

Links for Employees and Independent Contractors Webinar

The State of Washington and Internal Revenue Service (federal) definitions of an independent contractor are *different*, so it is important to see how your worker fits both definitions. In some cases, a worker who meets IRS requirements for an independent contractor will not meet state requirements.

Here are two options for learning about independent contractors.

- 1) Read information from both the IRS and the Washington Department of Labor and Industries.

For the IRS (federal) definition: Independent Contractors vs. Employees

<http://www.irs.gov/businesses/small/article/0,,id=99921,00.html>

For the Washington State definition:

“A Guide to Hiring Independent Contractors in Washington State”

<http://www.lni.wa.gov/IPUB/101-063-000.pdf>

- 2) Watch the webinar to hear detailed information from both the IRS and L&I. We describe the state and federal definitions of an independent contractor, describe how they are different, and why.

The links below are an additional resource intended to supplement the webinar.

Links from IRS Web Site

Independent Contractor (Self-Employed) or Employee?

<http://www.irs.gov/businesses/small/article/0,,id=99921,00.html>

This is the primary page for information on determining whether workers are employees or independent contractors. In addition to the information on this page, scroll down to the bottom to see links to additional resources such as an IRS webcast and IRS training material on independent contractors vs. employees.

Employment Taxes for Businesses (main Employment Tax web page)

<http://www.irs.gov/businesses/small/article/0,,id=172179,00.html>

This is the starting point on irs.gov for employment tax information. The links on this page provide good, basic information on employment taxes and a link to the page above on independent contractors vs. employees.

Businesses with Employees

<http://www.irs.gov/businesses/small/article/0,,id=98862,00.html>

If you plan to hire or already have employees, you need to know your tax responsibilities as an employer. This link contains topics that businesses owners with employees should know, including hiring employees, requirements for withholding and depositing payroll taxes, recordkeeping, outsourcing payroll duties and more.

Employment Taxes and Classifying Workers

<http://www.irs.gov/newsroom/article/0,,id=177092,00.html>

Being an employer carries important responsibilities. Critical issues include making sure all workers are properly classified as employees or independent contractors and making sure taxes are withheld and paid timely.

Casual Labor and Seasonal Help

<http://www.irs.gov/businesses/small/article/0,,id=101033,00.html>

Seasonal help is what's often needed for sporting events, holidays, and commercial fishing or harvest seasons. Questions often arise over the tax treatment of payments for casual labor, temporary help, and seasonal help. Casual or seasonal employees are subject to the same tax withholding rules that apply to other employees.

Outsourcing Payroll Duties

<http://www.irs.gov/businesses/small/article/0,,id=176943,00.html>

Many employers outsource some of their payroll and related tax duties to third-party payroll service providers. They can help assure filing deadlines and deposit requirements are met and greatly streamline business operations. However, the employer is ultimately responsible for the deposit and payment of federal taxes.

IRS Withholding Calculator

<http://www.irs.gov/individuals/article/0,,id=96196,00.html>

Employees can use this link to figure out if they are claiming the correct number of withholding allowances on Form W-4.

EFTPS (Electronic Federal Tax Payment System): www.eftps.com

TIN Matching Service:

See <http://www.irs.gov/govt/tribes/article/0,,id=131207,00.html> and <http://www.irs.gov/taxpros/article/0,,id=107478,00.html> for background information. Link to the e-services page to register: <http://www.irs.gov/taxpros/article/0,,id=109646,00.html>

FIRE (Filing Information Returns Electronically):

<http://fire.irs.gov> or 1-866-455-7438

FIRE software vendors: www.irs.gov/efile/lists/0,,id=100422,00.html

Social Security Administration (SSA) – Employer web page:

<http://www.ssa.gov/employer/>

How to file W-2s online and how to use SSA's Social Security Number Verification Service.

SSA/IRS Reporter Newsletter: <http://www.irs.gov/businesses/small/article/0,,id=109886,00.html>

Access to current and past editions of this quarterly newsletter for employers.

Forms & Publications

Publication 1779, Independent Contractor or Employee: <http://www.irs.gov/pub/irs-pdf/p1779.pdf>

Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax

Withholding: <http://www.irs.gov/pub/irs-pdf/fss8.pdf>

Form 8919, Uncollected Social Security and Medicare Tax on Wages

<http://www.irs.gov/pub/irs-pdf/f8919.pdf>

Form 1099-MISC: <http://www.irs.gov/pub/irs-pdf/f1099msc.pdf>

Form 1099 Instructions: <http://www.irs.gov/pub/irs-pdf/i1099msc.pdf>

Form 1096 (Transmittal form for 1099s): <http://www.irs.gov/pub/irs-pdf/f1096.pdf>

Publication 1976, Section 530 Relief Requirements: <http://www.irs.gov/pub/irs-pdf/p1976.pdf>

Form I-9: Call U.S. Citizenship and Immigration Services at (800) 870-3676 or online at www.uscis.gov

Additional IRS.gov Small Business Resources

[Small Business and Self-Employed Tax Center](#)

This section has links to starting and operating a business, employment tax information, tax law changes for businesses, business-related forms and publications, and online learning options.

<http://www.irs.gov/businesses/small/index.html>

[Industry Specific Tax Information](#)

Want tax information specific to your industry or profession? Check out the following link:

<http://www.irs.gov/businesses/small/industries/index.html>

[Recordkeeping](#)

Unless you are a professional bookkeeper, you probably don't like to spend valuable business time keeping records. See how keeping good records can actually help you save money.

<http://www.irs.gov/businesses/small/article/0,,id=98575,00.html>

[Online Learning & Educational Products for Small Businesses](#)

To order free small business products or view them online: Go to www.irs.gov and search for "small business products" or link to <http://www.irs.gov/businesses/small/article/0,,id=101169,00.html>.

[Online Services: File, Pay and More ...](#)

Within IRS.gov, you can accomplish many things electronically through one single source. See the links under the 3rd section down from the top, entitled "For Small Business Taxpayers."

<http://www.irs.gov/efile/article/0,,id=151880,00.html>

Business and Specialty Tax Line: 1-800-829-4933

For small businesses, corporations, partnerships and trusts who need information and/or help related to their business returns or business accounts. Services cover Employer Identification Numbers (EINs), 94x returns, 1041, 1065, 1120S, excise returns, estate and gift returns as well as issues related to federal tax deposits.

IRS Business Subscription Services

Subscribe to e-News for Small Businesses

Join this mailing list to receive updates, reminders and other information useful to small business owners and self-employed individuals. <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>

Retirement News for Employers

Retirement plan information for employers and business owners. View our current edition, browse the newsletter archive or subscribe to future editions. <http://www.irs.gov/retirement/article/0,,id=122823,00.html>

IRS Phone Forums, Webinars and Other Events (National & Local)

Small Business Tax Workshops, Phone Forums and Webinars

<http://www.irs.gov/businesses/small/article/0,,id=99202,00.html>

Phone Forums and Webinars for Practitioners

<http://www.irs.gov/businesses/small/article/0,,id=158856,00.html>

Links from Washington State Department of Labor & Industries Web Site

Online Publications:

A Guide to Hiring INDEPENDENT CONTRACTORS in Washington State

<http://www.lni.wa.gov/IPUB/101-063-000.pdf>

Liability for your Subcontractor's Unpaid Workers' Comp Premiums

<http://www.lni.wa.gov/IPUB/262-262-000.pdf>

Other Online Resources:

Look up laws and agency rules:

Washington State Legislature Laws and Rules Page: <http://www.leg.wa.gov/LawsAndAgencyRules/>

For Workers' Compensation, Workplace Safety, and Contractor Registration questions visit:

Labor and Industries' home page: www.LNI.wa.gov

Check the status of a Workers' Compensation account for a business: www.PremiumsStatus.LNI.wa.gov

Report workers' compensation fraud: www.Fraud.LNI.wa.gov (or call 1-888-811-5974)

Register or renew registration/license online: www.Licensing.LNI.wa.gov

Look up a contractor: www.Contractors.LNI.wa.gov

Pay quarterly workers' compensation premiums online: www.QuarterlyReports.LNI.gov

Check WISHA safety rules and issues: www.SafetyRules.LNI.wa.gov

For Unemployment tax questions visit:

Employment Security Department: <http://fortress.wa.gov/esd/portal/> or call 360-902-9360

To check the status of a Washington business license (UBI), visit:

Department of Revenue: www.DOR.wa.gov/content/home

For information on the cost implications of the underground economy on Washington State, visit:

Joint Underground Economy Business Study:

http://dor.wa.gov/docs/reports/Joint_Unregistered_Business_Study_2007.doc