

# Department of Revenue

## Procedures and Specifications for Filing Wage And Tax Information by Means of Electronically or Magnetic Media and Coming January 6, 2011 - Internet filing of W-2's, W-2G's, 1099's

The Department of Revenue requires certain W-2, W-2G and 1099 information to be filed electronically. This authority is found in Code Section 27-3-83 and in [Revenue Rule 4](#). A penalty of five dollars (\$5.00) can be assessed for each W-2, W-2G, 1099, etc not in compliance with the requirements below, with a minimum assessment being two hundred fifty dollars (\$250.00).

### WHO MUST FILE ELECTRONICALLY

A person or entity is required to file wage statements or information returns electronically with the Department of Revenue if **ANY** of the following conditions apply:

1. Taxpayer is required to file wage statements, W-2Gs or information returns electronically with the federal government, regardless of the total number of Mississippi statements,
2. Employer filing 50 or more W-2s,
3. Taxpayer has 50 or more 1099s to be submitted,
4. Employer missed the January 31 due date for filing paper W-2s,
5. Taxpayer used a single payroll service provider for the entire calendar year,
6. An employee leasing company provided personnel to any business within Mississippi.

### PROCEDURES FOR FILING ONLINE OR USING MAG MEDIA

Beginning January 6, 2011, a new program will be available for taxpayers to enter W-2 data directly through our website. This program will enable employers (with up to 50 W2's) to enter W2 data and receive a confirmation that the data has been received. W2 data can also be received electronically via file upload on January 6, 2011. If the files are uploaded, Form 89-140 or Form 89-142 does not have to be filed. If the files are copied onto a Diskette or CD and mailed, then the Form 89-140 or Form 89-142 must be filed with the media. Employers may choose either option to submit their W-2 or 1099 data. Please check our website for details at: <http://www.dor.ms.gov/taxareas/withhold/main.html>

### MISSISSIPPI CAN ACCEPT W-2'S IN EITHER OF 3 ELECTRONIC FORMATS

**1. Use your existing payroll software to create the W2REPORT file in the EFW2 format.** The vast majority of payroll software in use these days will create this file. You may need to contact your software vendor to see if yours already has the capability or if it can be added. Make sure the file contains the "RS" record, because it is where the State withholding data is located. Your software must comply with the specifications contained in SSA Publication EFW2 for record format and record specifications for W-2s. If you are the user of third-party software that creates this file then you need not be concerned with the specifications for the layout, but it can be downloaded at <http://www.ssa.gov/employer/efw/10efw2.pdf>.

Some QuickBooks users can create the EFW2 W2REPORT directly from QuickBooks. QuickBooks 2007 or newer with an Enhanced Payroll Subscription can take advantage of a feature that creates the W2REPORT for state W-2'A. You can create the state W-2 file from the Employee Menu. Select Payroll Tax Forms & W-2s. Select Create State W-2 file. When the Security Warning screen is displayed, click Enable Macros.

To create the actual file, follow the instructions on the screen. Below is a summary of the steps:

I. Click Get QuickBooks Data. QuickBooks imports your W-2 data into an Excel spreadsheet. This spreadsheet is used as the source for

creating the W-2 E-file that you will send to Mississippi. (Do not send the Excel file to the state.)

II. Click Start Interview. QuickBooks asks you a few questions to get additional information Mississippi requires.

III. Click Create W-2 file to create and save the W-2 file. QuickBooks combines the data in the spreadsheet with your answers from the interview and creates a W-2 file in the format required by Mississippi. The file that is created is a text file in the EFW2 format.

IV. Save the Excel spreadsheet. QuickBooks will save the spreadsheet for your records. We recommend that you save it in the same folder as the W-2 e-file.

V. Send the W-2 (text file created in step 3) file to Mississippi. It is important to note that QuickBooks does not send your W-2 file to Mississippi. Be sure to send the W-2 file that QuickBooks creates, not the Excel spreadsheet.

### 2. Complete the downloadable Excel Worksheet W2REPORT-10.xls.

It is available at <http://www.dor.ms.gov/taxareas/withhold/main.html>. To download put the mouse cursor on top of the W2REPORT-10.xls link and right click the mouse and use the "Save Target As..." function to save a copy to your local drive. Once you have completed the worksheet send it as otherwise directed. If you are using an unprotected copy of this file do not make any changes to the structure, columns, etc. **DO NOT overwrite any formula or Add/Delete any Columns/Rows**. Programs other than Excel may read the file and allow its completion. It may be saved in the .xls or .xlsx file format for us to read and extract the data.

### 3. Other QuickBooks users can file the Excel Spreadsheet titled

**"Annual W-2 Summary"** – Users may submit a file created by QuickBooks that will satisfy our requirement of filing W-2's on magnetic media, **but only if all employee wages are Mississippi wages**. Only QuickBooks versions 2007 and newer will be able to produce this file. If you have an older version you must not use this option. The instructions are as follows: From the Employee menu select "Payroll Tax Forms and W2s". Then select "Tax Form Worksheets in Excel". Click the "Enable Macros" button. This takes the user to the screen where you will click on "Annual W-2/W-3" then select "Last Year" but make sure the period is from 1/1/2010 to 12/31/2010. Click on "Refresh from QuickBooks", and then click on "Create Report". Contact QuickBooks if you have any questions on how to create the file. After the file is created copy the file onto a CD, label the CD and mail with the Form 89-140. Visit <http://www.dor.ms.gov/taxareas/withhold/main.html> for any updated instructions.

### REPORTING W-2G's AND 1099's

Please refer to IRS Pub. 1220 for W-2Gs and 1099s it is located at <http://www.irs.gov/pub/irs-pdf/p1220.pdf>.

The specifications and procedures described in these instructions must be followed for the Department of Revenue to accept your W-2G and 1099 information filed electronically. Failure to comply with these specifications can result in your electronic media being returned to you unprocessed and penalties being assessed. Please refer to our website for latest methods of sending this information to us.

### OTHER INFORMATION ABOUT FILING ELECTRONICALLY

Please contact the Withholding Division if you need to submit Amended/Corrected data that was originally sent electronically.

• Form 89-140 and 89-142 requires totals of various fields from the accompanying W-2s, 1099s or W-2Gs.

• If there are 1099's with Mississippi withholding and you are filing by paper, diskette or CD with the Form 89-142, be sure to check the box on

the Form 89-142 showing what kind of 1099 it is. In addition, check the box on the Form 89-142 shown here:

Other Returns W-2G, 1042-S showing Mississippi Income Tax Withheld OR any other return (non-wage) showing MS withholding.

• There is also box on the Form 89-142

to check off when the company has elected to file its 1099s using the Combined Federal/State Filing (CF/SF) Program. Only 1099s without Mississippi withholding should be reported under this program.

• Each withholding tax account (employer record) on must only contain a single "RE" record. Multiple "RE" records result in subtotals of the Mississippi income tax withheld rather than a single total as is required. This applies to accounts which have multiple locations. All locations reported under a particular Mississippi withholding tax account number must be represented by a single "RE" record.

• If there are multiple withholding accounts (employer records) included on one magnetic media submission, then each must be separated according to the directions on the EFW2 and each withholding account within the media must submit a separate Form 89-140.

• Both the employer and the submitters name, address and phone number must be included on each Form 89-140 or Form 89-142. Under no circumstance should the Form 89-140 or Form 89-142 and the magnetic media be sent under separate cover.

• If a file will not fit on one diskette, send a CD instead. Files cannot be spread out between two or more diskettes.

• Processed diskettes and CD's will not be returned.

• If there are questions concerning the filing of wage and tax information by means of magnetic media, please call the Withholding Tax Division at (601) 923-7088.

**Mail your magnetic media and your completed Form(s) 89-140 and/or 89-142 to either of the following addresses:**

Department of Revenue OR  
Withholding Tax Division  
P.O. Box 960  
Jackson, MS 39205-0960

Department of Revenue  
Withholding Tax Division  
1577 Springridge Road  
Raymond, MS 39154-9452

## W-2 Diskette/CD Specifications

### DISKETTE and CD:

- Diskette must be 3-1/2" MS-DOS compatible.
- Data must be in ASCII-1 character set.
- File must be named **W2REPORT** or **MS1099**.
- **File name should contain an extension of .TXT, unless it's an Excel file then it Must be .xls or .xlsx**
- Using another file name will complicate the reading of the data.
- The media must contain only one **W2REPORT** or **MS1099**.
- The **W2REPORT** file may contain multiple withholding accounts (employer records) as allowed by the SSA.
- Diskettes and CDs are structured in the same manner.
- All media must be virus scanned before submission.
- Do not Zip a file on a diskette or CD.

### Information required on a Diskette or CD Label

Tax Year:  
Type of Filing:  
FEIN of Employer (if single WH account):  
Name of Employer or Remitter:  
Contact Person:  
Contact Phone Number:  
Address:  
Number of Accounts included:  
Total Number of W-2s or 1099s: \_\_\_\_\_  
Is this the *Original* or a *Correction* filing?

**Mississippi is not accepting 3480/3490 Cartridges,  
nor any form of Tape (reel, 4 or 8 mm).**

## Record Layout and Content

### **W-2 layout:**

The Department of Revenue reads the "RA", "RE", "RW", "RS", "RT", and "RF" records. The "RV" record will not be read this year, thus it need not be included. Your software must comply with the specifications contained in SSA Publication EFW2 for record format and record specifications for W-2s. **Please check to make sure your software is including the "RS28" in the W2REPORT file.** We have received numerous filings that did not contain this line of data and it is the line that contains the Mississippi wages and withholding data. It can be viewed using such programs as Microsoft WordPad that comes with Windows.

### **W-2C layout:**

The file layout as used for federal reporting should be used. It can be found at <http://www.ssa.gov/employer/efw/10efw2c.pdf>

### **1099 layout:**

The layouts for the various 1099s are the same as described in the Federal Publication 1220. Only the various 1099's shown on the Form 89-142 are required to be filed.