

WITHHOLDING TAX UPDATE

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Withholding Tax Rates

The current withholding tax rates remain in effect. These rates are available in Publication W-166, Wisconsin Employer's Withholding Tax Guide, for payroll periods beginning on or after April 1, 2014.

Filing Frequency Changes

Each year the department runs an annual scan process, which evaluates the amount of your deposits from the last year and adjusts your filing frequency accordingly. This process runs in November to determine your filing frequency for 2015 withholding tax deposits. If your filing frequency changes, we will notify you in writing. A copy of this letter will be available in *My Tax Account*.

Filing Wage and Information Returns

Employers and payers doing business in Wisconsin are required to file wage (Forms W-2) and information returns (e.g., 1099-MISC) with the department.

In a continued effort to fight fraud, the department wants to ensure the information you file matches the information reported by the payee. Review and follow the requirements on page 2 to submit wage and information returns for payments made in 2014.

If the requirements are not followed, the department will reject electronic returns with incomplete or incorrect information. A reject reason will be provided so that the information can be corrected and resubmitted.

Incorrect or incomplete returns filed on paper will not be returned. A letter will be sent asking for correction and resubmission of the corrected forms.

For more information on filing requirements, see Publication 117, Guide to Wisconsin Wage Statements and Information Returns.

W-2 Preparation Guidance for Employers

Looking for information on how to report wages on your employee W-2s? In response to questions and feedback from employers, software developers and payroll reporting agencies, we've issued W-2 preparation guidance. To view, [click here](#).

Electronic Filing Reminder

You must file and pay your withholding deposit reports electronically if your deposits were \$300 or more in the prior year. In addition, the annual reconciliation must be filed electronically. If these requirements create an undue hardship, you may request an e-filing/e-payment waiver by completing Form EFT-102, *Electronic Filing or Electronic Payment Waiver Request*.

Deposit Report (WT-6) Filing and Payment Options

Electronic filing options for withholding tax deposits:

- My Tax Account – <https://tap.revenue.wi.gov>
- ACH Credit – through your financial institution
- File Transfer – DOR website
- Credit Card – through Official Payments 1-800-272-9829; use code 5800
- File by Telephone – call 608-261-5340 or 414-227-3895

Note – Annual filers do not file deposit reports.

Annual Reconciliation (WT-7) Filing and Payment Options

Electronic filing options include:

- My Tax Account – <https://tap.revenue.wi.gov>
- File Transfer – DOR website
- File by Telephone – call 608-261-5340 or 414-227-3895

Important! The total number of wage and information returns reported on the reconciliation (WT-7) must match the number of wage and information returns you send us that are reportable to Wisconsin (include “WI” in W-2 box 15, 1099-MISC box 17, 1099-R box 13, W-2G box 13, etc.).

Note – If you close your withholding account before December 31, the reconciliation, wage and information returns with Wisconsin withholding are due within **30** days of the account cease date.

Wage Statement and Information Return Reporting Requirements

Required information	Send information	Required format for paper filers	Do not send
<p>• 15 digit Wisconsin withholding number (those who did not withhold and are not required to register must use 036888888888801)</p> <p>• Nine digit federal employer identification number (FEIN)</p> <p>• Legal name must match numbers above</p> <p>• Nine digit payee tax identification number</p> <p>• Wisconsin as top state (if possible)</p> <p>IMPORTANT Please register, if required, or make any name changes before sending information returns.</p>	<p>Electronic</p> <ul style="list-style-type: none"> • If you file 50 or more wage statements or information returns, you must file them electronically. See <u>Publication 117</u>. <p>Paper</p> <ul style="list-style-type: none"> • If you file less than 50, we encourage you to file electronically. Otherwise, mail them to: Wisconsin Department of Revenue PO Box 8920 Madison WI 53708-8920 <p>Do not send to any other address</p>	<ul style="list-style-type: none"> • No more than four statements or returns per page • Send only one statement or return per employee/payee (no duplicates) • Page no larger than 8.5" x 11" • Page no smaller than 2.75" high or 4.25" wide • Data must be in similar location of federal form on IRS website • We will not accept text lists. Must be in form format. 	<ul style="list-style-type: none"> • 1096-federal transmittal form • WT-7 already electronically filed • WT2 • Correspondence • Duplicate W-2s with no change (if change made file W-2c only) • Forms W-2 with no Wisconsin connection if paper filing • Old version of WT-7 • CDs, magnetic tapes or transmit non-SSA PDFs • 1099-DIV or 1099-INT if no Wisconsin withholding (do not include on WT-7)

X

If you file 50 or more wage statements (Forms W-2) or 50 or more information returns (Forms W2-G, 1099-MISC, 1099-R), you must file them electronically.

There are three ways to electronically file W-2 forms with the Wisconsin Department of Revenue (DOR):

- Transfer a PDF file through DOR's website. **Note** – We only accept PDF files created on the Social Security Administration (SSA) website. For step by step instructions, [click here](#).
- Key your W-2 information when you file the annual reconciliation (WT-7) through [My Tax Account](#).
- Transfer an EFW2 file through DOR's [website](#). Specifications for submission are outlined in Wisconsin Publication CO-001.

File information returns (W2-G, 1099-MISC, 1099-R) by submitting a text file through [DOR's website](#).

If you file less than 50 wage statements or less than 50 information returns, we encourage you to file electronically using one of the methods above. You will then receive a confirmation number. Otherwise, mail these statements and returns to Wisconsin Department of Revenue, PO Box 8920, Madison WI 53708-8920.

X Failure to file wage statements and information returns by the due date, including any extension, or filing an incorrect or incomplete return is subject to a penalty of \$10 for each statement or return. The penalty may be waived if there is reasonable cause.

Extensions

You may request an extension of 30 days for filing the annual reconciliation (WT-7). If an extension is granted, it also applies to corresponding wage statements and information returns.

Due dates for the following cannot be extended:

- Payment of annual reconciliation (WT-7)
- Furnishing wage statements to employees
- Furnishing information returns to recipients

Extension requests must be made in writing, via email or through [My Tax Account](#). Requests must be received by February 2. Send requests for waivers from filing wage and information returns electronically, at least 30 days before the filing due date, and requests for extending the time to file wage and information returns to:

E-file waivers using EFT-102:

Wisconsin Department of Revenue
PO Box 8949
Madison WI 53708-8949
DORWaiverRequest@revenue.wi.gov

Extensions:

Wisconsin Department of Revenue
PO Box 8946
Madison WI 53708-8946
DORRegistration@revenue.wi.gov

Amended Annual Reconciliation (WT-7)

If you discover an error on a reconciliation that was already filed, file another reconciliation with the correct information and note that it is an amended return. Include an explanation for the change. File corrected wage statements and information returns (W-2, W-2G, 1099, etc.) to support the change, but only those containing errors and only to report corrected amounts withheld. You do not need to file an amended reconciliation to report errors in employee wages paid, employee social security numbers (SSN) or your federal employee identification number (FEIN). Instead, simply file your corrected wage statements. If it is necessary to correct any wage statements, be sure to furnish corrected copies of the statements to the affected employees and advise them to file the corrected copies with their individual income tax returns.

Tips or Gratuities Received From Customers

All tips employees receive are income and subject to federal and state income tax. For withholding purposes, employees must report tips to their employers for each month that tips or gratuities received by the employee total \$20 or more. Employers must treat the total tips and gratuities, including cash and credit/debit card tips, received by the employee as wages, and determine the required amount of Wisconsin tax to be withheld. The employer must withhold or collect from the employee the appropriate amount of Wisconsin withholding tax due on wages and total tips earned.

- Information for employees is provided in federal [Publication 531, Reporting Tip Income](#).
- Information for employers is provided in federal [Publication 15, Employer's Tax Guide](#).