



# Indiana Department of Revenue

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## Departmental Notice #5

Subject: Reporting Employee Income Taxes Withheld  
Publication Date: September 2023  
Effective Date: Upon Publication  
Reference(s): IC 6-3-4-8; IC 6-3-4-8.1; IC 6-3-4-9; IC 6-3-4-16.5

Replaces Notice #5, dated September 2020

Disclaimer: Departmental notices are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on the department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein. This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-2-7.

## Summary of Changes

Apart from technical, nonsubstantive changes, this notice has been updated to remove outdated references.

## Introduction

Employers who make payments of wages subject to the Indiana adjusted gross income tax and who are required to withhold federal taxes pursuant to the Internal Revenue Code are required to withhold Indiana state and local income taxes from an employee's wages. In an attempt to reduce the amount of paper submitted to the Indiana Department of Revenue, information exchange agreements between the department and the Internal Revenue Service now relieve the taxpayer from having to file copies of certain information returns with the department, unless state or county taxes are withheld or requested by the department.

All information returns on which withholding of Indiana state or local income tax is reported (e.g., withholding statements) must be submitted along with Indiana Form WH-3. The WH-3 and information return due date is 31 days after the end of the calendar year.

## Electronic File Requirements

Form W-2 information must be filed using the Indiana Taxpayer Information Management Engine (INTIME) or one of the department's approved file upload processes:

- If you have from 1 to 50 W-2s in a calendar year, use an EFW2-formatted file. (Employers with a small number of wage statements may find it easier to key data directly using INTIME)
- If you have from 51 to 3,500 W-2s in a calendar year, use an SSA EFW2-formatted file.
- If you have more than 3,500 W-2s in a calendar year, use the department's bulk file upload system.

All files exceeding 3,500 records must follow the bulk upload guidelines. A new Indiana SFTP Bulk Upload guide for INTIME can be found at [in.gov/dor/files/Bulk Upload Guide Withholding Motor Vehicle Rental-r.pdf](https://in.gov/dor/files/Bulk%20Upload%20Guide%20Withholding%20Motor%20Vehicle%20Rental-r.pdf). Further instructions on bulk upload can also be found at [in.gov/dor/business-tax/bulk-filing-your-indiana-business-taxes/](https://in.gov/dor/business-tax/bulk-filing-your-indiana-business-taxes/). Form 1099 information must be filed using the IRS 1220 format.

**NOTE:** Information returns (such as 1099s) that do not report withholding of Indiana state or local income tax should not be submitted to the department. These returns must be maintained by the taxpayer for the statutory time period (currently three years) and made available to the department upon request. WH-1 coupons and WH-3 reconciliations must be filed even if no tax is reported.

## INTIME Filing Requirements

Any employer that files more than 25 withholding statements in a calendar year is required to file the annual WH-3 and employees' wage statements electronically. To be considered as an electronic filing method, you must use INTIME or the department's Bulk FTP process. The department does not accept wage filings on disk, CD, DVD, 3480 cartridge or 3490 cartridge. Unlike with INtax, there is no certification process requirement when filing through INTIME via SFTP Bulk Upload.

To file using INTIME, visit [in.gov/dor/online-services/intime-corporate-tax-center/](https://in.gov/dor/online-services/intime-corporate-tax-center/) for further information.

## Special Filing Information

CD/DVDs may not be used to submit information returns. Form W-2 information should be submitted using the format as specified in the latest version of the W-2 booklet. Form 1099 information should be submitted using the format specified in the latest W-2G and 1099R handbook. All withholding amounts must be listed on the Form WH-3.

Questions concerning the proper type of reporting procedure should be directed to:

Indiana Department of Revenue  
Attn: Electronic Filing Coordinator  
100 N. Senate Ave.  
Indianapolis, Indiana 46204

## Penalty for Late Filing

Submissions which fail to transmit the required information to the department by the due date may subject the employer to a penalty of \$10 for each late-filed W-2 and 1099 statement.

If you have any questions concerning this notice, please contact the Tax Policy Division at [taxpolicy@dor.in.gov](mailto:taxpolicy@dor.in.gov).

A handwritten signature in black ink that reads "Christopher Russell". The signature is written in a cursive, slightly slanted style.

Christopher W. Russell  
*General Counsel*  
Indiana Department of Revenue