

Filing Wage Statements and Information Returns Electronically

I. INTRODUCTION

IMPORTANT CHANGE

For 2008 wage statements and information returns filed in 2009, Wisconsin no longer accepts magnetic media.

Unless an exception applies, electronic filing is mandatory for employers filing 250 or more wage statements, and for payers filing 250 or more of any one type of information return with the Wisconsin Department of Revenue.

This publication describes what forms must be transmitted through the Department of Revenue website ("filed electronically"). The conditions under which this filing is required, exceptions to the filing requirement, and when and where to file are also included in this publication.

CAUTION

The information in this publication reflects the position of the Wisconsin Department of Revenue of laws enacted by the Wisconsin Legislature as of October 1, 2008. Laws enacted after that date, new administrative rules, and court decisions may change the interpretations in this publication.

II. FILING FORMS ELECTRONICALLY FOR WISCONSIN

Persons who are required to file federal wage statements and information returns electronically with the Internal Revenue Service (IRS), must also file comparable forms in this manner with the Wisconsin Department of Revenue. "Electronic filing" means using the department's website to transfer required data instead of mailing physical media.

Note: For federal income tax purposes, wage statements are filed with the Social Security Administration (SSA), and information returns are filed with the IRS. In this publication, references to filing forms with the IRS include the filing of wage statements with the SSA.

The electronic filing requirements pertain to Forms W-2, W-2G, 1099-MISC, and 1099-R. A transmittal letter is not required for electronically transmitted wage statements or information returns.

III. REQUIREMENTS

A. Who Must File Electronically - Federal Requirements

Every person who files 250 or more of any one type of wage statement or information return with the IRS must file those forms electronically unless an "undue hardship" waiver has been applied for and granted by the IRS. "Person" means an individual, a partnership, a trust, an estate, an association, or a corporation.

The 250 form requirement applies separately to each type of form. The requirement also applies separately to original forms and corrected forms.

Example 1: Payer A files 100 Forms 1099-R and 400 Forms W-2. The Forms 1099-R are not required to be filed electronically, but the Forms W-2 must be filed electronically.

Example 2: Payer B files 300 Forms W-2 electronically and subsequently files 75 corrected Forms W-2. The corrected Forms W-2 may be filed on paper, even though the originals were filed electronically.

Additional information about the federal requirements may be found in the IRS's

instructions for Forms W-2, 1099, 1098, 5498, and W-2G.

B. Who Must File Electronically - Wisconsin Requirements

A person is required to file wage statements or information returns electronically with the Wisconsin Department of Revenue only if all of the following five conditions apply:

1. Comparable wage statements or information returns must be filed magnetically or electronically with the IRS, and
2. The wages, withholding, or income reported on the wage statements or information returns are required to be reported to Wisconsin, and
3. The number of any one type of wage statement or information return required to be filed with Wisconsin is 250 or more, and
4. The payer does not participate in the Combined Federal/State Filing Program for Forms 1099 (see Part III. C), and
5. A waiver has not been granted by the IRS or the Wisconsin Department of Revenue (see Part III.D).

Example 3: Payer C files 500 Forms 1099-DIV, 300 Forms 1099-INT, and 300 Forms 1099-R with the IRS, all electronically. All of the Forms 1099-R are for retirement payments. Only the Forms 1099-R must be filed with the Wisconsin Department of Revenue electronically. Dividends and interest from Forms 1099-DIV and Forms 1099-INT are not required to be reported to Wisconsin on information returns.

Example 4: A nonresident employer files 500 Forms W-2 electronically with the IRS as required, but only three of the Forms W-2 are for Wisconsin wages. The three Forms W-2 reportable to Wisconsin may be filed with the department either electronically or on paper.

C. Combined Federal/State Filing Program

Payers who participate in the Combined Federal/State Filing Program are not required to file Forms 1099 with the Wisconsin Department of Revenue. The information reported to the IRS is forwarded by the IRS to the department.

Exception: Any Form 1099 with Wisconsin withholding must be filed with Form WT-7, *Employer's Annual Reconciliation of Wisconsin Income Tax Withheld From Wages*.

Authorization to participate in the Combined Federal/State Filing Program must be obtained from the IRS. A copy of the IRS letter granting authorization to participate should be mailed to the department at the address shown in Part V.

D. Waivers

If a person is otherwise required to file wage statements or information returns electronically with the Wisconsin Department of Revenue, but doing so would cause an undue hardship, the person may submit a written request for a waiver from the department. The waiver request must state the reasons why filing electronically would cause an undue hardship. The request must be mailed to the department at the address shown in Part V at least 30 days before the due date for filing the wage statements or information returns (see Part IV.A).

Persons who have received a federal waiver from filing electronically with the IRS are also not required to file electronically with the Wisconsin Department of Revenue. Such persons who are not filing electronically with the department, but who have 250 or more Wisconsin wage statements or information returns to file, should include a copy of the federal waiver with their wage statements or information returns submitted on paper.

E. Optional Filing

If forms are filed with the IRS electronically, even though they are not required to be filed in that format, a person may file those or comparable forms with the Wisconsin Department of Revenue either electronically or on paper.

Wage statements and information returns may be filed with the Wisconsin Department of Revenue electronically, even though that format is not required (see example 4 in Part III.B).

Forms filed electronically should not be duplicated with paper filing of those forms.

F. Electronic Specifications

Wisconsin's reporting specifications for wage statements and information returns are similar but not identical to the federal reporting specifications.

The electronic reporting specifications for Wisconsin can be obtained by calling the Wisconsin Department of Revenue at (608) 267-3327, by writing to the department at the address shown in Part V, or by e-mail at w2data@revenue.wi.gov. The specifications can also be found on the department's website, www.revenue.wi.gov, by clicking on

"Publications," then "Tax Publications," and finally "CO-001."

IV. WHEN AND WHERE TO FILE ELECTRONICALLY FOR WISCONSIN

A. Due Dates

The Wisconsin due dates for filing forms electronically are the same as the due dates for paper filing.

Forms W-2 reporting wages, tips, and other compensation and Forms W-2G reporting gambling winnings must be filed by February 2, 2009 for payments made in 2008.

Forms 1099-R reporting retirement payments and Forms 1099-MISC reporting nonwage compensation or rents and royalties must be filed by March 2, 2009 for payments made in 2008 (March 16, 2009 for corporations reporting rents and royalties). However, the forms must be furnished to the recipients of the payments by February 2, 2009.

B. Extensions

Extensions of time to file forms electronically are available. A 30-day extension is available for filing Forms W-2 and W-2G. A 60-day extension is available for filing Forms 1099-R and 1099-MISC, provided no Wisconsin tax withheld is reported on the forms. However, the due date for furnishing the forms to the recipients of the payments may not be extended.

A request for an extension must be written and must be submitted, either by mail to the address shown in Part V or by fax to (608) 267-0834, on or before the original

due date of the wage statements or information returns.

C. Where to File

File forms electronically through the department's website at www.revenue.wi.gov. Click on "W-2 and 1099 File Transmission."

V. ADDRESS

Send requests for waivers from filing forms electronically; requests for extensions of time to file; and copies of IRS approvals for participation in the Combined Federal/State Filing Program to:

Wisconsin Department of Revenue
Attention: W-2 Coordinator
Mail Stop 5-144
P.O. Box 8906
Madison, WI 53708-8906