



2024 Minnesota Withholding Tax Employer Responsibilities Webinar Handouts Supplement



We are proud to offer Continuing Professional Education for this course. If you are going to request CPE for this course, may we remind you of the following guidelines:

- NASBA guidelines are followed to issue credits for this course
- The maximum allowed credits for this course is 2.0
- You must answer three poll questions each hour to receive full credit
- Answering less than the three poll questions per hour will result in partial credit
- We cannot issue less than one credit
- You will have approximately one minute to answer each question before the poll closes
- The last question will ask for your name and email address
- 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

Disclaimer: Documents contained in this packet may be outdated after December 31, 2024. Please check our website for more updated information.



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)
mdor.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 and click on **Business Center** under **For Businesses**, or enter **Business Center** in the Search box.

Other Agencies

- Internal Revenue Service**
1-800-829-4933 (toll-free)
www.irs.gov
- Minnesota Department of Commerce**
651-539-1500 or 1-800-657-3602 (toll-free)
www.mn.gov/commerce
- Minnesota Department of Employee and Economic Development**
651-296-6141 (press 4)
www.uimn.org/uimn
- Minnesota Department of Human Services**
651-431-2000 or 1-800-672-4473 (toll-free)
www.mn.gov/dhs
- Minnesota Department of Labor and Industry**
651-284-5005 or 1-800-342-5354 (toll-free)
www.dli.mn.gov
- Minnesota Secretary of State**
651-296-2803 or 1-877-551-6767 (toll-free)
www.sos.state.mn.us
- U.S. Citizenship and Immigration Services**
1-888-464-4218 (toll-free)
www.uscis.gov
- U.S. Department of Labor**
1-866-487-2365 (toll-free)
www.dol.gov
- U.S. Social Security Administration**
1-800-772-6470 or 1-800-772-1213 (toll-free)
www.ssa.gov/employer

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

Annual filer requirements – To qualify for annual filing, you must have a filing history 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 deposit 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 quarter and the Internal Revenue Service (IRS) requires you to deposit semiweekly	<ul style="list-style-type: none"> • Wed after payday if payday falls on a Wed, Thu, or Fri • Fri after payday if payday falls on a Sat, Sun, Mon, or Tue
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
Exception – 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 to update your account. Use the above due dates when you file returns and deposit tax for active quarters.



Form MWR, Reciprocity Exemption/Affidavit of Residency for Tax Year 2024

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

City State (check one) ZIP Code
 Michigan North Dakota

1 If you earned wages in Minnesota during the previous year, enter the wages you earned \$ _____
(Round to the nearest dollar)

2 How long have you lived at your permanent residence? From _____ to _____
(month/year) (month/year)

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, from _____ to _____ No
(month/year) (month/year)

Current Employer's Name Employer's Federal Tax ID

Employer's Mailing Address Employer's Phone Number

City State ZIP Code

I declare that the above information is correct and complete to the best of my knowledge and belief.
I understand there is a \$500 penalty for making false statements.

Employee's Signature Date Employee's Phone Number

Employers: 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.

Form MWR Instructions

Instructions for Employees

Minnesota has income tax reciprocity agreements with Michigan and North Dakota. These agreements only cover personal service income such as wages, bonuses, tips, and commissions.

Every year, fill out this form and give it to each Minnesota employer if all of these apply:

- You are a resident of Michigan or North Dakota
- You return to your residence in that state at least once a month
- You do not want Minnesota income tax withheld from your wages

Give the completed form to your employer by the later of:

- February 28
- 30 days after you begin working or change your permanent state of residence

If you complete and submit Form MWR, you do not need to complete Form W-4MN, *Minnesota Employee Withholding/Exemption Certificate*, to claim exempt from Minnesota Withholding Tax.

Fill Out the Form Completely

If you do not complete every item on this form or do not give the form to your employer by the due date, your employer must withhold Minnesota income tax from your wages.

To Get a Refund of Tax Already Withheld for the Year

File Form M1, *Individual Income Tax*, with the Minnesota Department of Revenue. See the Form M1 instructions for details.

Penalties

If you make any statements on this form that you know are incorrect, we may assess a \$500 penalty.

Use of Information

All information on Form MWR is private by state law. It may only be given to your state of residence, the Internal Revenue Service (IRS), and to other state tax agencies as provided by law. The information may be compared with other information you gave to the Minnesota Department of Revenue.

Your name, address, and Social Security Number are required for identification. Your address is also required to verify your state of residence. Your employer's name, Federal Employer Identification Number, and address and phone number are required.

The only information not required is your phone number. We ask for it so we can contact you if we have questions.

Instructions for Employers

Employees must provide you a complete Form MWR if one of these applies:

- They reside in Michigan or North Dakota
- They requested that you do not withhold Minnesota income tax from their wages

Form MWR is due by February 28 each year, or within 30 days after they begin working for you or change their state of residence. Employees who live in other states, including Minnesota, cannot use this form.

If an employee does not complete every item of Form MWR or does not provide the form to you by the due date, you must withhold Minnesota income tax, using the same marital status and number of allowances claimed on the employee's Minnesota Form W-4MN (or federal Form W-4, if they did not complete Form W-4MN).

If the employee provides you with a properly completed Form MWR, the employee is not required to complete Form W-4MN to claim exemption from Minnesota income tax withholding.

Submit Completed Forms MWR to the Department

By March 31 of each year, send the completed Forms MWR to:

Minnesota Department of Revenue
Mail Station 6501
600 N. Robert St.
St. Paul, MN 55146-6501

You must keep a copy of all forms for five years from the date received.

For new employees or employees who change their state of residence, send the form within 30 days after the employee gives it to you.

You may be assessed a \$50 penalty for each form you do not send us when required.

Forms and Information

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.



2024 W-4MN, Minnesota Withholding Allowance/Exemption Certificate

Employees

Complete Form W-4MN so your employer can withhold the correct Minnesota income tax from your pay. Consider completing a new Form W-4MN each year and when your personal or financial situation changes. If no Form W-4MN is in effect, the number of withholding allowances claimed will be zero.

First Name and Initial	Last Name	Social Security Number
Permanent Address		Marital Status (Check one): <input type="checkbox"/> Single; Married, but legally separated; or Spouse is a nonresident alien <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate
City	State ZIP Code	

Complete Section 1 OR Section 2, then sign the bottom and give the completed form to your employer.

Section 1 — Determining Minnesota Allowances

- A Enter "1" if no one else can claim you as a dependent **A** _____
 - B Enter "1" if any of the following apply: **B** _____
 - You are single and have only one job
 - You are married, have only one job, and your spouse does not work
 - Your wages from a second job or your spouse's wages are \$1500 or less
 - C Enter "1" if you are married. Or choose to enter "0" if you are married and have either a working spouse or more than one job. (Entering "0" may help you avoid having too little tax withheld.) . **C** _____
 - D Enter the number of dependents (other than your spouse or yourself) you will claim on your tax return. **D** _____
 - E Enter "1" if you will use the filing status Head of Household (see instructions). **E** _____
 - F Add steps A through E. If you plan to itemize deductions on your 2024 Minnesota income tax return, you may also complete the Itemized Deductions and Additional Income Worksheet. **F** _____
- 1 Minnesota Allowances.** Enter Step F from Section 1 above or Step 10 of the Itemized Deductions Worksheet **1** _____
- 2 Additional Minnesota withholding you want deducted for each pay period (see instructions)** **2** \$ _____

Section 2 — Exemption From Minnesota Withholding

Complete Section 2 if you claim to be exempt from Minnesota income tax withholding (see Section 2 instructions for qualifications). If applicable, check one box below to indicate why you believe you are exempt:

- A** I meet the requirements and claim exempt from both federal and Minnesota income tax withholding
- B** Even though I did not claim exempt from federal withholding, I claim exempt from Minnesota withholding, because:
 - I had no Minnesota income tax liability last year
 - I received a refund of all Minnesota income tax withheld
 - I expect to have no Minnesota income tax liability this year
- C** All of these apply:
 - My spouse is a military service member assigned to a military location in Minnesota
 - My domicile (legal residence) is in another state
 - I am in Minnesota solely to be with my spouse. My state of domicile is _____
- D** I am an American Indian that resides and works on a reservation for which I am enrolled (see instructions).
 Enter the reservation name: _____
 Enter your Certificate of Degree of Indian Blood (CDIB)/Enrollment number: _____
- E** I am a member of the Minnesota National Guard or an active-duty U.S. military member and claim exempt from Minnesota withholding on my military pay
- F** I receive a military pension or other military retirement pay as calculated under U.S. Code, title 10, sections 1401 through 1414, 1447 through 1455, and 12733, and I claim exempt from Minnesota withholding on this retirement pay

I certify that all information provided in Section 1 OR Section 2 is correct. I understand there is a \$500 penalty for filing a false Form W-4MN.

Employee's Signature	Date	Daytime Phone Number
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Employees: Give the completed form to your employer.

Employers

See the employer instructions to determine if you must send a copy of this form to the Minnesota Department of Revenue. If required, enter your information below and mail this form to the address in the instructions. (Incomplete forms are considered invalid.) We may assess a \$50 penalty for each required Form W-4MN not filed with us. Keep a copy for your records.

Name of Employer	Minnesota Tax ID Number	Federal Employer ID Number (FEIN)
Address	City	State ZIP Code

Form W-4MN Instructions for Employees

Complete this form for your employer to calculate the amount of Minnesota income tax to be withheld from your pay.

When must I complete Form W-4MN?

Complete Form W-4MN if any of these apply:

- You begin employment
- You change your filing status
- You reasonably expect to change your filing status in the next calendar year
- Your personal or financial situation changes
- You claim exempt from Minnesota withholding (see Section 2 instructions for qualifications)

If you have not had sufficient Minnesota income tax withheld from your wages, we may assess penalty and interest when you file your state income tax return.

Note: Your employer may be required to submit a copy of your Form W-4MN to the Minnesota Department of Revenue. You may be subject to a \$500 penalty if you provide a false Form W-4MN.

You must enter your Social Security Number for this Form W-4MN to be valid.

What if I have completed federal Form W-4?

If you completed a 2024 Form W-4, you must complete Form W-4MN to determine your Minnesota withholding allowances.

What if I am exempt from Minnesota withholding?

If you claim exempt from Minnesota withholding, complete only Section 2 of Form W-4MN and sign and date the form to validate it. If you complete Section 2, you must complete a new Form W-4MN by February 15 in each following year in which you claim an exemption from Minnesota withholding.

You cannot claim exempt from withholding if all of these apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

What if I am a nonresident alien for U.S. income taxes?

If you are a nonresident alien, you are not allowed to claim exempt from withholding. You will check the single box for marital status regardless of your actual marital status and may enter one personal allowance on Step A of Section 1. Enter zero on steps B, C, and E of Section 1.

If you are resident of Canada, Mexico, South Korea, or India, and are allowed to claim dependents, enter the number of dependents on Step D.

Section 1 — Minnesota Allowances Worksheet

Complete Section 1 to find your allowances for Minnesota withholding tax. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

If you expect to owe more income tax for the year than will be withheld, you can claim fewer allowances or request additional Minnesota withholding from your wages. Enter the amount of additional Minnesota income tax you want withheld on line 2 of Section 1.

Nonwage Income

Consider making estimated payments if you have a large amount of “nonwage income.” Nonwage income (other than tax-exempt income) includes interest, dividends, net rental income, unemployment compensation, gambling winnings, prizes and awards, hobby income, capital gains, royalties, and partnership income.

Two Earners or Multiple Jobs

If your spouse works or you have more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4MN. Usually, your withholding will be more accurate when all allowances are claimed on the Form W-4MN for the highest paying job and zero allowances are claimed on the others.

Head of Household Filing Status

You may claim Head of Household as your filing status if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependents. Enter “1” on Step E if you may claim Head of Household as your filing status on your tax return.

What if I itemize deductions on my Minnesota return or have other nonwage income?

Use the Itemized Deductions and Additional Income Worksheet to find your Minnesota withholding allowances. Complete Section 1 on page 1, then follow the steps in the worksheet on the next page to find additional allowances.

Itemized Deductions and Additional Income Worksheet

- 1 Enter an estimate of your 2024 Minnesota itemized deductions. For 2024, you may have to reduce your itemized deductions if your income is over \$232,500 (\$116,250 for Married Filing Separately).....
- 2 Enter one of the following based on your filing status:
 - a. \$29,150 if Married Filing Jointly
 - b. \$21,900 if Head of Household
 - c. \$14,575 if Single or Married Filing Separately
- 3 Subtract step 2 from step 1. If zero or less, enter 0
- 4 Enter an estimate of your 2024 additional standard deduction (from page 11 of the Form M1 instructions).....
- 5 Add steps 3 and 4
- 6 Enter an estimate of your 2024 taxable nonwage income
- 7 Subtract step 6 from step 5. If zero, enter 0. If less than zero, enter the amount in parentheses.....
- 8 Divide the amount on step 7 by \$5,050. If a negative amount, enter in parentheses. Do not include fractions
- 9 Enter the number on step F of Section 1 on page 1
- 10 Add step 8 and 9 and enter the total here. If zero or less, enter 0. Enter this amount on line 1 of page 1.

Section 2 — Minnesota Exemption

Your employer will not withhold Minnesota taxes from your pay if you are exempt from Minnesota withholding. You cannot claim exempt from withholding if all of these apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

Box A

Check box A of Section 2 to claim exempt if all of these apply:

- You meet the requirements to be exempt from federal withholding
- You had no Minnesota income tax liability in the prior year and received a full refund of Minnesota tax withheld
- You expect to have no Minnesota income tax liability for the current year

Box B

Check box B of Section 2 if you are not claiming exempt from federal withholding, but meet the second and third requirements for box A.

Box C

Check box C in Section 2 to claim exempt if all of these apply:

- You are the spouse of a military member assigned to duty in Minnesota
- You and your spouse are domiciled in another state
- You are in Minnesota solely to be with your active duty military spouse member

Boxes D-F

If you receive income from the following sources, it is exempt from Minnesota withholding. Your employer will not withhold Minnesota tax from that income when you check the appropriate box in Section 2.

- **Box D:** You receive wages as a member of an American Indian tribe living and working on the reservation of which you are an enrolled member. Enter the name of your reservation and your Certificate of Degree of Indian or Alaskan Blood (CDIB) number/enrollment number. **Members of the Minnesota Chippewa Tribe** can exclude income regardless of which Minnesota Chippewa Tribe reservation you live and work on. This affects members of these tribes:
 - Mille Lacs
 - Nett Lake (Bois Forte)
 - Fond du Lac
 - Leech Lake
 - White Earth
 - Grand Portage
- **Box E:** You receive wages for Minnesota National Guard (MNG) pay or for active duty U.S. military pay. MNG and active duty U.S. military members can claim exempt from Minnesota withholding on these wages, even if they are taxable federally. For more information, see Income Tax Fact Sheet 5, *Military Personnel*.
- **Box F:** You receive a military pension or other military retirement pay calculated under U.S. Code title 10, sections 1401 through 1414, 1447 through 1455, and 12733. You may claim exempt from Minnesota withholding on this income even if it is taxable federally.

Note: You may not want to claim exempt if you (or your spouse if filing a joint return) expect to have other forms of income subject to Minnesota tax and you want to avoid owing tax at the end of the year.

If you complete Section 2, you must complete a new Form W-4MN by February 15 in each following year.

Nonresident Alien

If you are a nonresident alien for federal tax purposes, do not complete Section 2. See IRS Publication 519, *U.S. Tax Guide for Aliens*.

Line 2 — Additional Minnesota Withholding

If you would like an additional amount of tax to be deducted per payment period, enter the amount on line 2. Do not enter a percentage of the payment you want to be deducted.

Use of Information

All information on Form W-4MN is private by state law. It cannot be given to others without your consent, except to the IRS, other states that guarantee the same privacy, or by court order. Your name, address, and Social Security Number are required for identification. Information about your allowances is required to determine your correct tax. We ask for your phone number so we can call if we have a question.

Questions?

- Website: www.revenue.state.mn.us
- Email: withholding.tax@state.mn.us
- Phone: 651-282-9999 or 1-800-657-3594 (toll-free)

Employer instructions are on the next page.

Educational Purposes Only
See website for current form

Form W-4MN Employer Instructions

Form W-4MN Requirement

Federal Form W-4 will not determine withholding allowances used to determine the amount of Minnesota withholding. Employees completing a 2024 Form W-4 will need to complete 2024 Form W-4MN to determine the appropriate amount of Minnesota withholding.

Lock-In Letters

IRS Letter 2800C tells you when the IRS believes your employee may have filed an incorrect federal Form W-4. If you receive this letter, you must provide the Minnesota Department of Revenue with a copy of the employee's Form W-4MN. We will verify the number of allowances that the employee may claim for Minnesota purposes. Continue using the Form W-4MN you were using at the time you received Letter 2800C from the IRS, until we notify you to change the amount of allowances on the employee's Form W-4MN. If the employee has not completed a Form W-4MN, have them complete the form and use the allowances calculated on that form until notified by the department.

Use the amount on line 1 of page 1 for calculating the withholding tax for your employees.

When does an employee complete Form W-4MN?

Employees complete Form W-4MN no later than when they begin employment or when their personal or financial situation changes.

How should I determine Minnesota withholding for an employee that does not complete Form W-4MN?

If an employee does not complete Form W-4MN and they have a federal Form W-4 (from 2019 or prior years) on file, use the allowances on their federal Form W-4. Otherwise, withhold Minnesota tax as if the employee is single with zero withholding allowances.

What if my employee claims to be exempt from Minnesota withholding?

If your employee claims exempt from Minnesota withholding, they must complete Section 2 of Form W-4MN. They must provide you with a new Form W-4MN by February 15 of each year. If you are paying an employee for wages that are exempt from withholding, such as Medicaid Waiver Payments or wages to H-2A visa workers, do not send us Form W-4MN.

When do I need to submit copies of a Form W-4MN to the department?

You must send copies of Form W-4MN to us if any of these apply:

- The employee claims more than 10 Minnesota withholding allowances
- The employee checked box A or B under Section 2, and you reasonably expect the employee's wages to exceed \$200 per week
- You believe the employee is not entitled to the number of allowances claimed

You do not need to submit Form W-4MN to us if the employee is asking to have additional Minnesota withholding deducted from their pay.

We may assess a \$50 penalty for each Form W-4MN you do not file with us when required.

Mail Forms W-4MN to:

Minnesota Department of Revenue
Mail Station 6501
600 N. Robert St.
St. Paul, MN 55146-6501

What if my employee is a resident of a state that has a reciprocity agreement with Minnesota?

Your employee must complete Form MWR, Reciprocity Exemption/Affidavit of Residency if both of these apply:

- They are a resident of North Dakota or Michigan, and
- They do not want you to withhold Minnesota tax from their wages

Your employee must complete a Form MWR by February 28 of each year, or within 30 days after they begin working or change their permanent residence. See Withholding Fact Sheet 20, *Reciprocity - Employee Withholding*, for more information.

What is an invalid Form W-4MN?

A Form W-4MN is considered invalid if any of these apply:

- There is any unauthorized change or addition to the form, including any change to the language certifying the form is correct
- The employee indicates in any way the form is false by the date they provide you with the form
- The form is incomplete or lacks the necessary signatures
- Both Section 1 and Section 2 were completed
- The employer information is incomplete

What if I receive an invalid form?

Do not use the invalid form to calculate Minnesota income tax withholding. Have the employee complete and submit a new Form W-4MN. If the employee does not give you a valid form, and you have an earlier Form W-4MN from them, use the earlier form to calculate their withholding.

If a valid Form W-4MN is not completed by the employee, withhold taxes as if the employee is single and claiming zero withholding allowances.

What if my employee is a nonresident alien of the United States?

If the wages to this employee are subject to income tax withholding, you will use Table 1 and the procedure under **Withholding Adjustment for Nonresident Alien Employees** in IRS Publication 15-T to determine the correct Minnesota withholding tax. Do not use this procedure for nonresident alien students from India and business apprentices from India. Also do not use this procedure for certain nonresident aliens who are residents of South Korea. See IRS Notice 1392 for special instructions and withholding exceptions.



2024 W-4MNP, Minnesota Withholding Certificate for Retirement Account, Pension, or Commercial Annuity Payments

Note: This form is not required for certain nontaxable periodic payments and nonperiodic distributions, including:

- Designated Roth account distributions
- Qualified Roth IRA distributions
- Qualified Charitable Distributions (QCDs)

Complete Form W-4MNP so your plan administrator, financial institution, or other payer responsible for making your 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. If you do not complete this form and do not have a previous Form W-4MNP on file with your payer, they must withhold Minnesota taxes at a rate equal to 6.25% of the taxable payment or distribution.

First Name and Initial	Last Name	Social Security Number
Permanent Address		Claim or Identification Number (if any) of your Account or Contract
City	State	ZIP Code

Note: The 2024 Minnesota Individual Income Tax rates and brackets are provided on page 2 of the instructions.

Withholding election for periodic payments:

- Default rate of 6.25%
- No withholding
- Other percentage (specify): _____
- Set dollar amount per periodic payment (specify): _____

Withholding election for nonperiodic distributions:

- Default rate of 6.25%
- No withholding
- Other percentage (specify): _____
- Set dollar amount per distribution (specify): _____

Sign here. Give the completed form to your plan administrator, financial institution, or other payer responsible for making your distributions.

I certify that all information provided is correct.

Pension or Annuity Recipient Signature	Date	Daytime Phone Number
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See website for current form

Form W-4MNP, Minnesota Withholding Certificate for Retirement Account, Pension, or Commercial Annuity Payments

Complete this form to request the percentage or amount of Minnesota income tax to be withheld from your taxable payments or distributions.

What's new?

On May 24, 2023, legislation was enacted to allow recipients of retirement, IRA, pension, or commercial annuity payments to request Minnesota income tax withholding at any rate or amount they choose, including none. This simplified method does not require you to calculate allowances. If you already have a Form W-4MNP on file with your plan administrator, you do not need to complete this form unless you choose to do so.

When should I complete Form W-4MNP?

Complete Form W-4MNP if you are a Minnesota resident and receive taxable payments or distributions from any of these:

- Employer deferred compensation plan (such as a 401(k))
- Pension plan
- Individual retirement plan
- Traditional IRA
- Commercial annuity

This form is not required for certain nontaxable distributions, including designated Roth account distributions, qualified Roth IRA distributions, or Qualified Charitable Distributions (QCDs).

For taxable periodic payments, complete Form W-4MNP when you begin receiving payments from a retirement account, traditional IRA, annuity, or pension, or if your personal or financial situation changes. Use this form to specify a dollar amount or percentage to be withheld or to elect to have no Minnesota income tax withheld from these payments. If you were already having Minnesota income tax withheld from payments you received, you do not need to complete a Form W-4MNP unless you want to adjust your Minnesota income tax withholding.

For taxable nonperiodic distributions, you must complete Form W-4MNP to set the withholding amount or percentage for your distribution or elect not to withhold on the distribution. You may complete a new form or elect out of withholding each time you request a nonperiodic distribution.

Generally, if you submit a federal Form W-4P or W-4R for federal income tax withholding, you should complete a new Form W-4MNP.

If you previously completed Form W-4MNP for the same institution, you may use the election from the previous Form W-4MNP by confirming the election with the institution. In this case, you would not need to complete a new Form W-4MNP.

For this Form W-4MNP to be valid, you must enter your Social Security Number and sign the form. If this form is invalid or incomplete, the payer will withhold Minnesota income taxes equal to 6.25% of any taxable payment or distribution.

What are periodic payments and nonperiodic distributions?

Periodic payments are made in installments at regular intervals (such as quarterly, monthly, or annually) over a period of more than one year.

Nonperiodic distributions are payments not made at regular intervals, including on-demand IRA distributions.

What if I receive multiple nonperiodic distributions?

This form is specific to the account or contract you identified above. If you have more than one account or contract with the financial institution or payer to which you are providing this form, complete a separate Form W-4MNP for distributions or payments from each account or contract.

What if I have completed federal Form W-4P or Form W-4R?

You will still need to complete Form W-4MNP to specify your Minnesota income tax withholding, if you have not already done so. If you do not complete Form W-4MNP and provide it to the payer, the payer will withhold Minnesota income taxes equal to 6.25% of your payments or distributions.

What if I choose to not have Minnesota income tax withheld?

Check the "No withholding" box and sign Form W-4MNP to validate it. Consider making estimated tax payments to avoid possible penalties and interest when you file your Minnesota income tax return. If you do not check the "No withholding" box, or specify a withholding percentage or amount, the payer will withhold Minnesota income taxes equal to 6.25% of any taxable payment or distribution.

Income Tax Rates

Below are the 2024 Minnesota Individual Income Tax rates and brackets.

Rate	Married Filing Jointly		Married Filing Separately		Head of Household		Single	
	Minnesota taxable income more than	But not more than	Minnesota taxable income more than	But not more than	Minnesota taxable income more than	But not more than	Minnesota taxable income more than	But not more than
5.35%	\$0	\$46,330	\$0	\$23,165	\$0	\$39,010	\$0	\$31,690
6.80%	\$46,330	\$184,040	\$23,165	\$92,020	\$39,010	\$156,760	\$31,690	\$104,090
7.85%	\$184,040	\$321,450	\$92,020	\$160,725	\$156,760	\$256,880	\$104,090	\$193,240
9.85%	\$321,450	-	\$160,725	-	\$256,880	-	\$193,240	-

Use of Information

All information on Form W-4MNP is private by state law. It cannot be given to others without your consent, except to the IRS, to other states that guarantee the same privacy, or by court order. Your name, address, and Social Security Number are required for identification. We ask for your phone number so we can call if we have questions.

Questions?

- Website: www.revenue.state.mn.us
- Email: withholding.tax@state.mn.us
- Phone: 651-282-9999 or 1-800-657-3594

Form W-4MNP Payer Instructions on next page.

Educational Purposes Only
See website for current form

Form W-4MNP Payer Instructions

Form W-4MNP Requirement

If your recipient is a Minnesota resident and completes a federal 2023 Form W-4P or Form W-4R, they will need to complete 2023 Form W-4MNP to set the desired amount of Minnesota withholding for taxable distributions and payments. **Your recipient is not required to complete this form for certain nontaxable distributions, including designated Roth account distributions, qualified Roth IRA distributions, or Qualified Charitable Distributions (QCDs).**

When does a recipient complete Form W-4MNP?

Recipients complete Form W-4MNP when they begin receiving taxable payments or distributions, or when their personal or financial situation changes.

If a recipient requests more than one taxable nonperiodic distribution from your institution, and you already have a Form W-4MNP on file, confirm with them whether they would like to use their previous election. If they choose to change their election, they must complete a new Form W-4MNP.

How should I determine Minnesota withholding for a recipient that does not complete Form W-4MNP?

If a recipient already has a prior-year Form W-4MNP on file, you may use the allowances on their Form W-4MNP. Do not change withholding on distributions without requesting an updated Form W-4MNP. If a recipient has a federal Form W-4P or W-4R on file from tax year 2017 or prior, you may use the allowances on their federal Form W-4P or Form W-4R. Otherwise, withhold Minnesota tax at a rate of 6.25% of the taxable distribution only if you have been unable to obtain a Form W-4MNP from the recipient.

Prior to May 24, 2023, if you provided the option to withhold Minnesota income tax on distributions as shown on Form W-4MNP, you may be able to continue following the recipient's previous election. Do not change any existing withholding arrangement unless the recipient directs you to do so.

If the recipient	Then
Chose to have tax withheld	You may use the allowances the recipient determined on a prior-year Minnesota Form W-4MNP. Do not change any existing withholding arrangement without contacting the recipient.
Chose not to have tax withheld	You do not need to withhold for the recipient.
Did not choose either way	You must ask the recipient to complete Form W-4MNP to choose their withholding amount or percentage.

What is an invalid Form W-4MNP?

Form W-4MNP is considered invalid if any of these apply:

- There is any unauthorized change or addition to the form, including any change to the language certifying the form is correct.
- The recipient indicates in any way that the form is false by the date the recipient provides you with the form.
- The form is incomplete or lacks a Social Security Number and required signatures.

What if I receive an invalid form?

Do not use the invalid form to calculate Minnesota income tax withholding. Have the recipient complete and submit a new Form W-4MNP. If the recipient does not give you a valid form, and you have a prior-year Form W-4MNP from them, use the prior-year form to calculate their withholding.

If the recipient does not complete a valid Form W-4MNP for a taxable payment or distribution, withhold taxes at a rate of 6.25% of the taxable payment or distribution.

Does the department accept substitute forms?

You may use an equivalent substitute form, but it must include all the election options from Form W-4MNP. Keep all Forms W-4MNP or equivalent documents with your records.

Financial institutions are not required to use this revised Form W-4MNP before January 1, 2024.

Submitting Form W-2 and W-2c Information

Withholding Fact Sheet 2

This fact sheet explains your requirements and options for submitting Form W-2 and W-2c information to the Minnesota Department of Revenue.

Filing Requirements

If you are actively registered for Minnesota Withholding Tax, you must send us Form W-2 information by January 31 each year.

If you have **a total of more than 10 forms** (W-2s plus 1099s), you must electronically submit the information to us.

If you have **10 or less forms** (W-2s plus 1099s), you may send us paper copies. Mail your forms to:

Minnesota Department of Revenue
Mail Station 1173
600 N. Robert St.
St. Paul, MN 55146-1173

You may file Forms W-2c electronically or by mail. If you file by mail, send copies of W-2cs to the address above.

Electronic Filing Options

Submit your W-2 and W-2c information using our e-Services system:

e-Services Methods

- Manual method
- Simple File method (spreadsheet saved as .txt or .csv file)
- EFW2 or EFW2c File method

Note: If you need to submit files larger than 30 megabytes, call us at 651-282-9999 or 1-800-657-3594.

Manual Method

Enter required W-2s and W-2c information directly into e-Services. To do so:

1. Log in to e-Services and select the **I Want To...** tab.
2. Under "W-2, W-2C, and 1099," select **Manually enter data**.
3. Select the year of your Forms W-2 and W-2c.
4. Enter the number of Forms W-2 and W-2c to submit and select **Next**.
5. Enter the required W-2 and W-2c information and select **Next**.
6. A summary of W-2 and W-2c information will display. If correct, select **Submit** to complete. If incorrect, select **Previous** to correct errors.
7. The confirmation screen will appear after successfully submitting the information. Print the confirmation page by selecting **Printer Friendly** or email the confirmation by selecting **Email Me**.

Simple File Method

Upload a file you create using a spreadsheet program such as Microsoft Excel. Your file must contain the required information.

Note: There are two simple file types accepted by e-Services — tab delimited (.txt) and comma delimited (.csv).

Creating a Simple (delimited) File

Your payroll computer software may be able to create a text file that includes the required information needed to use this method. If not, you must create a file on your own.

One way to create your own file is by using any spreadsheet software, such as Microsoft Excel. On your spreadsheet, each row should represent one payee and each column should represent one piece of required

information.

You cannot load a spreadsheet file directly into e-Services. You must first save it as a delimited file. To do so in Microsoft Excel, select **File** on the toolbar, and then select **Save As**. In the drop-down menu **Save as type**, select either **Text** (tab delimited) (*.txt) or **CSV** (comma delimited) (*.csv).

Required Information

You must use a separate column for each piece of required information. The columns must follow these specifications.

Column	Field
A	Filler (see "What You Should Know")
B	Year (4 digits, e.g., 2022)
C	ID Type (SSN, FEIN, ITIN)
D	Social Security Number, FEIN, or ITIN (if none, enter 000000000)
E	First Name (max of 15 characters)
F	Middle Name (optional)
G	Last Name/Company Name (max of 20 characters)
H	W-2, Box 1 - Wages, tips, other compensation
I	W-2, Box 2 - Federal income tax withheld
J	W-2, Box 16 - Minnesota wages, tips, etc.
K	W-2, Box 17 - Minnesota income tax withheld
L	1099-MISC - Minnesota income (see instructions)
M	1099-MISC, Box 15 - State tax withheld
N	1099-NEC, Box 1 - Nonemployee compensation
O	1099-NEC, Box 5 - State tax withheld
P	1099-R, Box 2a - Taxable amount
Q	1099-R, Box 14 - State tax withheld
R	W-2G, Box 1 - Reportable winnings
S	W-2G, Box 15 - State income tax withheld
T	W-2G, Box 2 - Date won (YYYYMMDD - for example, 20220131 for January 31, 2022)

What You Should Know

- Column A is a filler column and must contain data. Do not put W-2 information in this column. Use this area for your own purpose (for example, the company name).
- The first row is designated for column headings. Do not put W-2 information in this row.
- If there is no dollar amount to enter, the dollar field must be filled with a zero. All dollar amounts must be positive.
- All dollar fields must contain a decimal if there are cents (for example, 100.55).
- Do not include "\$" or commas in any fields.
- Do not include dashes in Social Security Numbers, Federal Employer Identification Numbers, or Individual Taxpayer Identification Numbers.

- If you are using Microsoft Excel to create your file and have any Social Security Numbers or Federal Employer Identification Numbers beginning with zero, place an apostrophe before the zero.

EFW2 or EFW2c File Method

EFW2 and EFW2c files are technical and typically created through accounting and payroll software or custom programming. If you do not have software or the programming capability, you should submit your information using the Manual method or Simple File method.

Note: Third-party bulk filers should submit W-2 and W-2c information using the EFW2 and EFW2c file formats.

Creating an EFW2 or EFW2c File

See the [Social Security Administration's website](#), including their [Specifications for Filing Forms W-2 and W-2c](#), for complete instructions to prepare your file. The state code for Minnesota is 27.

For EFW2 files, the RS record (position 248-267) should contain your seven-digit Minnesota Tax ID Number, not your unemployment number as stated in the SSA specifications.

If the RV record is included in your file, it must follow the Minnesota specifications in the Code RV record layout table below.

After you create your file, follow the instructions to submit your file in e-Services.

Note: EFW2c files do not require an RCV record.

Code RV record layout	
Location	Field
1-2	Record identifier
3-29	Not used by the Department of Revenue
30-36	Total RS records. All RS records since last RE record regardless of state code. Right justify and fill.
37-72	Not used by the Department of Revenue
73-87	State taxable wages. All RS records since last RE record regardless of the state code. Right justify and fill.
88-102	State income tax withheld. All RS records since last RE record regardless of the state code. Right justify and fill.
103-133	Not used by the Department of Revenue
134-512	Fill with blanks

Submitting your File in e-Services

Log in to e-Services:

1. Select the **I Want To** tab.
2. Under "W-2, W-2C, and 1099," select **Upload a file**.
3. Review the information and select **Add Attachment**.
4. Select the **W-2s (Simple or EFW2)** or **EFW2c (W-2c)** file type, enter a description, and select Browse to attach your file.
5. Select **Next** to review a summary of the information you attached.
6. If correct, select **Submit** to complete. If incorrect, select the **red X** in the Attachments box on the left to remove the attached file. Select **Previous** to attach a new file.

Note: You must correct errors in your file information before reattaching a new file.

7. The confirmation screen will appear after successfully submitting your information. Print the confirmation page by selecting **Printer Friendly** or email the confirmation by selecting **Email Me**.

Information and Assistance

Additional forms, information, and fact sheets 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 document is available in alternate formats.

Submitting Form 1099 Information

Withholding Fact Sheet 2a

This fact sheet explains your requirements and options for submitting Form 1099 information to the Minnesota Department of Revenue.

Filing Requirements

You must send us any Form 1099 information reporting Minnesota withholding by January 31 each year. This applies even if you participate in the Federal/State Combined program.

If you have a **total of more than 10 forms** (W-2s plus 1099s), you must electronically submit the information to us.

If you have **10 or fewer forms** (W-2s plus 1099s), you may send us paper copies. Mail your forms to:

Minnesota Department of Revenue

Mail Station 1173

600 N. Robert St.

St. Paul, MN 55146-1173

Form 1099 e-Services Filing Options

Submit your 1099 information using our e-Services system:

e-Services Method

- Manual method
- Simple File method (spreadsheet saved as tab delimited (.txt) or comma delimited (.csv) file)
- IRS Publication 1220 Format method (see [IRS Publication 1220](#) for instructions)

Manual Method

Enter required Form 1099 information directly into e-Services. To do so:

1. Log in to e-Services and select the **I Want To...** tab.
2. Under “W-2, W-2C, and 1099,” select **Manually enter data**.
3. Select the year of your Forms 1099, including any Forms 1099-MISC, 1099-NEC, and 1099-R.
4. Enter the total number of Forms 1099 to submit and select **Next**.
5. Enter the required Form 1099 information and select **Next**.
6. A summary of Form 1099 information will display. If correct, select **Submit** to complete. If incorrect, select **Previous** to correct the errors.
7. The confirmation screen will appear after successfully submitting the information. Print the confirmation page by selecting **Printer Friendly** or email the confirmation by selecting **Email Me**.

Simple File Method

Upload a file you create using a spreadsheet program such as Microsoft Excel. Your file must contain the required information.

Note: There are two simple file types accepted by e-Services — tab delimited (.txt) and comma delimited (.csv).

Creating a Simple (delimited) File

Your payroll computer software may be able to create a text file that includes the required information needed to use this method. If not, you must create a file on your own.

One way to create your own file is by using any spreadsheet software, such as Microsoft Excel. On your spreadsheet, each row should represent one payee and each column should represent one piece of required information.

You cannot load a spreadsheet file directly into e-Services. You must first save it as a delimited file. To do so in Microsoft Excel, select **File** on the toolbar, and then select **Save As**. In the drop-down menu **Save as type**, select either **Text** (tab delimited) (*.txt) or **CSV** (comma delimited) (*.csv).

Required Information

You must use a separate column for each piece of required information. The columns must follow these specifications.

Column	Field
A	Filler (see "What You Should Know")
B	Year (4 digits, e.g., 2022)
C	ID Type (SSN, FEIN, ITIN)
D	Social Security Number, FEIN, or ITIN (if none, enter 000000000)
E	First Name (max of 15 characters)
F	Middle Name (optional)
G	Last Name/Company Name (max of 20 characters)
H	W-2, Box 1 - Wages, tips, other compensation
I	W-2, Box 2 - Federal income tax withheld
J	W-2, Box 16 - Minnesota wages, tips, etc.
K	W-2, Box 17 - Minnesota income tax withheld
L	1099-MISC - Minnesota income (see instructions)
M	1099-MISC, Box 15 - State tax withheld
N	1099-NEC, Box 1 - Nonemployee compensation
O	1099-NEC, Box 5 - State tax withheld
P	1099-R, Box 2a - Taxable amount
Q	1099-R, Box 14 - State tax withheld
R	W-2G, Box 1 - Reportable winnings
S	W-2G, Box 15 - State income tax withheld
T	W-2G, Box 2 - Date won (YYYYMMDD - for example, 20220131 for January 31, 2022)

What You Should Know

- Column A is a filler column and must contain data. Do not put W-2 information in this column. Use this area for your own purpose (for example, the company name).
- The first row is designated for column headings. Do not put 1099 information in this row.
- If there is no dollar amount to enter, the dollar field must be filled with a zero. All dollar amounts must be positive.
- All dollar fields must contain a decimal if there are cents (for example, 100.55).
- Do not include "\$" or commas in any fields.
- Do not include dashes in Social Security Numbers, Federal Employer Identification Numbers, or Individual Taxpayer Identification Numbers.
- If you are using Microsoft Excel to create your file and have any Social Security Numbers or Federal Employer Identification Numbers beginning with zero, place an apostrophe before the zero.

Creating a File using a 1220 Format

You can upload a file you create using the IRS Publication 1220 format. You can submit any Form 1099 using the IRS Publication 1220 Format. For file format instructions and specifications, see [IRS Publication 1220](#).

After you create your file, follow the instructions to submit your file in e-Services

Submitting your File in e-Services

Log in to e-Services:

1. Select the **I Want To** tab.
2. Under “W-2, W-2C, and 1099,” select **Upload a file**.
3. Review the information and select **Add Attachment**.
4. Select either the **1099** (IRS Pub 1220) or **W-2s/1099** (Simple) file type, enter a description (for example, 2022 Forms 1099), and select **Browse** to attach your file. Select **Save**.
5. Select Next to review a summary of the information you attached.
6. If correct, select **Submit** to complete. If incorrect, select the red X in the Attachments box on the left to remove the attached file. Select **Previous** to attach a new file.

Note: You must correct errors in your file information before reattaching a new file.

7. The confirmation screen will appear after successfully submitting your 1099 information. Print the confirmation page by selecting **Printer Friendly** or email the confirmation by selecting **Email Me**.

Information and Assistance

Additional forms, information, and fact sheets 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

Independent Contractor or Employee

Withholding Fact Sheet 8

When workers perform services for your business, they may be classified as independent contractors or employees. You are responsible for classifying them correctly.

This fact sheet explains how to classify your workers and covers the differences between workers and independent contractors.

How to Classify a Worker

To determine if an individual is an employee or an independent contractor, the business relationship between you and the individual performing the services must be examined. All evidence of control and independence must be considered.

Many factors are considered when deciding if a worker is an employee or an independent contractor. These factors fall into three main categories:

- Behavioral control
- Financial control
- Relationship of the parties

If you are generally in control of (or have the right to control) these factors, the worker is most likely your employee. Not all of these factors need to be present to determine worker status. Nonetheless, all factors must be considered.

Behavioral Control

If you have the right to direct or control the manner and means in which services are performed, you have behavioral control over the worker. You do not have to actually direct or control the way work is done, so long as you have the right to do so.

These behavioral control factors indicate the worker is an employee:

- You direct how, when, or where the work will be done
- You specify which tools or equipment will be used
- You specify the sequence in which services will be performed
- You determine who will be hired to assist with the work
- You decide where supplies and services will be purchased
- You establish work hours
- You require reports to be submitted
- You provide training regarding procedures and methods

Financial Control

If you have the right to direct or control the administrative aspects of the work, you have financial control over the worker.

These financial aspects indicate the worker is an employee:

- You reimburse or pay travel and business expenses
- You pay at regular intervals (hourly, weekly, etc.)
- You provide tools, materials, and other equipment

These financial aspects indicate the worker is an independent contractor:

- The worker has an opportunity for profit or risk of loss
- The worker has a significant investment in the work
- The worker offers services to the general public
- The services provided are not an integral part of the business (for example, a bank hiring a plumber)

Relationship of the Parties

These factors illustrate how you and your worker perceive your relationship and indicate your worker is an employee:

- The worker has the right to quit without incurring liability
- You have the right to fire the worker
- The worker has the right to receive employee benefits
- There is a continuing relationship between you and the worker
- Services performed by the worker are a key aspect of the regular business activities

Written contracts are considered when determining worker classifications, but they do not make a worker an employee or an independent contractor. The actual relationship between the parties must be examined.

Worker Classification Examples

Here are some examples of employees and independent contractors.

- Maria, a computer science student, gets a part-time job as a customer service representative at a computer software company. Maria works designated hours at the business location, is paid hourly, has no investment, and is trained on how to help customers. Maria is an employee.
- Jack's Construction is building a house that must be completed in six months. Jack's Construction is not licensed to do the electrical work. Carrie's Electric is subcontracted to do the work. Carrie bids the job and will be paid upon completion. The work is done without the supervision of Jack's Construction. Carrie advertises her business in the telephone book and newspaper. She uses her own tools and equipment and works with many construction companies. Carrie is an independent contractor.
- Kristine is the President of ABC Company, an S corporation. She works approximately 20 hours a week and pays herself \$2,000 per month. Kristine is an employee of ABC Company. For more information on corporate officers, see [Withholding Fact Sheet 6, Corporate Officers](#).
- Joseph drives a truck for Amber's Leasing, a company that leases tractor-trailer rigs with drivers to contract carriers. Amber's Leasing retains the right to direct and control Joseph to the extent necessary to protect its investment. Joseph is an employee.
- Rachel drives cars to a distant auction for Nick's Used Car Sales. Nick determines the minimum selling price. Nick reimburses all of her expenses. She is paid on a commission basis. Rachel is an employee of Nick's Used Car Sales.

Employees

If the worker is an employee, you must generally withhold and deposit income taxes, Social Security Taxes, and Medicare taxes. In addition to these taxes, you must pay unemployment taxes and carry worker's compensation insurance. These requirements generally do not apply to independent contractors.

You must register for, file, and deposit all required federal and state taxes for employees. For details, see [Withholding Fact Sheet 10, New Employer Guide](#).

Independent Contractors

If the worker is an independent contractor, you must have them complete federal Form W-9 to obtain a taxpayer ID number (TIN).

If the independent contractor fails to provide you with a TIN, you must withhold 9.85% Minnesota income tax from the independent contractor's pay. This is called "backup withholding."

For details on Minnesota backup withholding, see the [Minnesota Income Tax Withholding instructions](#). For details on federal backup withholding, see [Publication 15, Circular E](#) and [Publication 1281](#).

You may be required to file federal Form 1099-NEC to report payments made to independent contractors. To obtain federal forms, instructions, and publications, contact the IRS.

Request a Determination

An employer or employee wanting a worker classification determination may complete and submit federal Form SS-8 to the IRS. The IRS will review the request and determine whether the worker should be classified as an employee

or an independent contractor.

The Minnesota Department of Revenue will abide by the IRS's decision. Send a copy of Form SS-8 (marked "Minnesota copy") to Revenue at the same time you submit it to the IRS. Mail a copy of the determination to us as soon as it is received from the IRS.

Mail to:

Minnesota Department of Revenue
Mail Station 6501
600 N. Robert St.
St. Paul, MN 55146-6501

Classifying Workers Incorrectly

Both the IRS and Minnesota Department of Revenue may determine worker classifications. If you incorrectly treat employees as independent contractors, you could be liable for all back taxes plus any penalties and interest.

If you misclassify an employee as an independent contractor, you are subject to a tax equal to 3% of the wages paid to the employee. The employee may not claim the tax as a credit (withholding) on their Minnesota Individual Income Tax return.

Other Agencies to Help You Correctly Classify Workers

Internal Revenue Service

Website: www.irs.gov

Phone: 1-800-829-4933

For free IRS publications, go to their website or call 1-800-829-3676.

IRS Publications you might find helpful include:

- [Pub. 15, \(Circular E\) Employer's Tax Guide](#)
- [Pub. 15-A, Employer's Supplemental Tax Guide](#)
- [Pub. 51, \(Circular A\) Agricultural Employer's Tax Guide](#)
- [Pub. 926, Household Employer's Tax Guide](#)

Minnesota Department of Employment and Economic Development, Unemployment Insurance

Website: www.uimn.org

Email: deed.customerservice@state.mn.us

Phone: 651-296-6141 or 1-800-657-3858

Minnesota Department of Labor and Industry

Website: www.dli.mn.gov

Email: dli.communications@state.mn.us

Phone: 651-284-5005 or 1-800-342-5354

Information and Assistance

Additional forms, information, and fact sheets 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



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

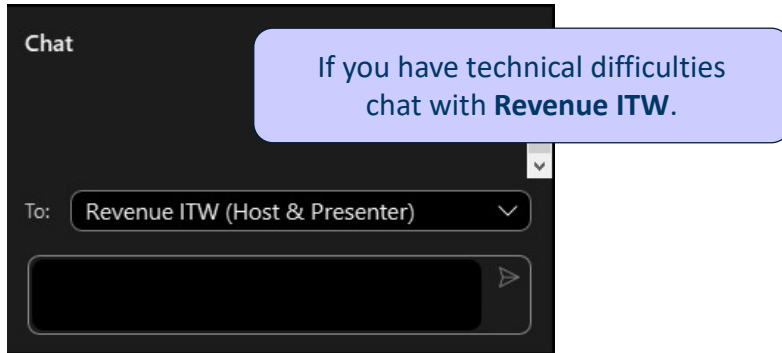


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Handouts +
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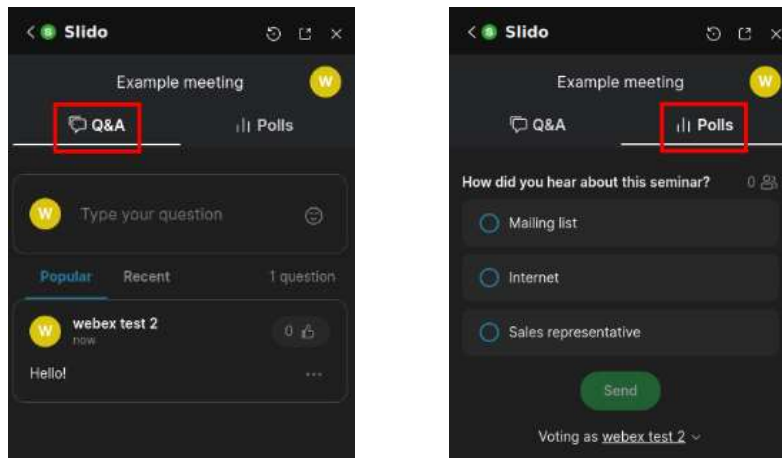


2024 Employer
Responsibilities
Webinar
Handouts

Using Chat



Using Slido



CPE Guidelines, Pt. 1



- We follow NASBA guidelines so we can issue credits for this course
- This course is worth two credits
- You must answer at least three poll questions per hour to receive full credit
- You will have approximately one minute to answer each question before the poll closes

CPE Guidelines, Pt. 2



- Answering less than three polls per hour will result in partial credit
- The last question will ask for your name and email if you want a CPE certificate sent to you
- Your certificate will be emailed to you within three business days

CPE Guidelines, Pt. 3



- You cannot request CPE credits under a different name or email than what was used for registration
- Per NASBA rules, we cannot issue less than one credit

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.

Withholding Tax Topics

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

Other Contacts

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

www.revenue.state.mn.us

Website Demonstration

2/29/2024

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15

www.revenue.state.mn.us



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Minnesota Department of Revenue

Working together to fund the future for all of Minnesota

INDIVIDUALS	BUSINESSES	TAX PROFESSIONALS	GOVERNMENTS
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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](#)

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...

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Businesses

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 [-]

Log In to e-Services	Calculate Sales Tax Rate
Make a Payment	Find a Form
Register for a Minnesota Tax ID Number	Tax Due Dates

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
May 24, 2023

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Business Taxes and Fees

[-]

- [All Business Taxes and Fees](#)
- [Alcoholic Beverage Tax](#)
- [Cannabis Tax](#)
- [Cigarette and Tobacco Taxes](#)
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- [Minnesota Care Taxes](#)
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- [Unrelated Business Income Tax](#)
- [Wind Energy Production Tax](#)
- [Withholding Tax](#)

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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

Search

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

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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](#)

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Withholding Tax Fact Sheets



MENU

NAME	FACT SHEET NUMBER	REVISION DATE
Submitting Form W-2 and W-2k Information	Fact Sheet 2	December 2023
Submitting Form 1099 Information	Fact Sheet 2a	December 2023
Agricultural Workers	Fact Sheet 3	December 2023
Fairs and Special Events	Fact Sheet 4	December 2023
Third-Party Bulk Filers	Fact Sheet 5	December 2023
Corporate Officers	Fact Sheet 6	December 2023
Household Employees	Fact Sheet 7	December 2023
Independent Contractor or Employee?	Fact Sheet 8	December 2023
Definition of Wages	Fact Sheet 9	December 2023
New Employer Guide	Fact Sheet 10	December 2023
Nonresident Entertainer Tax	Fact Sheet 11	December 2023
Surety Deposits for Non-Minnesota Construction Contractors	Fact Sheet 12	December 2023
Construction Contracts with State or Local Government Agencies	Fact Sheet 13	December 2023
Assigning Employee Income to Minnesota	Fact Sheet 19	December 2023
Residency - Employee Withholding	Fact Sheet 20	December 2023



Minnesota Withholding Tax Basics and Other Programs

Withholding Tax Basics

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

Wages Defined

Wages are not limited to:

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



When to Withhold

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

See Withholding Tax Fact Sheet 9

Surety Deposits

- For non-Minnesota construction contractors who perform 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



Nonresident Entertainer Tax

- 2% nonresident entertainer tax on gross compensation
- No Minnesota income tax on compensation for a nonresident entertainer's performances
- See Withholding Fact Sheet 11



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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



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Minnesota Tax ID Number

Minnesota Tax ID Number

Register for an ID number and withholding if any 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)

How to Register

Method	You'll receive your number
Online at www.revenue.state.mn.us	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, if emailed or faxed

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

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

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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

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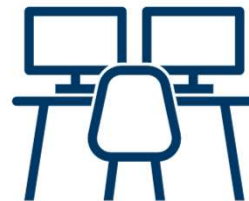


Employer Responsibilities

Employer Responsibilities

Employers have three main responsibilities:

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



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

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 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

- Periodic or nonperiodic distributions from retirement accounts
- No longer based on allowances
- Based on dollar amount, percentage, or a 6.25% flat rate
- May elect to not withhold tax
- Keep a copy on file; do **not** send to Revenue
- Backup withholding rate does **not** apply



Depositing

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

We do **not** notify you when you exceed \$1,500.

Deposit Electronically

You must deposit electronically if **any** 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 required for one period, you must do so for all future periods.

We can assess a penalty for nonelectronic payments.



Filing

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** before December 1, deposit on the last day of the next month each time withholding exceeds \$500

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Forms W-2 and 1099

An official website of the United States government

Social Security Benefits Medicare Card & record Search SSA.gov Español Account

Home BSO Access and Registration W-2 Filing Verify SSNs Reconciliation What's New 2024 Taxpayer First Act

Employer W-2 Filing Instructions & Information

Alert
Attention Tax Year 2023 Wage Filers: wage reports for Tax Year 2023 are now being accepted. Reminder, Tax Year 2023 wage reports must be filed with the Social Security Administration by January 31, 2024.

Business Services Online
 By selecting this link, you can:
 • Log In
 • Register or
 • Complete Phone Registration

Alert
Do you need to submit W-2's to SSA?
Business Services Online (BSO) Registration has changed!

What does this mean for you?
 Your BSO User ID and password is no longer used to access BSO employer services. You must use a Social Security online account, ID.me or Logging.gov credential to gain access to the BSO application.

Start at the BSO Welcome page. You can either log in or create an account from the "Employers" box.

Extra security is a requirement to access the following BSO employer services:

- Wage file upload
- W-2/W-2C online
- AccuWage online
- Social Security Number Verification Service (SSNVS)
- View wage report name/SSN errors

You will not be able to use the above services without adding the additional level of security to your account.

Business Services Online (BSO)
Application Hours of Availability
 Monday - Friday: 5 AM - 11 AM ET
 Saturday: 5 AM - 11 PM ET
 Sunday: 8 AM - 11:30 PM ET

About W-2 Filing
 > Before You File

Customer Support
 Electronic W-2/W-2c Filing Handbook
 Helpful Government Resources
 FIRE (1099) Filing Information Returns Electronically
 Electronic Wage Reporting Web Service (EWRWS)

www.ssa.gov/employer

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 provide Form MWR

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

W-2 and 1099 Requirements

Submit information electronically:

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

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

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
- New for 2020: Form 1099-NEC

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

\$50 penalty per form not submitted.

Submitting W-2, W-2c, or 1099 – Option 1

- 1. Create file from payroll/bookkeeping software**
- 2. Upload file to e-Services**
 - Choose Submit Forms W-2/W-2c/1099 under **I want to**
 - Choose Upload File and add attachment
 - Choose file type (Simple/EFW2/EFW2C/1220)
 - Submit file and wait for confirmation message for success
 - **File verified for data accuracy before acceptance**

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Submitting W-2, W-2c, or 1099 – Option 2

- 1. Create file with spreadsheet software**
 - Open a new spreadsheet
 - Create separate columns (A-L) for specified data
 - Enter data
 - Save file spreadsheet as .txt or .csv (delimited)
- 2. Upload file to e-Services (follow previous slide)**
 - Send 1099s and W-2s on the same spreadsheet

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Submitting W-2, W-2c, or 1099 – Option 3

1. Log in to e-Services

- Choose **Manually Enter Data** under **I want to** menu
- Enter the tax year
- Enter the number of forms you will be entering
- Enter the required data for each payee
- Submit all data
- Wait for confirmation of success

Note: Previous year data is not carried forward to update.

Submitting W-2, W-2c, or 1099 – Option 3

e-Services for Businesses will now ask how many of these forms you have:

- 1099-MISC
- 1099-NEC
- 1099-R
- W-2G

Recordkeeping

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

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

You must make records available on request.



Voluntary Disclosure Program

3% Tax on Misclassified Workers

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

Voluntary Disclosure Program

To qualify:

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

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 and enter **Voluntary Disclosure** into the Search box.

www.revenue.state.mn.us

e-Services Demonstration

e-Services



Search

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Minnesota Department of Revenue

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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](#)

e-Services

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MN e-Services

NOTICE
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. [View apologies for this inconvenience](#)

Username
Password
Log In
Forgot username or password?
New to e-Services?
[Create a username](#)

Business Registration
Register a Business for a Minnesota Tax ID.
→ [Get a Minnesota Tax ID Number](#)

Businesses Resources
Calculate payroll withholdings and more.
→ [Withholding Calculator](#)
→ [Find State Tax Rates](#)

Support
e-Services help topics and system requirements.
→ [Go to e-Services Help Topics](#)
→ [View System Requirements](#)

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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

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Third-Party Access

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

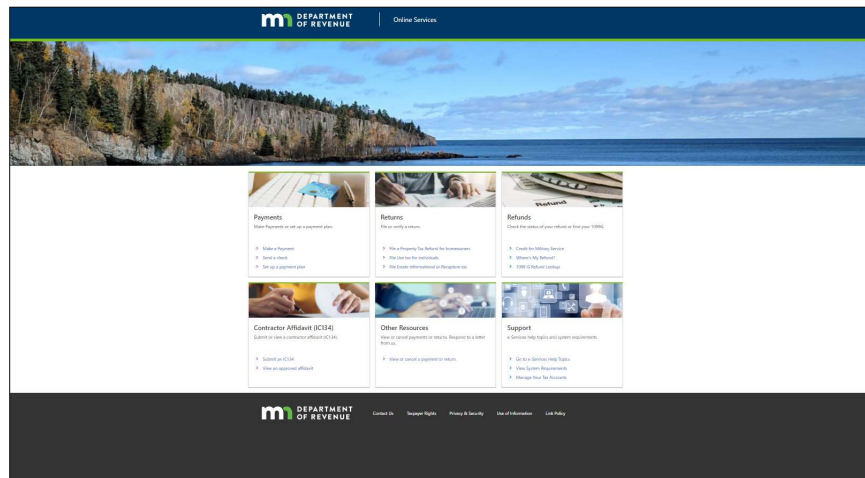
For details, go to our website and enter **third-party access** into the Search box.

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.

Online Services



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Demand Letters and CFR Notices

If you have an active Withholding Tax account but 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

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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

Closing your Withholding Tax Account

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

Changing Your ID Number

- If you change your business entity type, close your existing account and register for a new Minnesota 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?

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 – Assigning Employee Income to Minnesota
- Fact Sheet 20 - Reciprocity

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Thank you!
Please let us know how we did.

Mark Krause

mark.krause@state.mn.us

651-556-6606