

Mississippi Department of Revenue

Procedures and Specifications for Filing Wage And Tax Information by Means of Magnetic Media and Coming February 1, 2010 Internet filing of W-2's, W-2G's, 1099's

The Mississippi 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 VIA MAGNETIC MEDIA

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

1. Taxpayer is required to file wage statements, W-2Gs or information returns via magnetic media with the federal government, regardless of the total number of Mississippi statements,
2. Employer filing 100 or more W-2s,
3. Taxpayer has 100 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 February 1, 2010 electronic filing via file upload is being made available. Please check our website at that time for the latest details. The files to be uploaded are the same exact files that would have been copied to a Diskette or CD then mailed to us. The only difference being if the file is uploaded, the Form 89-140 is not filed. Any Diskette or CD mailed must be accompanied by the Form 89-140. A company can chose to file using either the internet upload or it may file by magnetic media and mail the Diskette or CD to the State. Visit <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/09efw2.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 new Beta feature for state W-2. You can create the state W-2 file from the Employee Menu. Select Payroll Tax Forms & W-2s. Select Create State W-2 file (Beta). 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-09.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-09.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 described 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 must be saved in the .xls 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 1/1/2009 to 12/31/2009. 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 magnetic 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 requires totals of various fields from the accompanying W-2s, W-2Gs or 1099s.

- If there are 1099s with Mississippi withholding which were paid under the taxpayers FEIN used for wage reporting, then those 1099s should be

included in the 89-140 used for reporting employee wages. An alternative method is using a separate Form 89-140 to report the 1099s with Mississippi withholding. The 1099s without Mississippi withholding would be reported separately. There is a box on the Form 89-140 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 can be reported under this program.

- Each withholding tax account (employer record) on magnetic media must 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. Under no circumstance should the Form 89-140 and the magnetic media be sent under separate cover.

- Processed magnetic media will not be returned.

- If needed zip a file to keep it on one diskette, but never zip to a CD.

- 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 to either of the following addresses:

Mississippi Dept. of Revenue Withholding Tax Division P.O. Box 960 Jackson, MS 39205-0960	OR	Mississippi Dept. of Revenue Withholding Tax Division 1577 Springridge Road Raymond, MS 39154-9452
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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 MAY contain an extension of .TXT, unless it's an Excel file then it Must be .xls.**
- 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.
- Please Zip a file to fit it to one disk if it would take more than one.
- Do not Zip a file on a 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: _____
Disk __ of __ (But Please Zip To 1 If Possible)
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 Mississippi Department of Revenue reads the "RA", "RE", "RW", "RS", "RT", and "RF" records. The new "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/09efw2c.pdf>

1099 layout:

The layouts for the various 1099s are the same as described in the Federal Publication 1220.