For incorporated businesses, include the salary of all officers and spread on stock options that are taxable to employees as wages. Also include any employee contributions to payroll, severance pay, the amount of reported tips, and the value of taxable fringe benefits. For unincorporated businesses, exclude the profit or compensation paid to proprietors or partners.

The sum of payroll reported for individual establishments for an EIN is medical the taxability of tips paid to employees on your organization’s IRS Form(s) 941, Employer’s Quarterly Federal Tax Return plus the spread on stock options that are taxable to employees.

**Establishment** - An establishment is a single physical location where a firm's business is conducted or where services or industrial operations are performed. (For example: a factory, mill, store, hotel, movie theater, mine, farm, administrative office.) If distinctly separate activities are performed at the same location, and if there is significant employment in each activity, then each activity should be treated as a separate establishment, except agricultural production as explained below. (For example: construction activities operated out of the same physical location as a lumber yard.)

For firms engaged in construction, real estate management or operation, transportation, communication, electric, gas, and sanitary services, or services in a similar type of related activities, it is not necessary to list separately each individual "site," "project," "field," "network," "line," or "system." It is only necessary to report for main or branch offices, terminals, stations, etc., which are either (a) directly responsible for supervising the employees, or (b) the base from which personnel operate to carry out these activities.

**Foreign Locations** - Report a foreign location only if any of the employees at the location are reported on an IRS Form 941 for an EIN that is also used to report Federal income tax returns such as forms 1065, 1120, and 990 series. You only need to report one foreign location for each such EIN. If more than one such establishment exists for an EIN, consolidate the employment and payroll data at the headquarters location, using "foreign employees" as the secondary name.

**Special Instructions for Selected Industries**

**Banks** - When checking the prelisting of your establishments in Item 5A or listing additional establishments in Item 5B, list only the EINs used to report either Federal employment taxes (IRS Form 941) or income (IRS Forms 1065, 1120, and 990). DO NOT LIST EINs assigned to trust funds or estates managed by the bank and reported on IRS Form 1041, U.S. Fiduciary Income Tax Return. Report main and branch locations as separate establishments. Individual ATM outlets should not be listed as separate establishments.

**Agricultural production** - Establishments having any agricultural production (regardless of whether it is the major activity) or income (IRS Forms 1065, 1120, and 990). You must be listed separately in Items 5A and/or 5B and the employment and payroll data allocated if appropriate. Agricultural production includes the raising of production of crops (including horticultural products), poultry, or livestock for sale.

When using Item 5B to add establishments engaged in agricultural production, be sure to give the type of crop, livestock, etc., in column (c1).

**Construction establishment** - A construction establishment is a relatively permanent office, or other place of business, where the usual business activities related to construction are conducted. With some exceptions, a relatively permanent office is one which has been established for the management of more than one project or job and which is expected to be maintained on a continuing basis.

**Retail departments or concessions** - List as a separate establishment (including specific street address) those retail or service outlets operated by your firm as a department of a retail or service establishment, such as shoe departments or beauty salons in department stores, meat or bakery departments in grocery stores, or medical equipment departments in hospitals.

**Medical** - Part-time offices should not be considered as separate establishments. List only the offices which are staffed on a full-time basis and include the employment and payroll for the part-time offices. Home health care services should not consider the customers’ locations as separate establishments. Employment and payroll for these locations should be included with the main or branch office from which the work is supervised.

**Legal** - Part-time, temporary, or special offices should not be considered separate establishments for purpose of this report. Data for such offices, vacuo be included with the controlling main or branch location where the service is primarily performed.

**Estimates are acceptable if book figures are not readily available**

Due Date - 30 Days After Receipt