

WITHHOLDING REVENews



KENTUCKY DEPARTMENT OF REVENUE
WITHHOLDING TAX BRANCH
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A REVENUE PUBLICATION

September 2018; Vol. 9, No. 1

What's New for 2018 Withholding Statement Reporting

ELECTRONIC FILING THRESHOLD LOWERED

Effective January 1, 2018, Kentucky's tax law lowered the electronic filing requirement from 100 to 26 withholding statements (Forms W-2, W-2G, and 1099 Series). Therefore, employers and payers issuing 26 or more Forms W-2, W-2G, or 1099 Series are required to file electronically.

The deadline for reporting the withholding statement information to the Kentucky Department of Revenue (DOR) is January 31, 2019 (no extensions will be granted).

FORM K-5—KENTUCKY EMPLOYER'S REPORT OF WITHHOLDING TAX STATEMENTS

Employers and payers issuing 25 or fewer withholding statements (Forms W-2, W-2G, and 1099 Series) must file Form K-5 or submit the information in the accepted electronic format. Paper copies of withholding statements should not be mailed to the DOR.

Paper copies of Forms W-2, W-2G, and 1099 Series received by DOR will not be processed and will not be considered filed. Retain the forms for your records and only provide copies upon request.

The 2018 Form K-5 will be available at:
<https://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

You will be able to electronically file Form K-5 by clicking the Submit button online, or you may print and mail the completed K-5 to the address on the form.

Note: Form K-5 may be used to report more than 25 statements (W-2, W-2G, or 1099). However, clicking Submit to file electronically is required.

BLANK W-2 FORMS ARE NO LONGER AVAILABLE FROM DOR

Blank W-2 forms may be ordered from the IRS or purchased at an office supply store.

The DOR will provide a list of software vendors who will electronically file your state and federal Wage and Tax Statement information and mail your employee's their Wage and Tax Statements for a nominal charge.

This list can be found at:
<https://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

TRANSMITTER REPORT—FORM 42A806

The Transmitter Report is now only used for CD submission of wage statement electronic data files. Electronic data files are only accepted in the EFW2 or Publication 1220 formats. A Transmitter Report must accompany all CD submissions of electronic files and must be mailed directly to the DOR in Frankfort at the address on the form. The Transmitter Report is available at:

<https://revenue.ky.gov/Forms/42A806%20-Transmitter%20report%20for%20filing.pdf>

2018 EMPLOYER WITHHOLDING TAX CALCULATOR

DOR created a withholding tax calculator for 2018 to assist employers with computing the correct amount of Kentucky withholding tax for employees. The calculations are based on the 2018 Withholding Tax Formula. The calculator was developed in a spreadsheet format so employers may use it for multiple employees. The calculator is available at: <https://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

DOR will release a 2019 withholding tax calculator when the 2019 Withholding Tax Table and Formula are released in December.

ELECTRONIC FILING OF WITHHOLDING STATEMENTS

W-2 data files must be in the Social Security Administration’s EFW2 format with state RS Records defined by the DOR. EFW2 files may be submitted to DOR at <https://revweb.ky.gov/w2ftp/wfLogon.aspx> or on CD with a Transmitter Report to the mailing address on the form.

W-2G and 1099 Series data files must be in the federal Publication 1220 format with state B Records defined by the DOR. Publication 1220 files must be submitted to the DOR on CD with a Transmitter Report to the mailing address on the form.

For questions regarding W-2, W-2G, or 1099 Series electronic filing call (502) 564-1900 and select 3 for the withholding tax compliance area.

FORM K-4—KENTUCKY WITHHOLDING CERTIFICATE

Kentucky recently enacted a new flat 5% income tax rate. Due to this change all Kentucky wage earners will be taxed at this rate with an allowance for the standard deduction. The new Form K-4 is only required to be completed by an individual declaring exemption status or by an individual requesting additional withholding per pay period. All prior Forms K-4 are obsolete. The Form K-4 is available at:

<https://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

This newsletter is intended to provide practical information to assist persons in fulfilling their withholding tax obligations to the Commonwealth.

This newsletter is posted on the Department of Revenue website at www.revenue.ky.gov and future editions may be accessed at the website. To submit additional questions or suggestions for future topics, please write to: Department of Revenue, Withholding Tax Branch, Station 57, 501 High St., Frankfort KY 40601.

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**Kentucky Department of Revenue
Mission Statement**

As part of the Finance and Administration Cabinet, the mission of the Kentucky Department of Revenue is to administer tax laws, collect revenue, and provide services in a fair, courteous, and efficient manner for the benefit of the Commonwealth and its citizens.

The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, sexual orientation, gender identity, veteran status, genetic information or ancestry in employment or the provision of services.

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MATTHEW G. BEVIN, Governor
Commonwealth of Kentucky

WILLIAM M. LANDRUM III, Secretary
Finance and Administration Cabinet

DANIEL P. BORK, Commissioner
Department of Revenue

