



DEPARTMENT OF REVENUE
INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

**DEPARTMENTAL NOTICE #5
FEBRUARY 2016
(Replaces Notice #5 dated October 2013)
Effective Date: January 1, 2016**

SUBJECT: Reporting Employee Income Taxes Withheld

REFERENCES: IC 6-3-4-8; IC 6-3-4-8.1; IC 6-3-4-9; IC 6-3-4-16.5

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 either 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

Aside from technical, nonsubstantive changes, this version of the notice has been changed from the previous version to provide updated guidance related to the due date of Form WH-3 and information returns on which withholding is reported. Also, this version is updated to reflect the elimination of Form WH-18 and other changes related to nonresident shareholder/partner withholding.

GENERAL INFORMATION

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 unless 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 INtax 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. You can find more information at www.in.gov/dor/4456.htm.
- If you have from 51 to 3,500 W-2s in a calendar year, use an SSA EFW2-formatted file. You can find more information at www.in.gov/dor/4457.htm.
- If you have more than 3,500 W-2s in a calendar year, use the department's bulk file upload system. You can find more information at www.in.gov/dor/4458.htm.

All files exceeding 3,500 records must follow the bulk upload guidelines. An instructional booklet can be downloaded at www.in.gov/dor/files/bulk-upload-guide.pdf. Form 1099 information must be filed using the IRS1220 format. An instructional booklet may be downloaded at www.in.gov/dor/files/irs-1220format.pdf.

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.

INTAX FILING REQUIREMENTS

Effective January 1, 2013, all entities are required to remit withholding statements electronically by using either a third-party vendor or INtax. The INtax application is Indiana's free online tool for managing business tax obligations. A helpful *INtax QuickStart Guide* can be downloaded at www.in.gov/dor/files/QuickStart_Guide_2015.pdf. More information on INtax is available at www.in.gov/dor/4336.htm, via telephone at 317-233-5656, or via email at IDORB2BSupport@dor.in.gov.

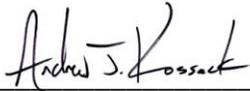
SPECIAL FILING INFORMATION

CD/DVDs may be used to submit 25 or fewer 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.

A properly completed Form WH-3 must accompany all W-2 filings in the same package as the CD/DVD. All withholding amounts, regardless of the form on which they are reported, must be listed on the Form WH-3. Questions concerning the proper type of reporting procedure should be directed to the Indiana Department of Revenue, Attn: Electronic Filing Coordinator, P.O. Box 6108, Indianapolis Indiana 46206.

PENALTY FOR LATE FILING

A penalty of \$10 will be charged for each W-2 and 1099 statement filed past the due date. The department will accept a copy of the federal withholding extension (Form 8809) to submit Form WH-3.



Andrew Kossack
Commissioner