



## Minnesota Withholding Tax Employer Responsibilities Webinar

Income Tax & Withholding Division  
withholding.tax@state.mn.us  
651-282-9999 or 1-800-657-3594

### Handouts Review



IMPORTANT  
WEBINAR INFO  
Handouts for



2023 Employer  
Responsibilities  
Slides



2023 Employer  
Responsibilities  
Webinar  
Handouts

## Handouts

**DEPARTMENT OF REVENUE**

### Do you have questions about state business taxes?

**Business Registration** 651-282-5225 or 1-800-657-3605 (toll-free)  
business.registration@state.mn.us

**Withholding Tax** 651-282-9999 or 1-800-657-3594 (toll-free)  
withholding.tax@state.mn.us

**Business Income Tax** 651-556-3075 or 1-800-657-3666 (toll-free)  
businessincome.tax@state.mn.us

**Sales Tax** 651-296-6181 or 1-800-657-3777 (toll-free)  
salesuse.tax@state.mn.us

**Use Tax** 651-296-6181 or 1-800-657-3777 (toll-free)  
salesuse.tax@state.mn.us

**Individual Income Tax** 651-296-3781 or 1-800-652-9094 (toll-free)  
individual.incometax@state.mn.us

**Collections** 651-556-3003 or 1-800-657-3909 (toll-free)  
mcor.collection@state.mn.us

**Revenue TIP Line** 651-297-5195 or 1-800-657-3500 (toll-free)  
24 hours a day. You can remain anonymous.

**Business Center**  
Visit the Business Center on our website — a one-stop shop for business-related information. Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and click on **Business Center under For Businesses**, or enter **Business Center** in the Search box.

**DEPARTMENT OF REVENUE**

### Other Agencies

**Internal Revenue Service**  
1-800-829-4933 (toll-free)  
[www.irs.gov](http://www.irs.gov)

**Minnesota Department of Commerce**  
651-539-1500 or 1-800-657-3602 (toll-free)  
[www.mn.gov/commerce](http://www.mn.gov/commerce)

**Minnesota Department of Employee and Economic Development**  
651-296-6141 (press 4)  
[www.uimm.org/uimm](http://www.uimm.org/uimm)

**Minnesota Department of Human Services**  
651-431-2000 or 1-800-672-4473 (toll-free)  
[www.mn.gov/dhs](http://www.mn.gov/dhs)

**Minnesota Department of Labor and Industry**  
651-284-9005 or 1-800-342-5354 (toll-free)  
[www.dli.mn.gov](http://www.dli.mn.gov)

**Minnesota Secretary of State**  
651-296-2803 or 1-877-551-6767 (toll-free)  
[www.sos.state.mn.us](http://www.sos.state.mn.us)

**U.S. Citizenship and Immigration Services**  
1-888-464-4218 (toll-free)  
[www.uscis.gov](http://www.uscis.gov)

**U.S. Department of Labor**  
1-866-487-2365 (toll-free)  
[www.dol.gov](http://www.dol.gov)

**U.S. Social Security Administration**  
1-800-772-6470 or 1-800-772-1213 (toll-free)  
[www.ssa.gov/employer](http://www.ssa.gov/employer)

## Handouts

**DEPARTMENT OF REVENUE**

### Withholding Tax Return and Deposit Due Dates

You must electronically file your Withholding Tax returns and deposit (pay) the tax you withheld by the due dates listed below.

**Note:** If the due date falls on a weekend or legal holiday, your return or deposit is due on the next business day.

**Return Due Dates**  
Return due dates depend on whether you are a quarterly filer or an annual filer. Most employers are required to file quarterly returns.

Frequency	From	You must file by:
1st Quarter (Jan. - Mar.)	Apr. 30	Apr. 30
2nd Quarter (April - Jun.)	Jul. 31	Jul. 31
3rd Quarter (July - Sep.)	Oct. 31	Oct. 31
4th Quarter (Oct. - Dec.)	Jan. 31	Jan. 31
Annual (See annual filer requirements below)	Jan. 31	Jan. 31

**Annual filer requirements:** To qualify for annual filing, you must have a total liability of \$500 or less of withholding in the prior calendar year. You may receive a letter from the Minnesota Department of Revenue if you qualify for annual filing.

**Deposit Due Dates**  
Deposit due dates depend on your Federal Withholding Tax schedule and how much Minnesota tax you withheld.

Frequency	If you withheld	Then your deposit is due:
Semiweekly	More than \$1,500 in the previous calendar year or \$1,500 or more in any calendar year	15th day of the following month, or the next business day if that day falls on a Sat., Sun., Mon., or holiday.
Monthly	More than \$1,500 in the previous quarter and the IRS requires you to deposit monthly.	15th day of the following month.
Annual	Less than \$500 prior to Dec. 1 (See annual deposit exception below).	Jan. 31
Quarterly	\$1,500 or less in the previous quarter and you filed that quarter's return on time.	April 30, July 31, Oct. 31 and Jan. 31

**Annual deposit exception:** Each time your total tax withheld exceeds \$500, you must deposit by the last day of the month following the month in which withholding exceeds \$500.

**Seasonal Option**  
If you consistently withhold tax in the same one, two, or three quarters each calendar year, you can file returns and deposit tax for only the quarters you pay wages. If you meet this requirement, contact us at 651-282-9999 or [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us) to update your account. Use the above due dates when you file returns and deposit tax for active quarters.

**DEPARTMENT OF REVENUE**

### Form MWR, Reciprocity Exemption/Affidavit of Residency for Tax Year 2023

For Michigan and North Dakota residents who work in Minnesota.

**Read instructions on back.**

**Employee:** Complete this form and give it to your employer.

**Employer's Name:** \_\_\_\_\_ **Employer's Social Security Number:** \_\_\_\_\_

**Permanent Address:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **ZIP Code:** \_\_\_\_\_

1. If you earned wages in Minnesota during the tax year, enter the amount: \_\_\_\_\_

2. How long have you held all your permanent residences? From \_\_\_\_\_ to \_\_\_\_\_

3. Do you return to your permanent residence at least once a month?  Yes  No  
If your answer is no, STOP HERE. You do not qualify for the reciprocity exemption.

4. Were you ever a resident of Minnesota?  Yes  No

**Current Employer's Name:** \_\_\_\_\_ **Employer's Federal Tax ID:** \_\_\_\_\_

**Employer's Mailing Address:** \_\_\_\_\_ **Employer's Phone Number:** \_\_\_\_\_

**City:** \_\_\_\_\_ **State:** \_\_\_\_\_ **ZIP Code:** \_\_\_\_\_

**Employer's Signature:** \_\_\_\_\_ **Employer's Phone Number:** \_\_\_\_\_

**Employees:** Mail this form to:  
Minnesota Department of Revenue  
Mail Station 6501  
600 N. Robert St.  
St. Paul, MN 55146-6501

Keep a copy for your records.

**Note:** If this form is not filled out completely, you must withhold Minnesota income tax from wages earned in Minnesota.

# Handouts

**4**

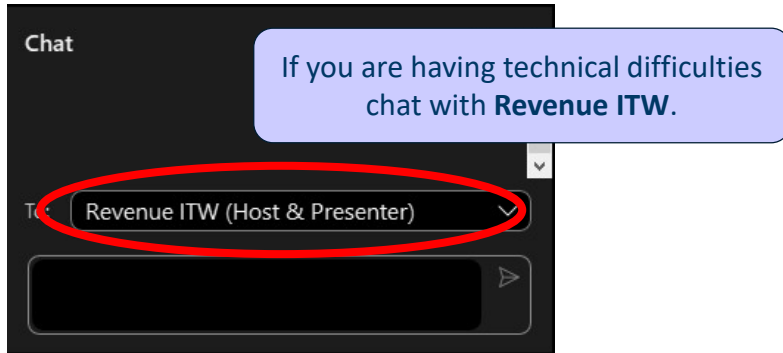
**5**

# Handouts

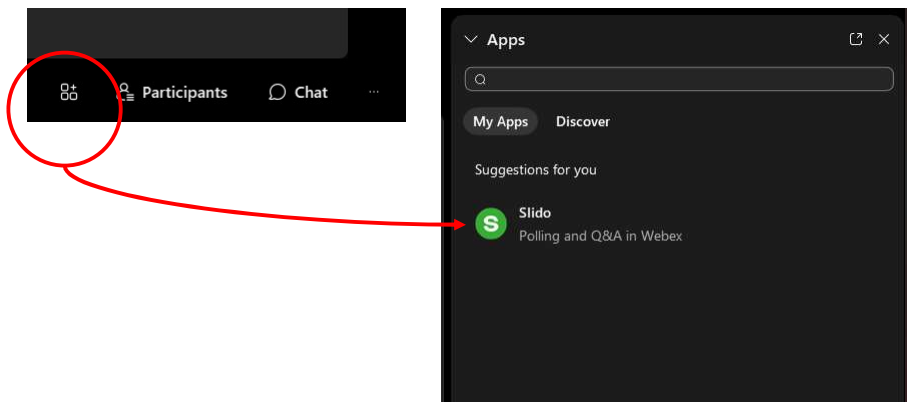
1/27/2023

**6**

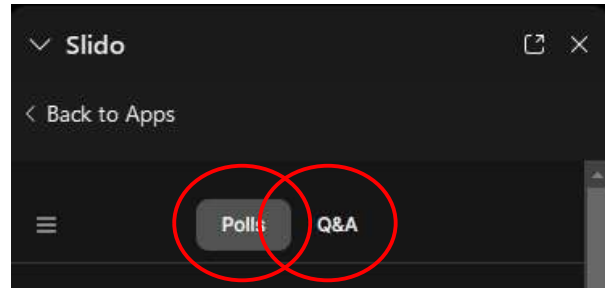
## Using Chat



## Launch Slido



## Polls and Q&A



## Where in the world...

...are you joining us from today?

## CPE Guidelines, Pt. 1



- NASBA guidelines are followed to issue credits for this course
- The maximum allowed credits for this course is 2.0
- You must answer 6 content-related poll questions to receive full credit
  - 3 of 4 polls must be answered in each half of the webinar
- You will have one (1) minute to answer each question before the poll closes

## CPE Guidelines, Pt. 2



- The last question will ask for your name and email
- Answering less than the 6 content-related questions will result in partial credit
- Your certificate will be emailed to you within 3 business days
- You cannot request CPE credits under a different name or email than what was used for registration

**A test poll will follow this slide**

## Disclaimer

This presentation is for educational purposes only and does not provide tax advice. It is meant to accompany an oral presentation and not to be used as a standalone document.

This presentation is based on the facts and circumstances being discussed, and on the laws in effect when it is presented. It does not supersede or alter any provisions of Minnesota laws, administrative rules, court cases, or revenue notices.

If you have any questions, contact us at 651-282-9999 or [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us).

## Withholding Tax Topics

- Minnesota withholding tax basics
- Voluntary Disclosure Program
- Minnesota Tax ID Number
- Other withholding programs
- Employer responsibilities
- e-Services
- Resources

## Other Contacts

- **Minnesota Unemployment Insurance Program**
  - 651-296-6141 [www.uimn.org](http://www.uimn.org)
- **Minnesota Department of Labor**
  - 651-284-5075 [www.dli.mn.gov](http://www.dli.mn.gov)
- **Federal Department of Labor**
  - 1-866-4US-WAGE (1-866-487-9243) [www.dol.gov](http://www.dol.gov)
- **Minnesota Workers' Compensation Insurers Association**
  - 952-897-1737 [www.mwcia.org](http://www.mwcia.org)

[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

# Website Demonstration



## Minnesota Department of Revenue

Working together to fund the future for all of Minnesota

INDIVIDUALS	<b>BUSINESSES</b>	TAX PROFESSIONALS	GOVERNMENTS
-------------	-------------------	-------------------	-------------

### Top Tasks

- [Where's My Refund?](#)
- [Make a Payment](#)
- [Log In to e-Services](#)
- [Register for a Tax ID](#)
- [Calculate a Sales Tax Rate](#)
- [Find a Form](#)

## Businesses



### Federal Conformity Update

Minnesota tax laws have been updated to recognize the Internal Revenue Code as amended through December 15, 2022. These updates may impact state income tax returns filed with a nonconformity schedule for tax years 2017-2022. For details, see [2023 Federal Conformity for Income Tax](#).

We offer information and resources to help businesses:

- File and pay Minnesota taxes and fees
- Get a Minnesota Tax ID Number
- Calculate sales tax rates
- Manage tax accounts and business information
- Learn about other business taxes and fees

### Top Tasks

[+]

- |  |  |
|--|--|
| <a href="#">Log in to e-Services</a>                   | <a href="#">Calculate Sales Tax Rate</a> |
| <a href="#">Make a Payment</a>                         | <a href="#">Find a form</a>              |
| <a href="#">Register for a Minnesota Tax ID Number</a> | <a href="#">Tax Due Dates</a>            |

Business Tax Resources

[+]

Business Taxes and Fees

[+]

### Contact Info

#### EMAIL

Contact form

#### PHONE

651-282-5225  
800-657-3605

#### HOURS [+]

#### ADDRESS [+]

### Related Content

- Collection Information
- Annual Tax Statistics
- Revenue Notices

### Last Updated

January 12, 2023

www.revenue.state.mn.us

**Business Taxes and Fees**

**[-]**

- [All Business Taxes and Fees](#)
- [Alcoholic Beverage Tax](#)
- [Cigarette and Tobacco Taxes](#)
- [Corporation Franchise Tax](#)
- [Environmental Taxes and Fees](#)
- [Estate Tax](#)
- [Fiduciary Tax](#)
- [Gambling Taxes](#)
- [Insurance Taxes](#)
- [Mining and Mineral Taxes](#)
- [Minnesota Care Taxes](#)
- [Mortgage Registry and Deed Tax](#)
- [Partnership Tax](#)
- [Petroleum Tax](#)
- [Property Taxes](#)
- [S Corporation Tax](#)
- [Sales and Use Tax](#)
- [Solar Energy Production Tax](#)
- [Unrelated Business Income Tax](#)
- [Wind Energy Production Tax](#)
- [Withholding Tax](#)

www.revenue.state.mn.us

**Withholding Tax**



Minnesota Withholding Tax is state income tax you as an employer take out of your employees' wages. You then send this money as deposits to the Minnesota Department of Revenue and file withholding tax returns.

Withholding tax applies to almost all payments made to employees for services they provide for your business. For more information on withholding requirements, see [federal Circular E, IRS Publication 15](#) and our [Withholding Tax Instructions](#).

- [Top Tasks](#) [+]
- [Audit and Appeal Information](#) [+]
- [Contractor Affidavit Information](#) [+]
- [Education and Outreach](#) [+]
- [Filing Information](#) [+]
- [Non-Wage Payments Subject to Withholding](#) [+]
- [W-2 and 1099 Information](#) [+]
- [Withholding for Specific Employees](#) [+]
- [Withholding on Certain Types of Pay](#) [+]

**FIND A FORM OR INSTRUCTIONS**

**Contact Info**

**EMAIL**  
Contact form

**PHONE**  
651-282-9999  
800-657-3594

**HOURS** [+]

**ADDRESS** [+]

**Related Content**

- [Withholding Tax Fact Sheets](#)
- [Withholding Tax Mailing Addresses](#)
- [Wage Levy for Employers](#)

**Last Updated**

January 04, 2023

www.revenue.state.mn.us

Contact Info

EMAIL

Contact form

PHONE

651-282-9999  
800-657-3594

HOURS [+]

ADDRESS [+]

Related Content

- Withholding Tax Fact Sheets
- Withholding Tax Mailing Addresses
- Wage Levy for Employers

www.revenue.state.mn.us

NEWS

[Income Tax Filing Season Kicks Off Today](#)

January 23, 2023 - Minnesota taxpayers can begin filing their state income tax returns today, Monday, January 23, 2023. This is the same date the Internal Revenue Service will begin accepting federal...

[Tax Delinquency List Updated](#)

January 17, 2023 - The Minnesota Department of Revenue has updated its online posting of Minnesota businesses prohibited from purchasing liquor, beer or wine to resell. The department updates the list...

[Minnesota Individual Income Tax filing season opens January 23, 2023](#)

January 13, 2023 - The Minnesota Department of Revenue will open the state Individual Income Tax filing season on Monday, January 23, 2023. This date matches the opening day for the Internal Revenue...



- About Us
- Accessibility
- Careers
- Contact Us

- Disaster Relief
- Link Policy
- Newsroom
- Other Languages

- Privacy and Security
- Site Help
- Tax Law Changes**
- Taxpayer Rights

- Use of Information
- Voter Registration

CONNECT WITH US



GET EMAIL UPDATES

## Withholding Tax Basics

- Most employers must withhold federal and state income tax
- Federal tax sent to IRS
- Minnesota tax sent to Department of Revenue
- For withholding requirements, see:
  - IRS Publication 15, Circular E, Employer's Tax Guide
  - Minnesota Income Tax Withholding Instructions

## Wages Defined

Wages include, but are not limited to:

- Salaries
- Cash wages
- Commissions
- Bonuses
- Tips (special rules)
- Back Pay
- Gifts



## Wages Defined

- Withhold and send Minnesota income tax **and** file returns if you:
  - Employ anyone who works in Minnesota or is a Minnesota resident
  - Are required to withhold federal income tax wages
- We follow federal provisions for determining taxable wages

See Withholding Tax Fact Sheet 9

## 3% Tax on Misclassified Workers

- Applies to all instances, regardless of industry or entity
- 3% applies to total compensation paid
- Employer cannot recover tax
- Employees cannot claim tax as a credit

See Withholding Tax Fact Sheet 8

## Voluntary Disclosure Program

- Helps businesses come into compliance
- Possible waiver of penalties
- Limited lookback period
- Confidential, except for information exchange agreements

### To qualify:

- Account cannot be under review
- Must not have filed returns for tax type requested

## Voluntary Disclosure Program Requirements

### Employers must agree to:

- Register for a withholding tax account
- File returns in requested format
- Make records available for review upon request
- Pay tax, penalty, and interest specified in agreement

Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter **Voluntary Disclosure** into the Search box.

## Voluntary Disclosure Program Requirements

### Employers must agree to:

- Register for a withholding tax account
- File returns in requested format
- Make records available for review upon request
- Pay tax, penalty, and interest specified in agreement

Go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and enter **Voluntary Disclosure** into the Search box.

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

32



## Questions?

## Minnesota Tax ID Number

### Register for a withholding tax account if any of these apply:

- You hire Minnesota employees, including corporate officers (see Withholding Fact Sheet 6)
- You pay nonresident employees to work in Minnesota
- You make mining and exploration royalty payments
- You agree to withhold Minnesota taxes when not required (voluntary withholding)

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

34

## Minnesota Tax ID Number Registration

### How to register for a Minnesota Tax ID Number

Method	You'll receive your number
Online at <a href="http://www.revenue.state.mn.us">www.revenue.state.mn.us</a>	Within minutes by email
By phone at 651-282-5225 or 1-800-657-3605	Immediately over the phone
Using Form ABR, Application for Business Registration	Within 3 to 5 business days, by email or fax

**Caution:** If you withhold before you register, we assess a \$100 penalty.

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

35



## Minnesota Use Tax

### What is Use Tax?

- Applies when purchasing taxable items or services without paying sales tax
- Out-of-state purchases can trigger it, even if collecting sales tax

## Minnesota Use Tax Facts

### Did you know?

- Most businesses are liable
- When registering for a withholding account, you automatically get a use tax account
- You self-assess and pay it directly to Revenue

## Minnesota Use Tax Resources

### Use Tax Resources:

- See Sales Tax Business Guide under Top Tasks on Sales and Use Tax home page
- Call 651-296-6181 or 1-800-657-3777
- Email [salesuse.tax@state.mn.us](mailto:salesuse.tax@state.mn.us)

## Surety Deposits

- Contracts made with non-Minnesota construction contractors to perform construction work in Minnesota
- 8% withholding required on payments when contract value exceeds \$50,000
- See Withholding Fact Sheet 12



## Royalty Payments

- Mining and exploration royalty payers must withhold income tax on royalty payments made for using Minnesota land
- 6.25% withholding on royalties paid during the year



2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

40

## Nonresident Entertainer Tax

- 2% nonresident entertainer tax on gross compensation
- No Minnesota income tax on compensation paid to nonresident entertainers for performances
- See Withholding Fact Sheet 11



2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

41

## Other Minnesota Programs

### Contractor Affidavit

- For projects done for the state of Minnesota or any of its political subdivisions
- Contractors must file Contractor Affidavits when project work is complete to receive final payment
- See Withholding Fact Sheet 13



2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

42



## Minnesota Withholding

## Employer Responsibilities

### Employers have three main responsibilities:

1. Deposit (pay) income tax withheld
2. File withholding tax returns
3. Submit W-2 and 1099 information



2/21/2023

Working together to fund the future for all of Minnesota | www.revenue.state.mn.us

46

## Reciprocity Exemptions

### Form MWR – Reciprocity exemptions

- For Michigan or North Dakota residents who return to their state at least once a month
- Employees must complete this form each year
- You must send us all copies

Due **March 31** or **30 days from date completed**

**\$50 penalty per form not submitted**

mi DEPARTMENT OF REVENUE		Form MWR, Reciprocity Exemption/Affidavit of Residency for Tax Year 2023	
For Michigan and North Dakota residents who work in Minnesota.			
Read instructions on back.			
Employees: Complete this form and give it to your employer.			
Employee's Last Name	First Name and Initial	Employee's Social Security Number	
Permanent Address		State (check one)	ZIP Code
City	<input type="checkbox"/> Michigan <input type="checkbox"/> North Dakota		
1. If you earned wages in Minnesota during the previous year, enter the wages you earned \$ _____ (include any 1099-MISC wages)			
2. How long have you lived at your permanent residence? From _____ to _____ <input type="checkbox"/> No			
3. Do you return to your permanent residence at least once a month? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If your answer is no, STOP HERE. You do not qualify for the reciprocity exemption.			
4. Were you ever a resident of Minnesota? <input type="checkbox"/> Yes, from _____ to _____ <input type="checkbox"/> No			
Current Employer's Name		Employer's Mailing Address	
Employer's Mailing Address		Employer's Phone Number	
City	State	ZIP Code	
I declare that the above information is correct, true, accurate to the best of my knowledge and belief, and that I am a 2023 priority filer. <input type="checkbox"/> (check one)			
Employee's Signature	Date	Employer's Phone Number	
Employees: Mail this form to: Minnesota Department of Revenue 4000 Franklin Avenue 6000 N. Robert St. St. Paul, MN 55116-6001			
Keep a copy for your records.			
Note: If this form is not filed out completely, you must withhold Minnesota income tax from wages earned in Minnesota.			

2/21/2023

Working together to fund the future for all of Minnesota | www.revenue.state.mn.us

47

# Allowances or Exemptions

Form W-4MN determines Minnesota allowances or exemptions from Minnesota withholding.

- Cannot have Section 1 and Section 2 filled out for the same employee

# Submitting Withholding Forms

Send us copies of Form W-4MN if employees:

- Claim more than 10 allowances
- Are not entitled to their number of allowances claimed
- Claim exempt and wages exceed \$200 a week

Due **February 15** or **30 days** from date completed

\$50 penalty per form not submitted

# Submitting Withholding Forms

## Form W-4MNP

- New in 2022
- Periodic or non-periodic distributions from retirement accounts
- Based on withholding allowances
- May elect to not withhold tax
- Keep a copy on file; **do not** send to Revenue
- Backup withholding rate of 9.85% **does not apply**

**m DEPARTMENT OF REVENUE**  
**2022 W-4MNP, Minnesota Withholding Certificate for Pension or Annuity Payments**  
**Pension or Annuity Recipients**  
 Complete Form W-4MNP if the financial institution making these distributions can withhold the correct Minnesota income tax. Consider completing a new Form W-4MNP each year or when your personal or financial situation changes. See Section 2 if you do not want income tax withheld from your distributions.  
 Complete Section 1 OR Section 2, then sign the bottom of the recipient's section and give the completed form to your financial institution.  
 1. Enter "1" if you are single and have no one else to depend on.  
 2. Enter "2" if you are married, have only one spouse of income, and your spouse does not have income.  
 3. Enter "3" if you are married, do not have a spouse of income, or your spouse's income is \$10,000 or less.  
 4. Enter "4" if you are married, do not have a spouse of income, and your spouse's income is more than \$10,000.  
 5. Enter the number of dependents (other than your spouse or yourself) you will claim on your tax return.  
 6. Enter "0" if you will not be filing a state level of federal adjusted gross income.  
 7. Add steps A through E. If your plan to terminate distributions by the 2022 Minnesota income tax return, you may also complete the Federal Deductions and Additional Income Worksheet.  
 8. Minnesota Allowances. Enter Step 1 from Section 1 (or Step 10 of the Federal Deductions Worksheet) plus the number of additional allowances you want withheld for each pension or annuity payment (see instructions).  
 9. Section 2 - Election to Not Withhold Minnesota Income Tax.  
 Complete Section 2 if you receive a lump sum or annuity and do not wish to have any tax withheld from any distributions (see instructions).  
 Identify that of submission proceeds to the plan administrator. Complete Section 2 if you are a 500K penalty for filing a false Form W-4MNP.  
 Recipient or Annuity Recipient Signature Date Recipient Phone Number  
 Pension or Annuity Recipient: Over the completed form to your pension or annuity plan administrator.

2/21/2023

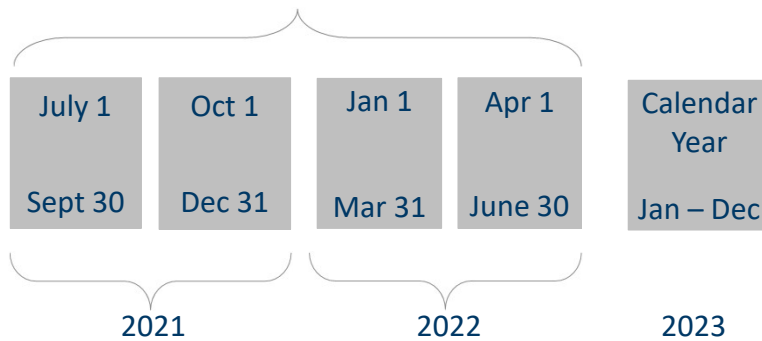
Working together to fund the future for all of Minnesota | www.revenue.state.mn.us

50



# Depositing Withholding Tax

## Lookback Period



## Monthly Depositors

You must deposit on a monthly schedule if **either** apply:

- Your withholding was over \$1,500 last quarter **and** the IRS requires you to deposit on a monthly schedule
- You are a new employer (for the first 12 months)

Deposits are due by the **15th day of the next month.**



## Semiweekly Depositors

You must deposit on a semiweekly schedule if **both** apply:

- Your withholding was over \$1,500 last quarter
- The IRS requires you to deposit on a semiweekly schedule

If your payday is	Your deposit is due
Wednesday, Thursday, or Friday	Wednesday after payday
Saturday, Sunday, Monday, or Tuesday	Friday after payday

## Quarterly Depositors

You may deposit by the return due date if **both** apply:

- Withheld \$1,500 or less in Minnesota tax last quarter
- Filed the last quarter's return on time

**Note:** We do not notify you when you exceed the \$1,500 threshold.

## File Electronically

You must deposit electronically if **any** of these apply:

- You withheld a total of \$10,000 or more in Minnesota income tax in the last 12 months (ending June 30)
- You must electronically pay another Minnesota business tax
- You are a payroll service company

If you are required to pay business taxes electronically, you must keep doing so for all future periods.

**We can assess a penalty for nonelectronic payments.**



## Filing Withholding Tax

## Minnesota Filing

### You must:

- File a withholding return for all active periods
- Submit returns online using our e-Services system

## Quarterly Filing

- You must file a return every quarter, even if you deposited all tax withheld
- If you did not withhold, file a “zero return” for the quarter

Reporting Period	Return Due Date
Quarter 1 (January - March)	April 30
Quarter 2 (April - June)	July 31
Quarter 3 (July - September)	October 31
Quarter 4 (October - December)	January 31

## Seasonal Depositors and Filers

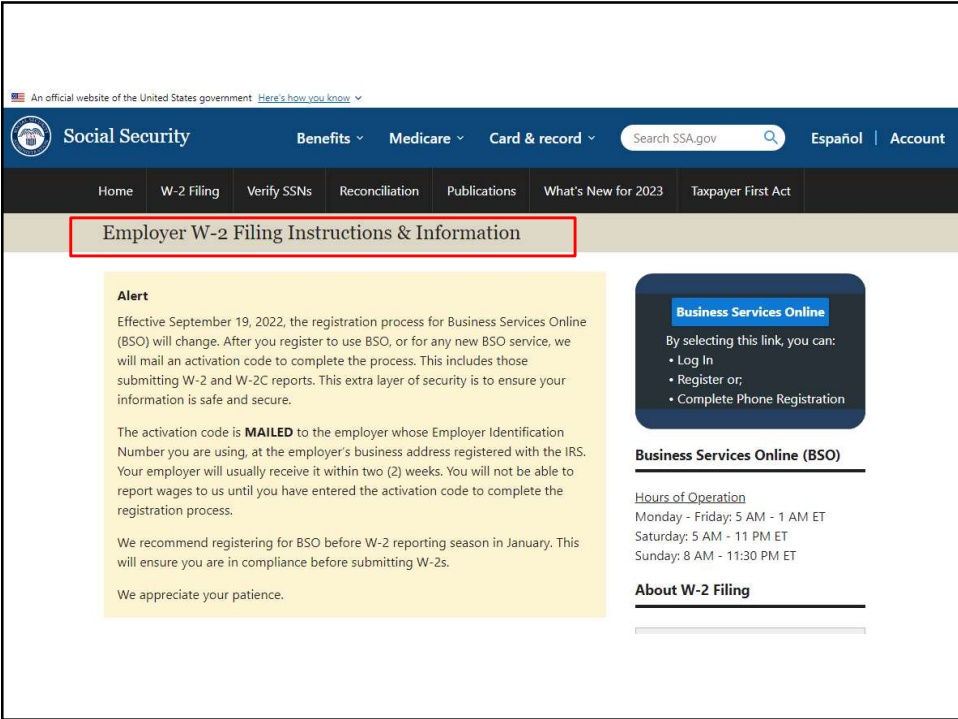
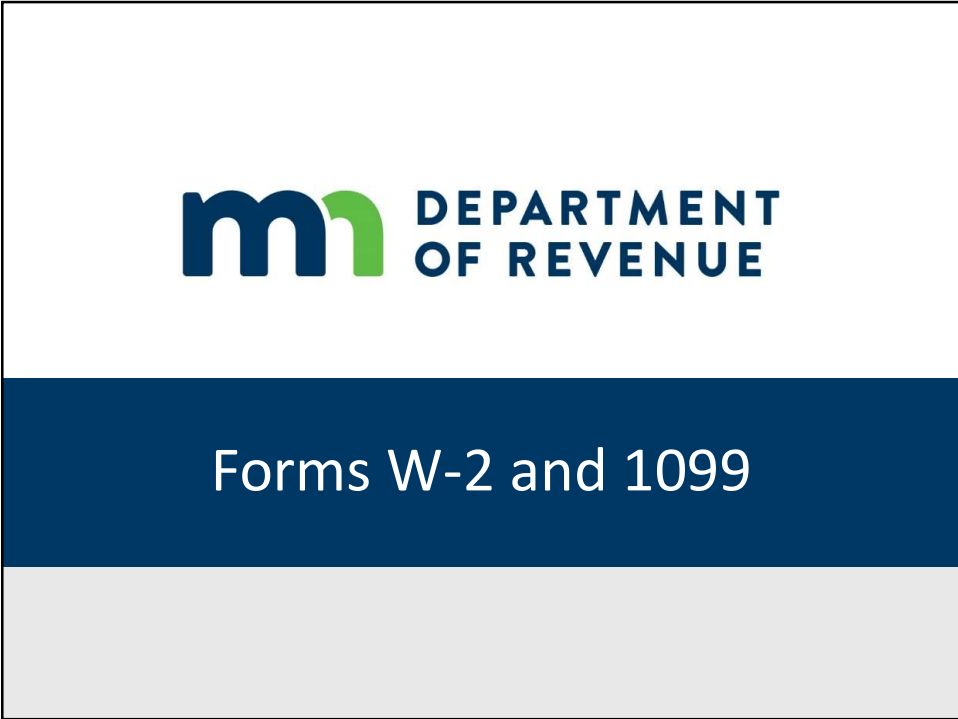
- Deposit and file for only the quarters you pay wages (up to three quarters)
- Contact us if you think you qualify

Reporting Period	Return Due Date
Quarter 1 (January - March)	No Withholding
Quarter 2 (April - June)	No Withholding
Quarter 3 (July - September)	October 31
Quarter 4 (October - December)	No Withholding

## Annual Depositors and Filers

To deposit and file annually, you must qualify and have our approval.

- Tax withheld must be **\$500 or less** prior to December 1
- File and pay by January 31 of the following year
- If tax withheld **exceeds \$500** prior to December 1, deposit on the last day of the following month each time withholding exceeds \$500



## W-2 Wage Allocation

- **Minnesota residents:** Wages allocated to Minnesota, no matter where they physically perform work
  - Reported in box 16 of Form W-2
- **Nonresidents:** Wages allocated to Minnesota for work physically performed in the state
  - Exception for Michigan or North Dakota residents who provided Form MWR

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

70

## W-2 and 1099 Requirements

### **By January 31:**

- Give W-2s to employees and 1099s to payees
- Submit all W-2s to us
- Submit all 1099s with Minnesota withholding to us

### **Submit information electronically:**

- Required if you have more than 10 forms
- Full Social Security Numbers required

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

71

## Submitting W-2 and W-2c

### Submit W-2 and W-2c in e-Services

- Upload EFW2 and EFW2C file formats up to 30MB
- Simple File: Create spreadsheet, save as delimited, and upload
- Manually Enter Data (formerly Key and Send)

See **Withholding Fact Sheet 2** for W-2s and W-2cs

**\$50 penalty** per form not submitted

## Submitting 1099 Information

### Submit 1099 information in e-Services

- Upload 1220 file format up to 30MB
- Simple File: Create spreadsheet, save as delimited, and upload
- Manually Enter Data (formerly Key and Send)
- New for 2020: Form 1099-NEC

See **Withholding Fact Sheet 2a** for 1099s

**\$50 penalty** per form not submitted

## Recordkeeping

Keep these records for at least three years plus the current year:

- W-2 information
- 1099 information
- W-2c information
- All other payroll records

**You must make records available on request.**

[www.revenue.state.mn.us](http://www.revenue.state.mn.us)

## e-Services Demonstration



The screenshot shows the homepage of the Minnesota Department of Revenue's e-Services portal. At the top right, the text "e-Services" is displayed in white on a dark blue background. Below this is a dark blue navigation bar containing the "m DEPARTMENT OF REVENUE" logo on the left and a search box on the right. Underneath the navigation bar is a horizontal menu with links for "Individuals", "Businesses", "Tax Professionals", "Governments", "Policy & Research", and "Fraud".

The main content area features the "Minnesota Department of Revenue" title and the tagline "Working together to fund the future for all of Minnesota". To the left of this text are four white boxes with green borders labeled "INDIVIDUALS", "BUSINESSES", "TAX PROFESSIONALS", and "GOVERNMENTS". To the right is a "Top Tasks" section with a blue header and a list of links: "Where's My Refund?", "Make a Payment", "Log in to e-Services" (highlighted with a red box), "Register for a Tax ID", "Calculate a Sales Tax Rate", and "Find a Form".

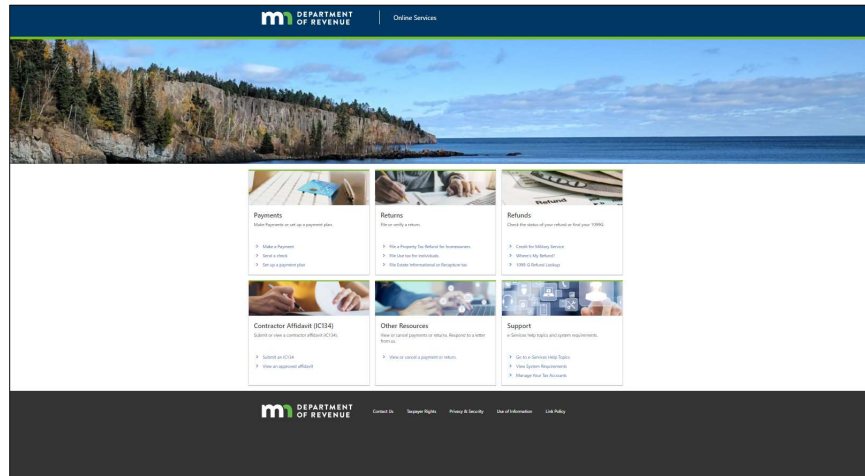
At the bottom of the page, the footer contains the date "2/21/2023", the tagline "Working together to fund the future for all of Minnesota", the website URL "www.revenue.state.mn.us", and the page number "77".

The screenshot shows the login page of the Minnesota Department of Revenue's e-Services portal. At the top right, the text "e-Services" is displayed in white on a dark blue background. Below this is a dark blue navigation bar with the "m DEPARTMENT OF REVENUE" logo on the left and a "Home" icon on the right. The main content area features a large background image of a lake and trees. A "NOTICE" box is visible, stating: "Due to scheduled maintenance, this system will be unavailable Friday, October 7 from 4:30 p.m. to midnight. Regular deadlines for filing and paying your taxes will apply. Please plan accordingly. We apologize for this inconvenience." A login form is overlaid on the right side of the image, with fields for "Username" and "Password", a "Log In" button, and links for "Forgot username or password?", "New to e-Service?", and "Create a username".

Below the login form are three white boxes with green borders: "Business Registration" (with a link to "Get a Minnesota Tax ID Number"), "Businesses Resources" (with links to "Withholding Calculator" and "Find Sales Tax Rates"), and "Support" (with links to "Go to e-Service Help Topics" and "View System Requirements").

At the bottom of the page, the footer contains the "m DEPARTMENT OF REVENUE" logo and links for "Contact Us", "Taxpayer Rights", "Privacy & Security", "Use of Information", and "Link Policy". The footer also contains the date "2/21/2023", the tagline "Working together to fund the future for all of Minnesota", the website URL "www.revenue.state.mn.us", and the page number "78".

## e-Services



2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

79

## e-Services Access Type

Access type is a security feature that controls what users can do in e-Services.

- **e-Services Master** can:
  - Add, delete, and change security levels for all users
  - File returns and make payments
- **Account Managers** can:
  - View, file, or make payments for specific accounts

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

80

## Third-Party Access

If you manage accounts for	Then
Other businesses	You must request third-party access for each business you manage
A business you own or are employed with	Third-party access is not needed

For details, go to our website and enter **third-party access** into the Search box.

## Levy Accounts

- e-Services Master receives email alert
- Created for employee or bank customer levies by Revenue only
- View levy balances on your employee or bank customers
- Submit levy disclosures or payments
- Grant security access for filing, paying, or viewing levies

For details, go to our website and enter **Wage Levy** into the Search box.

## Demand Letters and CFR Notices

If you have an active Withholding Tax account and have not deposited tax or filed returns:

- We will send you a Demand to File letter
- If you do not respond, we file a Commissioner Filed Return (CFR) on your behalf
- You must still file your own return, or we will send a bill and may collect the tax

## Penalties and Interest

We may assess penalties and interest if you are late in:

- Depositing tax
- Filing returns
- Submitting W-2 and 1099 information

For details, go to our website and enter **penalties** into the Search box.

## Closing your Withholding Tax Account

If you no longer need to withhold income tax:

- Close your withholding account
- File a return for the last period you were in business or had employees
- Send us all W-2s
- Send us any 1099s with Minnesota withholding

If you hire employees later, contact us to reactivate your account. **Do not** get a new Minnesota Tax ID Number.

## Closing your Business

- Closing your account with other state agencies does **not** close your accounts with us
- Contact separate tax divisions to close other accounts
- If you change your business entity type, close the existing account and register for a new Minnesota Tax ID Number
- If you need a new federal ID number, you usually need a new Minnesota ID number

## Withholding Tax Resources

- Minnesota Income Tax Withholding Instruction Booklet
- Fact Sheet 2 – Submitting Form W-2 and W-2c Information
- Fact Sheet 2a – Submitting Form 1099 Information
- Fact Sheet 3 – Agricultural Workers
- Fact Sheet 4 – Fairs and Special Events
- Fact Sheet 5 – Third-Party Bulk Filers
- Fact Sheet 6 – Corporate Officers
- Fact Sheet 7 – Household Employees
- Fact Sheet 8 – Independent Contractor or Employee?

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

95

## Withholding Tax Resources (Cont.)

- Fact Sheet 9 – Definitions of Wages
- Fact Sheet 10 – New Employer Guide
- Fact Sheet 11 – Nonresident Entertainer Tax
- Fact Sheet 12 – Surety Deposits for Non-Minnesota Construction Contractors
- Fact Sheet 13 – Construction Contracts with State or Local Government Agencies
- Fact Sheet 19 – Nonresident Wage Income Assigned to MN
- Fact Sheet 20 - Reciprocity

2/21/2023

Working together to fund the future for all of Minnesota | [www.revenue.state.mn.us](http://www.revenue.state.mn.us)

96



Thank you!  
Take our survey and tell us how we did!

Mark Krause  
[mark.krause@state.mn.us](mailto:mark.krause@state.mn.us)  
651-556-6606