

# Instructions for Preparing the Employer's Annual Reconciliation of Wisconsin Income Tax Withheld (WT-7)

## Who Must File a Reconciliation?

The reconciliation (WT-7) must be filed by every employer and payer who made payments from which Wisconsin tax was withheld (e.g., wages, bonuses, commissions, pensions) or has an active Wisconsin withholding account number.

### Notes:

- Employers filing withholding deposit reports (Form WT-6) quarterly, monthly, or semi-monthly cannot submit the reconciliation until all withholding deposit reports have been filed. The filer will get a rejection error message if:
  - The total withholding tax reported on the annual reconciliation is more than the total tax reported on the withholding deposit reports, or
  - One or more withholding deposits have not been filed. Withholding deposits can be in pending status with a future payment date.
- If an employer (for example, financial institution or insurance company) withholds Wisconsin tax and also has a third party withhold Wisconsin tax on their behalf, information from both sources must be combined on the employer's reconciliation. **Exception:** The employer and the third-party payer of a "sick pay plan" under sec. [71.64\(3\)](#), Wis. Stats., have separate reporting and withholding requirements. For more information, see the article on pages 5-6 of the [2022 Withholding Tax Update: Withholding and Filing Requirements of Third-Party Sick Pay](#).

## Who Must File Wage Statements and Information Returns?

Employers and payers doing business in Wisconsin are required to file wage statements and information returns with the Wisconsin Department of Revenue for certain payments made during the year. This includes:

- Payments made to Wisconsin residents, regardless of where services are performed.
- Payments made to nonresidents for services performed in Wisconsin.

Forms W-2, W-2G, 1099-MISC, 1099-NEC, 1099-R, and 9b, as provided in Chart 1 of [Publication 117, Guide to Wisconsin Wage Statements and Information Returns](#), must be filed with the department. Other information returns such as Forms 1099-DIV, 1099-INT, and 1099-K are required to be filed with the department only if Wisconsin tax is withheld.

For more information, see [Publication 117](#).

### Important

Employers and payers must use their 15-digit Wisconsin withholding tax number on their reconciliation (Form WT-7) and wage and information returns.

Employers or other payers who never held a Wisconsin withholding tax number because they were not required to withhold (for example, made payments exempt from withholding) and did not voluntarily withhold, must enter 03688888888801 in the "Employer State ID Number" box on each wage or information return reportable to Wisconsin.

If changes in your business required you to obtain a new federal employer identification number, you may also need to obtain a new Wisconsin withholding tax account number. Please contact the Department of Revenue (608) 266-2776 for further assistance.

## Due Date

The reconciliation and wage and information returns reportable to Wisconsin are due January 31 following the calendar year. If the Wisconsin due date falls on a weekend or holiday, the due date becomes the business day immediately following the weekend or holiday. For tax year 2023, the reconciliation and wage and information returns are due January 31, 2024.

Employers who discontinue business must file a reconciliation within 30 days of discontinuing business.

Employers who no longer have employees subject to withholding must file a reconciliation within 30 days of discontinuing withholding if account inactivation is requested, or by January 31, if the employer desires to keep the account active.

**Note:** The department may not issue an income tax refund to an employed individual before March 1, unless the individual and individual's employer have filed all required returns and forms with the department.

## Extensions

You may request an extension of 30 days for filing the annual reconciliation (Form WT-7) if you are able to demonstrate good cause and reason for the requested delay. If an extension is granted for the Form WT-7, it also applies to the corresponding wage statements and information returns. You may request a 30-day extension for filing W-2s and/or 1099s with the department, if no Form WT-7 extension is needed. There is no extension of time for filing W-2Gs or for the payment of any amount due on Form WT-7.

Due dates for the following cannot be extended:

- Furnishing wage statements to employees
- Furnishing information returns to recipients

Extension requests must be received by the original due date using one of the following:

- Complete the *Request Extension to File* in [My Tax Account](#)
- Email [WIWithholding@wisconsin.gov](mailto:WIWithholding@wisconsin.gov)
- Mail to Mail Stop 3-80, Wisconsin Department of Revenue, Tax Operations Business, PO Box 8902, Madison WI 53708-8902

## Filing the Reconciliation

You must file the reconciliation electronically, unless all of the following conditions are met:

- Filing electronically would cause you an undue hardship
- You request a waiver from electronic filing by sending a completed [Form EFT-102](#) to the department
- Your request is approved by the department

Electronic filing options include:

- [My Tax Account](#)
- [Third-party software](#)

- [TeleFile](#) – (608) 261-5340 (Madison) or (414) 227-3895 (Milwaukee)
- [E-File Transmission](#)

If you receive an approved electronic filing waiver from the department, mail your completed Form WT-7 to: Wisconsin Department of Revenue, PO Box 8981, Madison WI 53708-8981.

### **How to Correct Reconciliation Errors**

An amended annual reconciliation (Form WT-7) must be filed if an error was made on the original return. Mark the bracket for amended returns in the upper right of the form and include an explanation of the change.

If amending the return to correct withholding amounts reported, corrected wage statements (i.e., Form W-2c) and information returns must accompany the amended return. The Form WT-7 will be rejected if you fail to provide the correct wage statements and information returns. Do not resend previously submitted wage statements and information returns that do not have corrections to withholding.

Be sure to furnish corrected copies of the wage statements and information returns to the employees and individuals involved and advise them to file the corrected copies with their income tax returns.

### **Filing Wage and Information Returns**

Send required wage statements and information returns with the required information and format (see Charts 1 and 2 of [Publication 117](#)) to the department using one of the methods mentioned below.

If you file 10 or more wage statements or 10 or more of any one type of information return, you must file electronically.

Electronic filing options include:

- Use approved [payroll software](#).
- Key Forms W-2, 1099-MISC, 1099-NEC, and 1099-R in [My Tax Account](#) when filing the annual reconciliation (Form WT-7).
- Key Forms W-2, 1099-MISC, 1099-NEC, and 1099-R in My Tax Account at any time during the year. Log into My Tax Account and select "Enter W-2/1099 Information."

This application makes it easy to submit information returns omitted from previous submissions. It also provides a user-friendly option for those that don't have active withholding accounts but have a need to submit W-2s or 1099s.

- [Submit an EFW2 file](#) (for Form W-2) through the department's website.
- [Submit an IRS formatted file](#) (for Forms 1099-MISC, 1099-NEC, 1099-R, 1099-K, W-2G, etc.) through the department's website.

If you file fewer than 10 wage statements or fewer than 10 information returns, we encourage you to file electronically using one of the methods above. The department will send you a confirmation number upon receipt. Otherwise mail to the address shown in Chart 2 of [Publication 117](#).

### **Notes:**

- The only electronic filing options for Form 1099-K with Wisconsin withholding are (1) approved payroll

software and (2) an IRS formatted file that is in the format provided in IRS [Publication 1220](#).

- DO NOT send federal or state transmittal form.
- DO NOT use carbon copied or NCR W-2 forms.
- DO NOT alter a wage statement in any way.
- If you are required to file wage statements or information returns electronically, but doing so would create an undue hardship, you may request a waiver from electronic filing using [Form EFT-102](#), *Electronic Filing or Electronic Payment Waiver Request*. The department must receive Form EFT-102 at least 30 days before the due date for filing the wage statements or information returns.

### Line Instructions

The WT-7 should include:

- All W-2s reportable to Wisconsin (W-2s with “WI” in W-2 Box 15 and electronically filed W-2s with “55” in the state code field)
- Only 1099s and W-2Gs with Wisconsin withholding

**Line 1** – Enter the total number of W-2s reportable to Wisconsin sent to us electronically or by mail.

**Line 2** – Enter the total number of 1099-MISCs and 1099-NECs with Wisconsin withholding sent to us electronically or by mail.

**Note:** Do not include on line 2 any 1099-MISCs or 1099-NECs without Wisconsin withholding.

**Line 3** – Enter the total number of other information returns (Forms W-2G, 1099-R, 1099-DIV, 1099-K, 1099-INT, etc.) with Wisconsin withholding sent to us electronically or by mail.

**Note:** Do not include on line 3 any information returns (Forms W-2G, 1099-R, 1099-DIV, 1099-K, 1099-INT, etc.) without Wisconsin withholding.

**Line 4** – Enter total (add lines 1, 2, and 3).

**Line 5** – Enter the total amount of Wisconsin income tax withheld from wages or other payments as shown on the W-2, W-2G, 1099-MISC, 1099-NEC, 1099-R, 1099-DIV, 1099-K, 1099-INT, etc.

**Line 6** – Enter the amount of Wisconsin income tax withheld as shown on your payroll records. Show the four quarters on lines 6a, 6b, 6c, and 6d respectively, and the total on line 6e.

**Note:** DO NOT include amounts withheld for payment (garnishment/certification) of an employee's delinquent taxes.

**Line 7** – Enter the amount shown on line 5 or line 6e. If lines 5 and 6e are not equal, enter the larger of the two amounts.

**Line 8** – Enter the total amount of withholding tax reported on deposit reports (Form WT-6 or EFT records) for the calendar year covered by the reconciliation. If you file on an annual basis, enter zero (0) and remit withheld amounts with this reconciliation.

**Note:** DO NOT include amounts withheld for payment (garnishment/certification) of an employee's

delinquent taxes.

**Line 9** – If the total tax withheld (line 7) is more than the total tax paid (line 8), enter the amount of TAX DUE on line 9. Pay the amount due in full with this reconciliation to the Wisconsin Department of Revenue. For information about making payments, visit the department's [Make a Payment](#) webpage.

**Line 10** – If the total tax paid (line 8) is more than the total tax withheld (line 7), enter the OVERPAID amount on this line. DO NOT take credit for the overpayment on subsequent deposit reports. The overpayment will be refunded to you upon verification.

**Penalties:** Severe penalties may be imposed for failure to withhold, account for, or pay Wisconsin withholding tax.

**Applicable Laws and Rules**

This document provides statements or interpretations of the following laws and regulations enacted as of October 27, 2023: ch. 71, [Wis. Stats.](#), and chs. Tax 1 and Tax 2, [Wis. Adm Code](#).