

# WITHHOLDING REVENUES

A REVENUE PUBLICATION

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## 2010 W-2 DUE DATE IS JANUARY 31, 2011

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

Any employer who issues 100 or more Form W-2s annually is required by Regulation 103 KAR 18:050 to utilize an acceptable form of electronic filing. Employers with fewer than 100 Form W-2s are encouraged, but not required, to file electronically.

### Transmitter Report, Form 42A806

A Transmitter Report, Form 42A806, is required by Regulation 103 KAR 18:050 (6) (1) to be completed and submitted when filing CD, diskette or paper W-2 forms. ***A Transmitter Report is not required when there are no W-2 forms to file or when web filing.***

### 1099 Forms

1099 Forms are required to be submitted to Kentucky Department of Revenue (DOR) when Kentucky tax is withheld. DOR accepts only paper 1099 Forms at this time. Please include a totals page with any submission.

### New Withholding Tax Exemption Certificate for Military Spouses

The federal Military Spouses Residency Relief Act (Public Law 111-97) which amends the Servicemember Civil Relief Act was signed into law on Nov. 11, 2009. The act provides certain tax relief for military spouses who are present in a state solely to be with the servicemember when the servicemember is in that state in compliance with his/her military orders.

To qualify for this exemption, the military spouse must complete Form K-4M to certify that they are not subject to Kentucky withholding tax and provide a copy of the employee's military spouse picture ID issued to the employee by the Department of Defense.

### Reporting Economic Incentive Credit on W-2's

The economic incentive credit amount should be included in box 17 (Kentucky income tax) of the W-2.

When filing electronically, the economic incentive credit amount should be reported in fields 287-297 of the RS Record.

### 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 prescribed by Kentucky DOR regulation.

Regulation 103 KAR 18:050(6)(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:  
<https://kyegxzeus01.ky.gov/w2ftp/nfLogon.aspx> ;
2. CD;
3. 3 1/2" Diskette; and
4. Paper (for employers with fewer than 100 Form W-2s).

***EFW2 IS THE ONLY ACCEPTABLE FILE LAYOUT FOR WEB FILING AND CD/DISKETTE SUBMISSIONS. FOR SPECIFICATIONS REFER TO <http://revenue.ky.gov/business/whtax.htm>***

***Do not send computer listings or hard copies to DOR when web filing or when making a submission on CD or diskette.***

***Retain a copy of the electronic file. DOR will not accept computer listings or hard copies of the W-2 forms when backup copies are needed.***



**Web Filing**

Web filing 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 is required for a secure log on to the Web site.

Apply for a PIN by completing Form 42A808 (Authorization to Submit Employees Annual Wage Statements via DOR Web site). To download Form 42A808 visit Kentucky DOR’s Web site at:

*http://revenue.ky.gov/forms/curnwbfirms.htm*

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.

**2011 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 2011 is \$2,240. The online tax tables effective for pay periods ending on or after Jan. 1, 2011 may be viewed at: *http://revenue.ky.gov/wbt/*

**Frequently Asked Questions**

**Q. Do I need to file a Transmitter Report if I don’t have any W-2s to submit?**



A. No, the Transmitter Report, Form 42A806, does not need to be filed if there are no W-2 forms to file.

**Q. What do 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 DOR Withholding Tax Branch immediately at (502) 564-7287, so a replacement return can be issued. Each return is preprinted and contains coded data for processing purposes.

**Q. Can the year-end return, Form K-3, and W-2 submission be mailed to the same address?**

A. No, each form must be mailed separately. **The K-3 should be mailed to the address listed on the return:**

Kentucky Department of Revenue  
Frankfort, KY 40620-0004

**The CD, diskette or paper W-2 submission should be mailed to the address on Form 42A806:**

Kentucky Department of Revenue  
W-2 Processing  
501 High Street, Station 57  
Frankfort, KY 40601

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