



## Internal Revenue Service Small Business/Self-Employed Taxpayer Education and Communication

# IRS Stakeholder Headliners... and more

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*This e-mail is being sent to you for distribution to your organization's members. If you need further assistance please contact your local Taxpayer Education and Communication (TEC) office, which can be found at [Taxpayer Education and Communication](#).*

Dear Partner,

We are pleased to be able to provide you with the latest IRS information to be included in your newsletter, publications and/or web site. The attached TEC "Headliner Package" discusses tax law and recent court cases establishing that for federal tax purposes S corporation officers are corporate employees.

Code sections 3121(d)(1), 3306(i), and 3401(c) specifically define officers of corporations as employees for FICA (Social Security and Medicare), FUTA (Unemployment), and federal income tax withholding purposes.

A limited exception to the statutory definition is Treas. Reg. section 31.3121(d)-1(b):

Generally, an officer of a corporation is an employee of the corporation. However, an officer of a corporation who, as such, does not perform any services or performs only minor services and who neither receives nor is entitled to receive, directly or indirectly, any remuneration is considered not to be an employee of the corporation.

This package includes a drop-in article. We hope that you find the attached information helpful. The easy to use drop-in article is convenient for your newsletter or other publications. If possible, we would appreciate a link or copies of articles pertaining to these topics from your organization.



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Should you have any questions or need additional information, please contact your local TEC office. For more information, please visit our small business web site at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz).

Thank you

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