

Withholding Fact Sheet 3, Agricultural Workers

This fact sheet explains Minnesota income tax withholding responsibilities as they relate to agricultural workers. If you need more information, see “Information and Assistance” on page 2.

If you employ agricultural workers who work in Minnesota or who are Minnesota residents and you’re required to withhold federal income tax from the employees’ wages, you are also required to withhold Minnesota income tax. (See Internal Revenue Code, section 3401(a).)

Register for Withholding Tax

Before you start withholding Minnesota income tax from your employees’ wages, you must have a Minnesota Tax ID Number and be registered for withholding tax. The Minnesota Department of Revenue can assess you a \$100 penalty if you fail to do so.

If you are a new employer, see Withholding Fact Sheet 10, *New Employer Guide*, for important information. If you do not have a Minnesota ID number, apply online at www.revenue.state.mn.us or call us at 651-282-5225 or 1-800-657-3605 (toll-free).

If you already have a Minnesota ID number for other taxes for the same business, you can use the same number for withholding tax. To add a withholding account, go to www.revenue.state.mn.us and log in to our e-Services system.

Withholding Tax From Wages

Federal Withholding Allowances

You must have all new employees complete federal Form W-4 (available at www.irs.gov) and Minnesota Form W-4MN, *Minnesota Employee Withholding Allowance/Exemption Certificate*, when they begin employment to determine the number of withholding allowances to claim. If a new employee does not give you a complete federal Form W-4 or Minnesota Form W-4MN before the first wage payment, withhold tax as if they are single with zero withholding allowances.

Minnesota Withholding Allowances

If an employee has already completed a 2019 or earlier federal Form W-4, you may use the allowances from the federal Form W-4.

If the employee completes a 2020 Form W-4, they must complete a 2020 Minnesota Form W-4MN.

For complete information, see:

- Withholding Fact Sheet 9, *Definition of Wages*
- Withholding Fact Sheet 10, *New Employer Guide*
- Form W-4MN

How to Pay

For payment options, go to www.revenue.state.mn.us and select **Make a Payment** under **For Businesses**.

You’re required to pay electronically if any of the following are true:

- You withheld more than \$10,000 during the last 12-month period ending June 30
- You are required to electronically pay any other Minnesota business tax
- You use a payroll service company

If you’re required to pay business taxes electronically for one year, you must continue to do so for all future years.

How to File

You must electronically file all Minnesota withholding tax returns, including past-due and amended returns using one of our filing and paying systems:

- Go to www.revenue.state.mn.us and log in to e-Services
- Call 1-800-570-3329

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Other Requirements

At the end of the calendar year, complete a federal Form W-2, *Wage and Tax Statement*, for each employee to whom you paid wages during the year. You must do both of the following:

- Give the W-2 forms to your employees by January 31 following the end of the calendar year
- Electronically submit the W-2 information to the Minnesota Department of Revenue by January 31 each year

For additional information, see Minnesota Income Tax Withholding Instruction Booklet. For specifications for submitting W-2 forms electronically, see Withholding Fact Sheet 2, *Submitting Form W-2 Information*.

Information and Assistance

Minnesota Department of Revenue

Additional forms and information, including fact sheets and frequently asked questions, are available on our website.

Website: www.revenue.state.mn.us

Email: withholding.tax@state.mn.us

Phone: 651-282-9999 or 1-800-657-3594

This information is available in alternate formats.

Internal Revenue Service

Website: www.irs.gov

Phone: 1-800-829-4933