

# WITHHOLDING *REVENews*

A DEPARTMENT OF REVENUE PUBLICATION

DECEMBER 2004

## Annual Wage and Tax Statement (W-2) Reporting Method Requirements

Regulation 103 KAR 18:050 requires any employer who issues **100 or more** Form W-2s annually to utilize an acceptable form of electronic or magnetic media filing. Employers with **fewer than 100** Form W-2s are encouraged, but not required, to utilize electronic or magnetic media filing.

### Methods of Submitting Wage and Tax Statements to DOR



In accordance with KRS 141.335(2), Employee Wage and Tax Statements are required to be submitted in the form that the Kentucky Department of Revenue (DOR) has prescribed by regulation.

Regulation 103 KAR 18:050(5) (b) indicates that the Kentucky DOR will accept methods that can be supported by the department's equipment.

The methods listed below are acceptable and listed in order of preference:

- 1) Web Filing <http://revenue.ky.gov/filew2.htm>;
- 2) CD;
- 3) 3 1/2" Diskette; and
- 4) Paper (for employers with fewer than 100 Form W - 2s).

**NOTE:** MMREF-1 IS THE ONLY ACCEPTABLE FILE LAYOUT FOR WEB FILING AND CD/DISKETTE SUBMISSIONS. REFER TO <http://revenue.ky.gov/filew2.htm> FOR SPECIFICATIONS.

Methods other than Web Filing require a Transmitter Report for Filing Kentucky Wage Statements (Form 42A806) when filing Kentucky wage and tax information.

Please call (502) 564-7287 with questions regarding electronic and magnetic media filing of wage and tax statements.

### Web Filing

Web Filing (formerly known as FTP) is the Kentucky DOR's preferred method to report employees' annual wage and tax information. Web Filing is a secure Web site that streamlines processing of the wage and tax information and offers an easy and secure way to meet the filing requirements.

A Kentucky DOR assigned Personal Identification Number (PIN) and the Federal Employer Identification Number (FEIN) of the company are required for a secure log on to the Web site.



Apply for a PIN by completing Form 42A808. This PIN does not expire. If a PIN was previously assigned for FTP or Web Filing purposes, the PIN is still valid as long as the FEIN of the business has not changed.

For more information about Web Filing contact the Kentucky DOR at (502) 564-7287.



### 2005 Standard Deduction

In accordance with KRS 141.081 (2) (a), the Kentucky DOR adjusts the standard deduction on an annual basis. The standard deduction for 2005 is \$1,910.

The online tax tables effective for pay periods ending on or after Jan.1, 2005 may be viewed at [http://revenue.ky.gov/withholding\\_info.htm](http://revenue.ky.gov/withholding_info.htm)

## Frequently Asked Questions

**Q.** *What should I do if I do not receive a K-1 or K-3 return?*

**A.** **If a return is not received 10 days before the due date, contact the Kentucky DOR immediately at (502) 564-7287, so a new return may be issued. Each return is preprinted and contains coded data for processing purposes.**



**Q.** *I am unable to meet the Jan. 31, 2005 deadline for submission of the annual wage and tax statements, can I get an extension?*

**A.** **Yes, however, you must contact the Kentucky DOR before the Jan. 31, 2005 due date at (502) 564-7287 for assistance, or fax a written request to (502) 564-3685.**

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**ERNIE FLETCHER, Governor**

**ROBBIE RUDOLPH, Secretary  
Finance and Administration Cabinet**

**MARK TREESH, Commissioner  
Department of Revenue**

**If you have suggestions for topics in future withholding newsletters, call or write to:**

**Department of Revenue  
Division of Individual Income Tax  
P.O. Box 181, Station 57  
Frankfort, KY 40602-0181  
(502) 564-7287  
FAX: (502) 564-3685**

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The Department of Revenue can be found at [www.revenue.ky.gov](http://www.revenue.ky.gov).

**Q.** *The IRS has a 2004 record change for the RW record in the magnetic media/electronic filing of annual wage and tax statements that accommodates Health Savings Accounts. This field has not been updated in the RS record in the 2004 Kentucky Specifications. How is the Health Savings Account reported in the RS record for state purposes?*

**A.** **Contributions to a health savings account that represent additional wages to an employee for Kentucky purposes shall be reported to employees by including the amount that is taxable for Kentucky purposes (but not taxable for federal purposes) in Box 16 of the 2004 Form W-2 and in the RS record as part of the state taxable wages (location 276-286).**