Electronic Federal Tax Payment System (EFTPS) or by a check or money order.

- The preferred method of payment is EFTPS. For more information, go to [EFTPS.gov](https://www.eftps.gov) or call 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and then provide the TRS assistant the 800-555-4477 number above or 800-733-4829. Additional information about EFTPS is also available in Pub. 966.

- If you pay by check or money order, make it payable to "United States Treasury." On your check or money order, be sure to write your EIN, "Form CT-1 X," and the year corrected.

You don't have to pay if the amount you owe is less than \$1.

Lines 27–40

For lines 27–40, you'll only enter amounts in columns 1, 2, and 3. These lines don't have an entry space for column 4 because these adjustments don't directly result in an increase or decrease to your tax. The amounts entered on lines 27–38 are amounts that you use on Worksheets 1–5, as applicable, to figure your credits. If you reported an incorrect amount on lines 30–43 on your original Form CT-1, then you'll use lines 27–40 of Form CT-1 X to report the correction. You'll also use these lines to report amounts if you're claiming any credits for the first time on Form CT-1 X. Use Worksheets 1–

5, as applicable, to refigure your credits based on the corrected amounts reported in column 1. Be sure to explain the reasons for your corrections to lines 27–40 on line 43.

27. Qualified Sick Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the qualified sick leave compensation for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form CT-1, line 30, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported on Form CT-1, line 30, or as previously corrected. In column 3, enter the difference between columns 1 and 2.

Qualified sick leave compensation reported on this line is compensation (determined without regard to the exclusions under section 3231(e)(1)) paid under the Emergency Paid Sick Leave Act (EPSLA) as enacted under the Families First Coronavirus Response Act

(FFCRA) and as amended by the COVID-related Tax Relief Act of 2020. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2a.

28. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the qualified health plan expenses allocable to qualified sick leave compensation for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form CT-1, line 31, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2b.

29. Qualified Family Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the qualified family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, you reported on Form CT-1, line 32, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported on Form CT-1, line 32, or as previously corrected. In column 3, enter the difference between columns 1 and 2. Qualified family leave compensation reported on this line is compensation (determined without regard to the exclusions under section 3231(e)(1)) paid under the Emergency Family and Medical Leave Expansion Act (Expanded FMLA) as enacted under the FFCRA and as amended by the COVID-related Tax Relief Act of 2020. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2e.

30. Qualified Health Plan Expenses Allocable to Qualified Family Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

If you're correcting the qualified health plan expenses allocable to qualified family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, that you reported on Form CT-1, line 33, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 1, Step 2, line 2f.

31. Qualified Compensation for the Employee Retention Credit

Use line 31 only for corrections to a 2020 or 2021 Form CT-1.

If you're correcting the qualified compensation for the employee retention credit that you reported on Form CT-1, line 34, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 2, Step 2, line 2a, for qualified compensation paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on Worksheet 4, Step 2, line 2a, for qualified compensation paid after June 30, 2021, and before January 1, 2022.

32. Qualified Health Plan Expenses for the Employee Retention Credit

Use line 32 only for corrections to a 2020 or 2021 Form CT-1.

If you're correcting the qualified health plan expenses allocable to qualified compensation

for the employee retention credit that you reported on Form CT-1, line 35, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 2, Step 2, line 2b, for qualified health plan expenses allocable to qualified compensation paid after March 12, 2020, and before July 1, 2021. Enter the corrected amount from column 1 on Worksheet 4, Step 2, line 2b, for qualified health plan expenses allocable to qualified compensation paid after June 30, 2021, and before January 1, 2022.

33. Qualified Sick Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the qualified sick leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you

reported on Form CT-1, line 36, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Qualified sick leave compensation reported on this line is compensation (determined without regard to the exclusions under section 3231(e)(1)) paid under the EPSLA as enacted under the FFCRA and amended for purposes of the ARP. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2a.

Be sure to explain the reasons for this correction on line 43.

34. Qualified Health Plan Expenses Allocable to Qualified Sick Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the qualified health plan expenses allocable to qualified sick leave

compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 37, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2b.

Be sure to explain the reasons for this correction on line 43.

35. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Sick Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified sick leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form

CT-1, line 38, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2c.

Be sure to explain the reasons for this correction on line 43.

36. Qualified Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the qualified family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 39, enter the total corrected amount in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Qualified family leave

compensation reported on this line is compensation (determined without regard to the exclusions under section 3231(e)(1)) paid under the Expanded FMLA as enacted under the FFCRA and amended for purposes of the ARP. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2g.

Be sure to explain the reasons for this correction on line 43.

37. Qualified Health Plan Expenses Allocable to Qualified Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the qualified health plan expenses allocable to qualified family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 40, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected.

In column 3, enter the difference between columns 1 and 2. Enter the corrected amount from column 1 on Worksheet 3, Step 2, line 2h.

Be sure to explain the reasons for this correction on line 43.

38. Amounts Under Certain Collectively Bargained Agreements Allocable to Qualified Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

If you're correcting the amounts under certain collectively bargained agreements allocable to qualified family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, that you reported on Form CT-1, line 41, enter the total corrected amount for all employees in column 1. In column 2, enter the amount you originally reported or as previously corrected. In column 3, enter the difference between columns 1 and 2. Enter the corrected amount

from column 1 on Worksheet 3, Step 2, line 2i.

Be sure to explain the reasons for this correction on line 43.



Recovery startup businesses are limited to a maximum employee retention credit of \$50,000 per quarter. Don't enter more than \$50,000 per quarter in total on lines 20a and 25a.

39. If You're Eligible for the Employee Retention Credit in the Third Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business...

Whether you complete line 39 to tell us if you're eligible for the employee retention credit in the third quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form CT-1, line 42.

- If you reported the total of any amounts included on lines 17a and 24a on line 42 for the third quarter on your originally filed 2021 Form CT-1 but that is no longer accurate, explain in detail on line 43 why you no longer think that you're a recovery startup business and the reasons that you still qualify for the employee retention credit.
- If you didn't report the total of any amounts included on lines 17a and 24a on line 42 for the third quarter on your originally filed 2021 Form CT-1 and this still doesn't apply, don't complete line 39.
- If you didn't report the total of any amounts included on lines 17a and 24a for the third quarter on your originally filed 2021 Form CT-1 but you're now claiming the employee retention credit as a recovery startup business, complete line 39 with the total of the corrected amounts

included on Form CT-1 X, lines 20a and 25a.

Recovery startup business. For the third quarter of 2021, a recovery startup business is an employer that:

- Began carrying on a trade or business after February 15, 2020;
- Had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the calendar quarter in which the employee retention credit is claimed; and
- Isn't otherwise eligible for the employee retention credit because business operations weren't fully or partially suspended due to a governmental order or because gross receipts (within the meaning of section 448(c) or, if you're a tax-exempt organization, section 6033) weren't less than 80% of the gross

receipts for the same calendar quarter in calendar year 2019.

40. If You're Eligible for the Employee Retention Credit in the Fourth Quarter of 2021 Solely Because Your Business Is a Recovery Startup Business...

For the fourth quarter of 2021, only a recovery startup business may claim the employee retention credit. Whether you complete line 40 to tell us if you're eligible for the employee retention credit in the fourth quarter of 2021 **solely** because your business is a recovery startup business depends on its applicability and whether you originally reported an amount on your 2021 Form CT-1, line 43.

- If you reported the total of any amounts included on lines 17a and 24a on line 43 for the fourth quarter on your originally filed 2021 Form CT-1 but that is no longer accurate, explain in detail on line 43 why

you no longer think that you're a recovery startup business.

- If you didn't report the total of any amounts included on lines 17a and 24a on line 43 for the fourth quarter on your originally filed 2021 Form CT-1 and this still doesn't apply, don't complete line 40.
- If you didn't report the total of any amounts included on lines 17a and 24a for the fourth quarter on your originally filed 2021 Form CT-1 but you're now claiming the employee retention credit as a recovery startup business, complete line 40 with the total of the corrected amounts included on Form CT-1 X, lines 20a and 25a.

For the fourth quarter of 2021, a recovery startup business is an employer that began carrying on a trade or business after February 15, 2020, and had average annual gross receipts of \$1 million or less for the 3 tax years ending with the tax year before the

calendar quarter in which the employee retention credit is claimed.

Part 4: Explain Your Corrections for the Calendar Year You're Correcting

41. Corrections of Both Underreported and Overreported Amounts

Check the box on line 41 if any corrections you entered on lines 6–20d, 22–25c, or 27–40 in column 3 reflect both underreported and overreported amounts.

Example. If you had an increase to Tier 1 Employer compensation of \$15,000 for Nathan Smith and a decrease to Tier 1 Employer compensation of \$5,000 for Leah Green, you would enter \$10,000 on line 6, column 3. That \$10,000 represents the net change resulting from corrections.

On line 43, you must explain the reason for both the \$15,000 increase and the \$5,000 decrease.

42. Did You Reclassify Any Workers?

Check the box on line 42 if you reclassified any workers to be independent contractors or nonemployees. Also check this box if the IRS (or you) determined that workers you treated as independent contractors or nonemployees should be classified as employees. On line 43, provide a detailed reason why any worker was reclassified.

Return not filed because you didn't treat any workers as employees. If you didn't previously file Form CT-1 because you mistakenly treated all workers as independent contractors or as nonemployees, file a Form CT-1 for each delinquent year.

Write "**Misclassified Employees**" in **bold** letters across the top margin of page 1 of each Form CT-1. Complete Form CT-1 using

the Instructions for Form CT-1. Attach a Form CT-1 X to each Form CT-1. Complete the top of Form CT-1 X, including the date you discovered the error, and provide a detailed explanation on line 43.

43. Explain Your Corrections

Treasury regulations require you to explain in detail the grounds and facts relied upon to support each correction. On line 43, describe in detail each correction you entered in column 4 on lines 6–20d and 22–25c. Also use line 43 to describe corrections made on lines 27–40. If you need more space, attach additional sheets, but be sure to write your name, EIN, “Form CT-1 X,” and the calendar year you’re correcting on the top of each sheet.

You must describe the events that caused the underreported or overreported amounts. Explanations such as “RRTA compensation was overstated,” “administrative/payroll errors were discovered,” or “taxes were not

withheld” are insufficient and may delay the processing of your Form CT-1 X because the IRS may need to ask for a more complete explanation.

Provide the following information in your explanation of each correction.

- Form CT-1 X line number(s) affected.
- Date you discovered the error.
- Difference (amount of the error).
- Cause of the error.

You may report the information in paragraph form. The following paragraph is an example.

“The \$1,000 difference shown in column 3 of lines 6 and 7 was discovered on May 15, 2024, during an internal payroll audit. We discovered that we included \$1,000 of compensation for one of our employees twice. This correction removes the reported compensation that was never paid.”

Part 5: Sign Here

You must complete all five pages of Form CT-1 X and sign it on page 5. If you don't sign, the processing of Form CT-1 X will be delayed.

Who must sign the Form CT-1 X? The following persons are authorized to sign the return for each type of business entity.

- **Sole proprietorship**—The individual who owns the business.
- **Corporation (including a limited liability company (LLC) treated as a corporation)**—The president, vice president, or other principal officer duly authorized to sign.
- **Partnership (including an LLC treated as a partnership) or unincorporated organization**—A responsible and duly authorized partner, member, or officer having knowledge of its affairs.

- **Single-member LLC treated as a disregarded entity for federal income tax purposes**—The owner of the LLC or a principal officer duly authorized to sign.
- **Trust or estate**—The fiduciary.

A duly authorized agent of the taxpayer may also sign Form CT-1 X if a valid power of attorney has been filed.

Alternative signature method. Corporate officers or duly authorized agents may sign Form CT-1 X by rubber stamp, mechanical device, or computer software program. For details and required documentation, see Rev. Proc. 2005-39, 2005-28 I.R.B. 82, available at [IRS.gov/irb/ 2005-28 IRB#RP-2005-39](https://www.irs.gov/irb/2005-28_IRB#RP-2005-39).

Paid Preparer Use Only

A paid preparer must sign Form CT-1 X and provide the information in the *Paid Preparer Use Only* section of Part 5 if the preparer was paid to prepare Form CT-1 X and isn't an employee of the filing entity. Paid preparers must sign paper returns with a manual signature. The preparer must give the

employer the return to file with the IRS and include a copy of the return for the employer's records.

If you're a paid preparer, write your Preparer Tax Identification Number (PTIN) in the space provided. Include your complete address. If you work for a firm, write the firm's name and the EIN of the firm. You can apply for a PTIN online or by filing Form W-12. For more information about applying for a PTIN online, go to [IRS.gov/PTIN](https://www.irs.gov/PTIN). You can't use your PTIN in place of the EIN of the tax preparation firm.

Generally, you're not required to complete this section if you're filing the return as a reporting agent and have a valid Form 8655 on file with the IRS. However, a reporting agent must complete this section if the reporting agent offered legal advice, for example, advising the client on determining whether its workers are employees or independent contractors for federal tax purposes.

Worksheet 1. Adjusted Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2020, and Before April 1, 2021

Keep for Your Records 

You must use this worksheet if you claimed the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, on your original Form CT-1 and you correct any amounts used to figure the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form CT-1 X.

Step 1.		Figure the Tier 1 Employer Tax	
1a	Enter the amount from Form CT-1, line 1 (Tax Column), or, if corrected, enter the amount from Form CT-1 X, line 6, column 1	1a	_____
1b	Enter the amount from Form CT-1, line 8 (Tax Column), or, if corrected, enter the amount from Form CT-1 X, line 13, column 1	1b	_____
1c	Tier 1 Employer tax. Add lines 1a and 1b	1c	_____
Step 2.		Figure the credit for qualified sick and family leave compensation	
2a	Qualified sick leave compensation reported on Form CT-1, line 30, or if corrected, the amount from Form CT-1 X, line 27, column 1	2a	_____
2a(i)	Enter the amount, if any, included on line 2a that is compensation excluded from the definition of compensation under section 3231(e)(1)	2a(i)	_____
2a(ii)	Subtract line 2a(i) from line 2a	2a(ii)	_____
2b	Qualified health plan expenses allocable to qualified sick leave compensation reported on Form CT-1, line 31, or, if corrected, Form CT-1 X, line 28, column 1	2b	_____
2c	Tier 1 Employer Medicare tax on qualified sick leave compensation. Multiply line 2a(ii) by 1.45% (0.0145)	2c	_____
2d	Credit for qualified sick leave compensation. Add lines 2a, 2b, and 2c	2d	_____
2e	Qualified family leave compensation reported on Form CT-1, line 32, or, if corrected, the amount from Form CT-1 X, line 29, column 1	2e	_____
2e(i)	Enter the amount, if any, included on line 2e that is compensation excluded from the definition of compensation under section 3231(e)(1)	2e(i)	_____
2e(ii)	Subtract line 2e(i) from line 2e	2e(ii)	_____
2f	Qualified health plan expenses allocable to qualified family leave compensation reported on Form CT-1, line 33, or, if corrected, the amount from Form CT-1 X, line 30, column 1	2f	_____
2g	Tier 1 Employer Medicare tax on qualified family leave compensation. Multiply line 2e(ii) by 1.45% (0.0145)	2g	_____
2h	Credit for qualified family leave compensation. Add lines 2e, 2f, and 2g	2h	_____
2i	Credit for qualified sick and family leave compensation. Add lines 2d and 2h	2i	_____
2j	Nonrefundable portion of credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021. Enter the smaller of line 1c or line 2i. Enter this amount on Form CT-1 X, line 19, column 1	2j	_____
2k	Refundable portion of credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021. Subtract line 2j from line 2i and enter this amount on Form CT-1 X, line 24, column 1	2k	_____

Worksheet 2. Adjusted Employee Retention Credit for Qualified Compensation Paid After March 12, 2020, and Before January 1, 2021, for a 2020 Form CT-1 or Qualified Compensation Paid After December 31, 2020, and Before July 1, 2021, for a 2021 Form CT-1

Keep for Your Records 

You must use this worksheet if you claimed the employee retention credit for qualified compensation paid after March 12, 2020, and before January 1, 2021, on your original 2020 Form CT-1 or for qualified compensation paid after December 31, 2020, and before July 1, 2021, on your original 2021 Form CT-1 and you correct any amounts used to figure the employee retention credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form CT-1 X.

Step 1. Figure the Tier 1 Employer Tax

1a	If you completed Worksheet 1 to claim a credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021, and you're also claiming the employee retention credit, enter the amount from Worksheet 1, Step 1, line 1c, and go to Step 2. Otherwise, complete lines 1b–1d below and then go to Step 2	1a	
1b	Enter the amount from Form CT-1, line 1 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 6, column 1	1b	
1c	Enter the amount from Form CT-1, line 8 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 13, column 1	1c	
1d	Tier 1 Employer tax. Combine lines 1b and 1c	1d	

Step 2. Figure the employee retention credit for qualified compensation paid after March 12, 2020, and before July 1, 2021

Caution: For qualified compensation paid before January 1, 2021, the cumulative total for 2020 that can be claimed on lines 2a and 2b can't exceed \$10,000 per employee. For qualified compensation paid after December 31, 2020, and before July 1, 2021, the total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the first quarter and the second quarter of 2021 (\$20,000 in total for purposes of this worksheet).

2a	Qualified compensation (excluding qualified health plan expenses) for the employee retention credit for qualified compensation paid after March 12, 2020, and before January 1, 2021, for a 2020 Form CT-1 or qualified compensation paid after December 31, 2020, and before July 1, 2021, for a 2021 Form CT-1 (this qualified compensation is included in the total reported on Form CT-1, line 34, or, if corrected, Form CT-1 X, line 31, column 1)	2a	
2b	Qualified health plan expenses allocable to qualified compensation for the employee retention credit for qualified compensation paid after March 12, 2020, and before January 1, 2021, for a 2020 Form CT-1 or qualified compensation paid after December 31, 2020, and before July 1, 2021, for a 2021 Form CT-1 (these qualified health plan expenses are included in the total reported on Form CT-1, line 35, or, if corrected, Form CT-1 X, line 32, column 1)	2b	
2c	Add lines 2a and 2b	2c	
2d	Retention credit. If you're correcting your 2020 Form CT-1, multiply line 2c by 50% (0.50). If you're correcting your 2021 Form CT-1, multiply line 2c by 70% (0.70)	2d	
2e	Enter the amount of the Tier 1 Employer tax from Step 1, line 1a, or, if applicable, Step 1, line 1d	2e	
2f	Enter the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2020, and before April 1, 2021 (this amount may come from Worksheet 1, Step 2, line 2j, in these instructions if you're correcting that credit for the year or you may need to enter the credit claimed on your original Form CT-1)	2f	
2g	Subtract line 2f from line 2e	2g	
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form CT-1 X, line 20a, column 1	2h	
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form CT-1 X, line 25a, column 1	2i	

Worksheet 3. Adjusted Credit for Qualified Sick and Family Leave Compensation for Leave Taken After March 31, 2021, and Before October 1, 2021

Keep for Your Records 

You must use this worksheet if you claimed the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, on your original Form CT-1 and you correct any amounts used to figure the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form CT-1 X.

Step 1.

Figure the Tier 1 Employer Medicare Tax

1a

Enter the amount from Form CT-1, line 2 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 7, column 1

1a

1b

Enter the amount from Form CT-1, line 9 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 14, column 1

1b

1c

Tier 1 Employer Medicare tax. Add lines 1a and 1b

1c

Step 2.

Figure the credit for qualified sick and family leave compensation

2a

Qualified sick leave compensation for leave taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 36, or, if corrected, the amount from Form CT-1 X, line 33, column 1

2a

2a(i)

Enter the amount, if any, included on line 2a that is compensation excluded from the definition of compensation under section 3231(e)(1)

2a(i)

2a(ii)

Subtract line 2a(i) from line 2a

2a(ii)

2a(iii)

Enter the amount, if any, included on line 2a that was not included as compensation on Form CT-1, lines 1, 4, 8, and 10, or, if corrected, on Form CT-1 X, lines 6, 9, 13, and 15, because the qualified sick leave compensation was limited by the Tier 1 compensation base

2a(iii)

2a(iv)

Subtract line 2a(iii) from line 2a(ii)

2a(iv)

2b

Qualified health plan expenses allocable to qualified sick leave compensation taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 37, or, if corrected, the amount from Form CT-1 X, line 34, column 1

2b

2c

Amounts under certain collectively bargained agreements allocable to qualified sick leave compensation for leave taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 38, or, if corrected, the amount from Form CT-1 X, line 35, column 1

2c

2d

Tier 1 Employer tax on qualified sick leave compensation. Multiply line 2a(iv) by 6.2% (0.062)

2d

2e

Tier 1 Employer Medicare tax on qualified sick leave compensation. Multiply line 2a(ii) by 1.45% (0.0145)

2e

2f

Credit for qualified sick leave compensation. Add lines 2a, 2b, 2c, 2d, and 2e

2f

2g

Qualified family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 39, or, if corrected, the amount from Form CT-1 X, line 36, column 1

2g

2g(i)

Enter the amount, if any, included on line 2g that is compensation excluded from the definition of compensation under section 3231(e)(1)

2g(i)

2g(ii)

Subtract line 2g(i) from line 2g

2g(ii)

2g(iii)

Enter the amount, if any, included on line 2g that was not included as compensation on Form CT-1, lines 1, 4, 8, and 10, or, if corrected, on Form CT-1 X, lines 6, 9, 13, and 15, because the qualified family leave compensation was limited by the Tier 1 compensation base

2g(iii)

2g(iv)

Subtract line 2g(iii) from line 2g(ii)

2g(iv)

2h

Qualified health plan expenses allocable to qualified family leave compensation taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 40, or, if corrected, the amount from Form CT-1 X, line 37, column 1

2h

2i

Amounts under certain collectively bargained agreements allocable to qualified family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, reported on Form CT-1, line 41, or, if corrected, the amount from Form CT-1 X, line 38, column 1

2i

2j

Tier 1 Employer tax on qualified family leave compensation. Multiply line 2g(iv) by 6.2% (0.062)

2j

2k

Tier 1 Employer Medicare tax on qualified family leave compensation. Multiply line 2g(ii) by 1.45% (0.0145)

2k

2l

Credit for qualified family leave compensation. Add lines 2g, 2h, 2i, 2j, and 2k

2l

2m

Credit for qualified sick and family leave compensation. Add lines 2f and 2l

2m

2n

Enter any employee retention credit claimed under section 2301 of the CARES Act with respect to qualified compensation paid after March 31, 2021, and before July 1, 2021, that was also taken into account for the credit for qualified sick and family leave compensation

2n

2o

Enter any credit claimed under section 41 for increasing research activities with respect to any compensation taken into account for the credit for qualified sick and family leave compensation

2o

2p

Add lines 2n and 2o

2p

2q

Credit for qualified sick and family leave compensation after adjusting for other credits. Subtract line 2p from line 2m

2q

2r

Nonrefundable portion of credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021. Enter the smaller of line 1c or line 2q. Enter this amount on Form CT-1 X, line 20b, column 1

2r

2s

Refundable portion of credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021. Subtract line 2r from line 2q and enter this amount on Form CT-1 X, line 25b, column 1

2s

Worksheet 4. Adjusted Employee Retention Credit for Qualified Compensation Paid After June 30, 2021, and Before January 1, 2022

Keep for Your Records 

You must use this worksheet if you claimed the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022, on your original 2021 Form CT-1 and you correct any amounts used to figure the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form CT-1 X.

Step 1. Figure the Tier 1 Employer Medicare Tax

1a	If you completed Worksheet 3 to claim a credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021, and you're also claiming the employee retention credit, enter the amount from Worksheet 3, Step 1, line 1c, and go to Step 2. Otherwise, complete lines 1b–1d below and then go to Step 2	1a	
1b	Enter the amount from Form CT-1, line 2 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 7, column 1	1b	
1c	Enter the amount from Form CT-1, line 9 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 14, column 1	1c	
1d	Tier 1 Employer Medicare tax. Combine lines 1b and 1c	1d	

Step 2. Figure the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022

Caution: You must be a recovery startup business to claim the employee retention credit for qualified compensation paid after September 30, 2021, and before January 1, 2022 (fourth quarter 2021). The total amount included on lines 2a and 2b is limited to a maximum of \$10,000 per employee in each of the third quarter and the fourth quarter of 2021 (\$20,000 in total for purposes of this worksheet).

2a	Qualified compensation (excluding qualified health plan expenses) for the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022 (this qualified compensation is included in the total reported on Form CT-1, line 34, or if corrected, Form CT-1 X, line 31, column 1)	2a	
2b	Qualified health plan expenses allocable to qualified compensation for the employee retention credit for qualified compensation paid after June 30, 2021, and before January 1, 2022 (these qualified health plan expenses are included in the total reported on Form CT-1, line 35, or if corrected, Form CT-1 X, line 32, column 1)	2b	
2c	Add lines 2a and 2b	2c	
2d	Retention credit. Multiply line 2c by 70% (0.70). If you qualify for the employee retention credit solely because your business is a recovery startup business, don't enter more than \$50,000 for each of the third quarter and the fourth quarter of 2021 (\$100,000 in total for the year)	2d	
2e	Enter the amount of the Tier 1 Employer Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1d	2e	
2f	Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form CT-1)	2f	
2g	Subtract line 2f from line 2e	2g	
2h	Nonrefundable portion of employee retention credit. Enter the smaller of line 2d or line 2g. Enter this amount on Form CT-1 X, line 20a, column 1	2h	
2i	Refundable portion of employee retention credit. Subtract line 2h from line 2d and enter this amount on Form CT-1 X, line 25a, column 1	2i	

Worksheet 5. Adjusted COBRA Premium Assistance Credit

Keep for Your Records 

You must use this worksheet if you claimed the COBRA premium assistance credit on your original Form CT-1 and you correct any amounts used to figure the COBRA assistance credit. You'll also use this worksheet to figure this credit if you're claiming it for the first time on Form CT-1 X.

Step 1.

Figure the Tier 1 Employer Medicare Tax

1a

If you completed Worksheet 3 or Worksheet 4, and you're also claiming the COBRA premium assistance credit, enter the amount from Worksheet 3, Step 1, line 1c, or Worksheet 4, line 1a or 1d (as applicable). Otherwise, complete lines 1b–1d below and then go to Step 2

1a

1b

Enter the amount from Form CT-1, line 2 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 7, column 1

1b

1c

Enter the amount from Form CT-1, line 9 (Tax Column), or, if corrected, the amount from Form CT-1 X, line 14, column 1

1c

1d

Tier 1 Employer Medicare tax. Add lines 1b and 1c

1d

Step 2.

Figure the COBRA premium assistance credit

2a

Enter the COBRA premium assistance that you provided for periods of coverage beginning on or after April 1, 2021, through periods of coverage beginning on or before September 30, 2021

2a

2b

Enter the amount of the Tier 1 Employer Medicare tax from Step 1, line 1a, or, if applicable, Step 1, line 1d

2b

2c

Enter the amount of the nonrefundable portion of the credit for qualified sick and family leave compensation for leave taken after March 31, 2021, and before October 1, 2021 (this amount may come from Worksheet 3, Step 2, line 2r, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form CT-1)

2c

2d

Enter the amount of the nonrefundable portion of the employee retention credit (this amount may come from Worksheet 4, Step 2, line 2h, in these instructions if you're correcting that credit or you may need to enter the credit claimed on your original Form CT-1)

2d

2e

Other nonrefundable credits used against the Tier 1 Employer Medicare tax. Add lines 2c and 2d

2e

2f

Subtract line 2e from line 2b

2f

2g

Nonrefundable portion of the COBRA premium assistance credit. Enter the smaller of line 2a or line 2f. Enter this amount on Form CT-1 X, line 20c, column 1

2g

2h

Refundable portion of the COBRA premium assistance credit. Subtract line 2g from line 2a and enter this amount on Form CT-1 X, line 25c, column 1

2h

This page intentionally left blank

How Can You Get Forms, Instructions, and Publications From the IRS?



You can download or print some of the forms and publications you may need on [IRS.gov/Forms](https://www.irs.gov/forms).

Otherwise, you can go to [IRS.gov/OrderForms](https://www.irs.gov/orderforms) to place an order and have forms mailed to you. The IRS will process your order for forms and publications as soon as possible. Don't resubmit requests you've already sent us. You can get forms and publications faster online.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You're required to give us this information. We need it to ensure that you're complying with these laws and to allow us to figure and collect the right amount of tax.

You're not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become

material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form CT-1 X will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	39 hr., 13 min.
Learning about the law or the form.	1 hr., 12 min.

Preparing and sending the form to the IRS 1 hr.,
53 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or you can write to the Internal Revenue Service, Tax Forms and Publications Division, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Don't send Form CT-1 X to this address. Instead, see Where Should You File Form CT-1 X, earlier.

This page intentionally left blank