

1 Department of Revenue

2

3 Adopted Permanent Rules Relating to Annual Withholding Return

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5 Rules as Adopted

6 8092.1400 ANNUAL RETURNS.

7 Subpart 1. General rule. If an employer deducts and
8 withholds an amount required by Minnesota Statutes, chapter 290,
9 for a base year and the amount required is \$500 or less, the
10 employer, for the qualifying year, may elect to file an annual
11 return and make an annual payment of the amount required to be
12 deducted and withheld in that calendar year and is thereafter
13 relieved from filing quarterly returns and making quarterly
14 payments. The annual return and payment are due on or before
15 February 28 of the calendar year following the calendar year the
16 amounts were deducted and withheld. The annual return will
17 serve as the reconciliation required in Minnesota Statutes,
18 section 289A.09, subdivision 2, paragraph (d), for those
19 employers who have elected to file an annual return. The
20 Department of Revenue, applying the criteria of this part, will
21 annually determine which employers are eligible to file an
22 annual return and notify those employers who qualify. Employers
23 who have not filed all withholding tax returns required for the
24 base year are not eligible to file an annual return. Only those
25 employers so notified by the Department of Revenue are eligible
26 to elect to file an annual return. At the time of notification,
27 eligible employers may still elect to file returns and make
28 deposits quarterly. Employers who make such election are
29 required to make all returns and deposits required by Minnesota
30 Statutes, chapter 289A, and will be subject to all applicable
31 penalties.

32 Subp. 2. Base year. "Base year" means the most recent
33 period of four consecutive quarters for which the Department of
34 Revenue has compiled data on all employers withholding tax for
35 that period. The first base year is the four-consecutive

1 quarter period beginning January 1990 and ending December 1990.

2 Subp. 3. **Qualifying year.** "Qualifying year" means the
3 calendar year for which the Department of Revenue notifies the
4 employer that it is eligible to file an annual return. The
5 first qualifying year is the 1992 calendar year.

6 Subp. 4. **Accelerated deposits.** If, at the end of any
7 calendar month other than the last month of the calendar year,
8 the aggregate amount of undeposited withholding tax withheld by
9 an employer who has elected to file an annual return exceeds
10 \$500, the employer must deposit the aggregate amount with the
11 Department of Revenue within 30 days after the close of the
12 calendar month.

13 Notwithstanding any other provision of this part, employers
14 are subject to the eight-monthly period deposit requirements of
15 Minnesota Statutes, section 289A.20.

16 In the event an employer who has elected to file an annual
17 return pursuant to this part permanently ceases to pay wages for
18 which withholding of tax is required, the employer must file a
19 final return and deposit any undeposited tax on or before the
20 last day of the month following the month in which the
21 discontinuance of such activity occurred.

22 Subp. 5. **Maximum withholding amount.** The commissioner of
23 revenue shall annually recalculate the maximum withholding
24 amount for annual filing, using the percentage calculated
25 pursuant to Minnesota Statutes, section 290.06, subdivision 2d,
26 paragraph (b). If the maximum withholding amount so calculated
27 is more than \$100 above the maximum withholding amount for
28 annual filing then in effect, the maximum withholding amount for
29 annual filing must be increased by \$100. If the maximum
30 withholding amount so calculated is less than \$100 above the
31 maximum withholding amount then in effect, there shall be no
32 change in the maximum withholding amount then in effect. When
33 the maximum withholding amount is adjusted by the commissioner
34 under this subpart, the maximum withholding amounts referred to
35 in subparts 1 and 4 must be adjusted by the same amount by the
36 commissioner.