

Missouri Department of Revenue  
Taxation Bureau  
P.O. Box 3375  
Jefferson City, MO 65105-3375



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# State of Missouri Employer's Tax Guide

*Starting a new business?* The Missouri Department of Revenue and the Department of Labor and Industrial Relations, Division of Employment Security, want to make starting your business as easy as possible. Go to <https://dors.mo.gov/tax/coreg/index.jsp> to fill out the online registration.

Published by  
Missouri Department of Revenue  
January 2009  
Web site: [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)

# General Information

Please refer to specific filing requirements and filing due dates each time you receive your Withholding Tax Voucher Book of reporting forms.

To ensure your tax records are protected and confidential, the Missouri Department of Revenue will not release tax information to anyone who is not listed in our records as an owner, partner, member, or officer for your business. If your partners, members, or officers change, you must update your registration with the department by completing a Form 126, Registration Change Request, before tax information can be released to those new partners, members, or officers. If you would like the department to release tax information to an accountant, tax preparer, or another individual who is not listed on your account, please complete a Power of Attorney Form.

## Filing Online



Now you can file and pay Form MO-941, Employer's Return of Income Taxes Withheld online using a Credit Card or E-Check (Electronic Bank Draft). If no tax was withheld, a zero withholding tax return may be filed online at <http://dor.mo.gov/tax/business/withhold/>.

**Note:** You must have a valid Missouri Tax ID Number to file and pay using this system, and must know the Filing Period for which you are filing. See description of payment methods and fees below.

**Electronic Bank Draft (E-Check).** By entering your bank routing number, checking account number, and your next check number, you can pay online. There will be a minimal handling fee per filing period/transaction to use this service.

**Credit Card.** This filing and payment system accepts MasterCard, Discover, Visa, and American Express. The convenience fees listed below will be charged to your account for processing the credit card payment:

<u>Amount of Tax Paid</u>	<u>Convenience Fee</u>
\$0.00–\$33.00	\$1.00
\$33.01–\$100.00	3.00%
\$100.01–\$250.00	2.95%
\$250.01–\$500.00	2.85%
\$500.01–\$750.00	2.85%
\$750.01–\$1,000.00	2.80%
\$1,000.01–\$1,500.00	2.75%
\$1,500.01–\$2,000.00	2.70%
\$2,000.01 or more	2.60%

**Note:** The handling and/or convenience fees included in these transactions are being paid to the third party vendor, Collector Solutions Inc., **not** to the Missouri Department of Revenue. By accessing this filing and payment system, the user will be leaving Missouri's web site and connecting to the web site of Collector Solutions, Inc. The web site of Collector Solutions, Inc., is a secure and confidential web site.

To file and pay online, please visit:  
[www.dor.mo.gov/tax/business/payonline.htm](http://www.dor.mo.gov/tax/business/payonline.htm)

**TXP Bank Project (TXP)** — TXP offers another option for filing your tax payments. It allows you to provide payment and report information to

your bank. The bank, in turn, converts the information into a CCD+ format that allows it to transfer your return information along with your authorized ACH credit to the department. The option is available to any Missouri taxpayer filing a Form MO-941, Employer's Return of Income Taxes Withheld.

Why should you use an alternative filing method? By utilizing e-check, credit card, or TXP Bank Project for filing your withholding tax return, you eliminate the possibility of postal delays and possible late filing/payment fees and the cost and time to generate, sign, and mail returns and checks. The Missouri Department of Revenue saves processing and data entry costs associated with paper filings.

To learn more about any of these alternative filing methods, please write the Missouri Department of Revenue, P.O. Box 543, Jefferson City, Missouri 65105-0543, e-mail [elecfile@dor.mo.gov](mailto:elecfile@dor.mo.gov), or call (573) 751-8150. Access [www.dor.mo.gov/tax/elecprog.htm](http://www.dor.mo.gov/tax/elecprog.htm) to obtain electronic filing packages. Persons with speech or hearing impairments may use TDD (800) 735-2966 or fax (573) 526-1881.

## Filing a Return with No Tax to Report or Filing a Quarter-Monthly Reconciliation Online

If you have no employer withholding tax to report, you may file a zero MO-941 online at <http://dor.mo.gov/tax/business/withhold/>. You can also file your quarter-monthly reconciliation online at <http://dor.mo.gov/tax/business/withhold/>.

## Withholding Formula

- Updated withholding tax information is included in each voucher book.
- The information is presented in an "easy to follow" worksheet to calculate withholding tax.
- Visit [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax) to try our online withholding tax calculator.

## Magnetic Media Reporting

Employers with 250 or more employees must file on magnetic media. See page 9 for more information.

## Federal Income Tax Deduction

An individual's federal income tax deduction is limited to \$5,000 (\$10,000 on a combined return).

## Withholding Requirements for Nonresident Individual Partners and Shareholders

Partnerships and S corporations may be required to withhold Missouri income tax on nonresident individual partners and shareholders. If the partnership pays or credits amounts to nonresident individual partners as distributive shares of the partnership income for a taxable year of the partnership, or if the S corporation pays or credits amounts to nonresident individual shareholders as dividends or as their share of the S corporation's undistributed taxable income for the taxable year, withholding may be required. Withholding is **not required** if:

1. The nonresident partner or shareholder, not otherwise required to file a return, elects to have the Missouri income tax due paid as part of the partnership's or S corporation's composite return;
2. The nonresident partner or shareholder, not otherwise required to file a return, had Missouri assignable federal adjusted gross income from the partnership or S corporation of less than \$1,200;

3. The partnership or S corporation is liquidated or terminated;
4. Income was generated by a transaction related to termination or liquidation; or
5. No cash or property was distributed in the current or prior taxable year.

The required withholding must be remitted to the Missouri Department of Revenue annually.

## Rounding on Missouri Returns

**You must round the amounts that you withhold from your employees to the nearest whole dollar. For 1 cent through 49 cents, round down to the previous whole dollar amount (round \$32.49 down to \$32.00). For 50 cents through 99 cents, round up to the next whole dollar amount (round \$32.50 up to \$33.00). For your convenience, the zeros have already been placed in the cent columns on the returns.**

### To Request Forms:

Missouri Department of Revenue  
Taxation Bureau  
P.O. Box 3022  
Jefferson City, Missouri 65105-3022  
Telephone: (573) 751-6881  
Forms-by-Fax: (573) 751-4800  
Internet: [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)

### Information Concerning Registration:

Missouri Department of Revenue  
Taxation Bureau  
P.O. Box 3300  
Jefferson City, Missouri 65105-3300  
Telephone: (573) 751-5860  
E-mail: [businessstaxregister@dor.mo.gov](mailto:businessstaxregister@dor.mo.gov)

### General Information Concerning Withholding Tax:

Missouri Department of Revenue  
Taxation Bureau  
P.O. Box 3375  
Jefferson City, Missouri 65105-3375  
Telephone: (573) 751-3505  
E-mail: [withholding@dor.mo.gov](mailto:withholding@dor.mo.gov)

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# Missouri Income Tax Withholding Instructions

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## 1. Employers

An employer is any person, firm, corporation, association, fiduciary of any kind, or other type of organization for whom an individual performs services as an employee, unless the person or organization for whom the individual performs service does not have control of the payment of compensation for the service (Section 143.191, RSMo). The term employer means the person, including all government agencies, who controls the payment of the compensation.

An employer required to withhold Missouri income tax is personally liable for the tax. Any amount of tax actually deducted and withheld by an employer is a special fund in trust for the Director of Revenue (Section 143.241, RSMo). An employee does not have a right of action against the employer with respect to any money deducted and withheld from his/her wages if it is paid to the Director of Revenue in good faith compliance with the Missouri income tax law.

**Transient Employers** — Section 285.230, RSMo, requires transient employers who temporarily transact any business in Missouri to file a financial assurance instrument with the Missouri Department of Revenue to secure payment of withholding taxes.

**Transient Employer Defined** — A transient employer is an employer as defined in Sections 143.191, 285.230, and 288.032, RSMo, who: 1) makes payment of wages taxable under the Missouri Income Tax Law, the Workers' Compensation Law, and the Missouri Employment Security Law; 2) is not domiciled in Missouri; and 3) temporarily transacts any business within the state. If the transaction of business is not reasonably expected to continue for 24 consecutive months, the employer must register as a transient employer.

Section 143.183, RSMo, requires a venue (venue is the entity that pays the entertainer) to withhold 2 percent of the gross compensation paid to nonresident entertainers who perform in Missouri. If the venue withholds 2 percent of the gross compensation paid, the nonresident entertainer is no longer required to comply with the transient employer laws previously defined. The venue must file a Form MO-2ENT for each individual entertainer who performs at the venue's location. Form MO-1ENT must be filed on a quarterly basis to give the department a total reconciliation of payments for individual entertainers during the quarter.

If the venue does not withhold 2 percent of the gross compensation paid to the nonresident entertainer who performed in the state, the professional entertainer is responsible for registering as a transient employer. Please use the following formula to compute Missouri withholding tax:

#### Total Performance Days in Missouri

$$\text{Total Performance Days for the Year} = \text{Missouri Income Percentage} \times \text{Missouri Income Percentage} \times \text{Total Income} = \text{Missouri Income}$$

$$\text{Missouri Income} \times 6\% = \text{Missouri Withholding Tax}$$

**\*Total income includes regular professional entertainer salaries, wages, guaranteed payments, deferred payments, severance pay, and bonuses paid or any other compensation paid to the nonresident professional entertainer or business entity.**

For more information concerning transient employers, contact the department by e-mail at [nexus@dor.mo.gov](mailto:nexus@dor.mo.gov) or write the Taxation Bureau, P.O. Box 295, Jefferson City, MO 65105-0295.

Section 143.091, RSMo, states that any term used in Sections 143.011 to 143.996, RSMo, shall have the same meaning as when used in a comparable context in the laws of the United States relating to the federal income taxes, unless a different meaning is clearly required by the provisions of Sections 143.011 to 143.996, RSMo. Any reference in Sections 143.011 to 143.996, RSMo, to the laws of the United States shall mean the provisions of the laws of the United States relating to federal income taxes, as the same may be or become effective, at any time or from time to time, for the taxable year.

## 2. Employer Registration and I.D. Number

### A. Employer to Register for Withholding

Every employer must register with the Missouri Department of Revenue by completing a Form 2643, Missouri Tax Registration Application. A permanent registration number will be assigned. This number is not transferable and should be referred to in all reports and correspondence concerning Missouri income tax withholding. If you have filed the registration application and have a report and payment due before you receive your registration number, write "Applied For" in the "MO Tax I.D. Number" box, list the name of the business exactly as it is on the registration

application, and file the report timely to take advantage of the compensation deduction and avoid interest and additions to tax charges. A new application is required and a new tax identification number will be assigned when any change in ownership or ownership type occurs. An employer who receives a new tax identification number as a result of a change in ownership type, must file a Form MO-941F, Employer's Withholding Final Report, to close the former account. Failure to close the former account will cause non-filer notices to be issued.

**Note:** If your business is only open for several months out of the year, you may register as a seasonal employer. As a seasonal employer, you will only be required to file a Form MO-941 for the periods that you indicated you will have employees on Form 2643, Missouri Tax Registration Application. (You may be considered a transient employer. Please refer to paragraph 1, "Transient Employer Defined".)

### **B. Change in Organization or Ownership**

A new Missouri Tax I.D. Number is required for most organizational or ownership changes. Contact the department if any change in organization or ownership occurs. You may download Form 2643, Registration Tax Application, at [www.dor.mo.gov/tax/forms/](http://www.dor.mo.gov/tax/forms/) and return it to the department to receive a new tax identification number. You may e-mail [businesstaxregister@dor.mo.gov](mailto:businesstaxregister@dor.mo.gov) or you may call (573) 751-5860 for more information about registration requirements and how they apply to your specific situation.

### **C. Employer With More Than One Payroll Unit — Complex Employer**

If a consolidated report and remittance of the tax withheld cannot be made by the employer because of the complexity of the organization, branch offices or divisions may be designated as withholding agents. The withholding agents may perform the actual withholding and remitting. However, regardless of any internal arrangements that may be established by the complex employer, the legal responsibility and liability under the law still rests with the home office.

If the complex employer has designated withholding agents and the agents wish to claim the compensation deduction, only one agent is entitled to the full compensation deduction and the remaining agents are entitled to 1/2 percent compensation deduction of income taxes withheld if the returns are filed timely.

The home office must, in all cases, apply to the Missouri Department of Revenue using a Form 2643, Missouri Tax Registration Application, for a Missouri Tax I.D. Number so the deduction for compensation can be allowed.

## **3. Who are Employees?**

The term "employee" for Missouri withholding purposes has the same meaning as it has for federal withholding (see *Circular E, Employer's Tax Guide*, published by the Internal Revenue Service). This definition is the same for Missouri residents and nonresidents.

## **4. What are Taxable Wages?**

The term "wages" for Missouri income tax withholding purposes has the same meaning as it has for federal withholding (see *Circular E, Employer's Tax Guide*, published by the Internal Revenue Service). Wages include all pay given to an employee for services performed. The pay may be in cash or in other forms. Wages include salaries, vacation allowances, bonuses, and commissions, regardless of how measured or paid.

### **A. Nonresident Employees Subject to Withholding**

If a nonresident employee performs all services within Missouri, tax shall be withheld from all wages paid him/her as in the case of a resident. If services are performed partly within and partly without the state, only wages paid for services performed within Missouri are subject to Missouri income tax withholding, provided the employee files with the employer a Form MO W-4A, Certificate of Nonresidence/Allocation of Withholding Tax. The employee may determine the portion of wages allocable to Missouri on the basis of the preceding year's experience.

If only a portion of an employee's wages is subject to Missouri income tax withholding, then the amount of Missouri tax required to be withheld is calculated using a percentage of the amount listed in the withholding tables. The calculation begins by determining the amount that would be withheld if all the wages were subject to Missouri withholding. This amount is then multiplied by a percentage that is determined by dividing the wages subject to Missouri withholding by the total federal wages.

Example: A nonresident earns \$20,000 in wages, \$12,000 from Missouri sources. Missouri withholding would be 60 percent ( $\$12,000 / \$20,000$  equals 60 percent) of the withholding required on \$20,000. Therefore, if \$100 per month should be withheld for an individual earning \$20,000, then for this nonresident, \$60 should be withheld each month ( $\$100 \times 60 \text{ percent} = \$60$ ).

### **B. Resident of Missouri Employed in Another State**

A Missouri resident paying income tax to another state because of employment in that state may file a Form MO W-4C, Withholding Affidavit for Missouri Residents. Income received for services performed in another state not having a state income tax is subject to Missouri withholding. If services are performed partly within and partly without the state, only wages paid for services performed within Missouri are subject to Missouri withholding tax, if the services performed in the other state are subject to the other state's income tax. If only a portion of an employee's wages is subject to Missouri withholding tax, then the amount of Missouri tax required to be withheld is calculated using a percentage of the amount listed in the withholding tables. The calculation begins by determining the amount that would be withheld if all the wages were subject to Missouri withholding. This amount is then multiplied by a percentage that is determined by dividing the wages subject to Missouri withholding tax by the total federal wages.

Example: The employee performs 40 percent of his/her services in Kansas. The remaining 60 percent of the employee's services are performed in Missouri. If the total withholding on all earnings is \$40 per month, the actual withholding for Missouri would be \$24 ( $\$40 \times 60 \text{ percent} = \$24$ ).

### **C. Missouri Employer with Nonresident Employees**

If a nonresident employee performs all services outside Missouri, his/her wages are not subject to Missouri withholding. A nonresident employee performing services in more than one state is subject to withholding as outlined in Section 4A.

## **5. Interstate Transportation Employees**

### **A. Rail, Motor, and Private Motor Carriers**

49 USC Sections 11502 and 14503 limit state taxation on wages of employees of rail, motor, and private motor carriers. Missouri withholding is required on rail, motor, and private motor carrier employees whose state of residence is Missouri. Employees of rail

carriers and motor carriers who perform regularly assigned duties in more than one state are subject to state income tax only in their state of residency.

### **B. Air and Water Carriers**

49 USC Section 40116 limits taxation on wages of employees of air and water carriers to the employees' state of residence and to the state in which the employees earn more than 50 percent of the wages paid by the air or water carrier, if different from the state of residence.

## **6. Voluntary Withholding**

### **A. Voluntary Withholding on Retirement, Pension, or Annuity Income**

Every Missouri resident, including retired members of the armed forces, receiving retirement, pension, or annuity income in this state, may **elect** to have an amount withheld as a payment of state income tax provided such income is taxable in this state. The recipient should determine the amount to be withheld and file Form MO W-4P, Withholding Certificate for Pension or Annuity Statements, with the administrator of his/her retirement, pension, or annuity plan. For further information call (573) 751-3505. Withholding for active duty members of the armed forces is covered in Section 6.C.

### **B. Voluntary Withholding for Civil Service Annuitants**

Civil service annuitants may elect to have state income taxes withheld from their regular annuity payments by contacting the Office of Personnel Management at (202) 606-0500.

### **C. Withholding for Active Duty Members of the Armed Forces**

Section 143.191, RSMo, requires withholding by every employer maintaining an office or transacting any business within Missouri and making payment of any wages taxable under Sections 143.011 to 143.998, RSMo. This also includes active duty pay to members of the armed services. For further information call (573) 751-3505. Withholding for retired members of the armed forces is covered in Section 6.A.

**Note:** Visit [www.dor.mo.gov/tax/forms/](http://www.dor.mo.gov/tax/forms/) for forms and more information about voluntary withholding.

## **7. Supplemental Wage Payments, Vacation Pay, Tips, and Lump Sum and Periodic Distributions**

### **A. Supplemental Wage Payments**

If supplemental wages are paid (such as bonuses, commissions, severance pay, overtime pay, back pay, including retroactive wage increases, or reimbursements for nondeductible moving expenses) in the same payment with regular wages, withhold Missouri income tax as if the total of the supplemental and regular wages were a single wage payment for the regular payroll period.

If supplemental wages are paid in a payment separate from regular wages, the method of withholding Missouri income tax depends in part on whether you withhold income tax from the employee's regular wages.

If you withhold Missouri income tax from the employee's regular wages, you may choose one of two methods for withholding income tax on the supplemental wages:

- 1) Withhold a flat percentage rate of 6 percent of the supplemental wages, using zero withholding allowances; or

- 2) Add the supplemental wages to the regular wages paid to the employee within the same calendar year for the payroll period and determine the income tax to be withheld as if the aggregate amount were one payment. Subtract the tax already withheld from the regular wage payment and withhold the remaining tax from the supplemental wage payment.

If you have not withheld income tax from the regular wages (e.g., when an employee's withholding exemption exceeds the employee's wages), you must use the method covered in Section 7, A.2. Add the supplemental wages to the regular wages paid within the same calendar year for the payroll period and withhold income tax on the total amount as if the supplemental wages and regular wages were one payment for a regular payroll period.

### **B. Vacation Pay**

If an employee receives vacation pay for an absence, the vacation pay is subject to Missouri income tax withholding as if it were a regular wage payment made for the payroll periods during the vacation. If vacation pay is paid in addition to regular wages for the vacation period, the vacation pay is treated as a supplemental wage payment.

The vacation pay of an employee who is not a resident of Missouri, but works in Missouri, is subject to Missouri income tax withholding.

### **C. Tips**

Employers must withhold Missouri income tax based upon total tips reported by the employee. Withhold Missouri income tax on tips using the same options indicated for withholding on supplemental wage payments in Section 7.A.

### **D. Lump Sum and Periodic Distributions**

Missouri follows the federal guidelines for lump sum and periodic distributions. On lump sum distributions, withhold at the rate of 6 percent. If a periodic distribution, follow the formula on page 15, or use the tax tables provided on pages 17–26.

## **8. Determining Proper Amount to Withhold**

To determine income tax withholding, take the following factors into account:

- 1) Wages paid during the payroll period, including tips and vacation pay;
- 2) Withholding allowances and filing status as indicated on the Form MO W-4. (Only when using the tax formula.)
- 3) If an employee does not complete and turn in the required Form MO W-4, withhold using zero allowances at a single tax rate.

### **A. Form MO W-4, Employee Withholding Allowance Certificate**

In recent years, the Form MO W-4 has been simplified to allow employees to more easily and accurately forecast his/her tax liability. The revisions included additional withholding allowances for employees who use Head of Household as their filing status and additional instructions for married filers. The employee has the option to include his/her spouse as an allowance by indicating his/her spouse does not work. If the spouse does not work, the withholding will be more accurate if the employee indicates this on Form MO W-4. However, if this option is chosen and the employee's spouse becomes employed later in the year, the employee should revise Form MO W-4 to reflect that his/her spouse works. The employee also has the option to claim additional allowances for itemized deductions or other state tax deductions or credits that lower his/her tax.

Each employee is required to file a completed Form MO W-4 to determine the number of allowances that the employee is entitled. The Form MO W-4 will be used by the employer to determine the amount of Missouri income tax that must be withheld from each paycheck. If an employee has more than one employer, he/she should claim a smaller number, or no allowances, on each Form MO W-4 filed with employers other than his/her principal employer. This is to ensure that the total amount withheld will be closer to the actual income tax liability. Failure to reduce the Form MO W-4 allowances could cause an employee to have too little tax withheld and subject the employee to underpayment penalties. If an employee expects to have income other than his/her wages, he/she may request additional amounts be withheld in addition to the amounts indicated by the allowances claimed on the employee's Form MO W-4. The additional amount should be included on Form MO W-4, Line 6. Within 20 days of hiring a new employee, please mail a copy of the completed Form MO W-4 to the Missouri Department of Revenue, P.O. Box 3340, Jefferson City, MO 65105-3340 or fax a copy to (573) 526-8079. For additional information regarding new hire reporting, please visit [www.dss.mo.gov/cse/newhire.htm](http://www.dss.mo.gov/cse/newhire.htm).

**B. Exemption For Nontaxable Individuals**

Exemption from withholding for nontaxable individuals is valid only if an employee submits to the employer a completed Form MO W-4 certifying that the employee has no income tax liability from the previous year and expects none for the current year. Employees must file a Form MO W-4 annually if they wish to continue the exemption.

**9. Withholding Tables and Formula**

**A. Withholding Tables**

Use the taxable wages to determine the amount of withholding. In determining the amount of tax to be withheld, use the table for the correct payroll period — daily, weekly, biweekly, semimonthly and monthly periods. Tables show wage brackets in the two left-hand columns. The withholding allowances are shown at the top of each of the remaining columns and correspond to the number of allowances claimed by an employee on the Form MO W-4. The withholding tables are provided on pages 17–26 of this book.

**B. Percentage Formula Withholding**

The formula on page 15 may be used on electronic data processing equipment for withholding Missouri income tax. Any variation from this formula must be approved in writing by the Director of Revenue.

**10. Return and Payment of Taxes Withheld**

Every employer withholding Missouri income tax from employees' wages is required by statute to report and remit the tax to the state of Missouri on Form MO-941. A separate reporting form must be filed for each reporting period. A personalized book of reporting forms, detailing the employer's name, address, employer identification number, filing frequency, and due date is provided to each active account on a monthly, quarterly, or annual filing frequency. Quarter-monthly filers are required to file and pay by an alternative method. (See page 2.) If an employer misplaces, damages, or fails to receive the necessary reporting forms, replacement forms should be requested, allowing sufficient time to file a timely return. If a blank form is used, the employer's name, address, and Missouri tax identification number must appear as filed on previous returns and the period that the remittance is made must be indicated. Blank forms can be downloaded from the department's web site at: [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax). **Failure to receive reporting forms does not relieve the employer of the responsibility to timely report and remit tax withheld.** If an employer temporarily ceases to pay wages

or is engaged in seasonal activities, a return must be filed for each period even if no tax was withheld. Failure to do so will result in the issuance of non-filer notices.

All returns and remittances should be mailed to: Missouri Department of Revenue, P.O. Box 999, Jefferson City, MO 65108-0999. See address labels in voucher books. Returns and payments are due on the dates shown in Section 11.

**Note:** Your return is considered timely if it is postmarked before the required due date. If a metered postmark differs from the U.S. Postal Service postmark, the U.S. Postal Service postmark will be used as evidence of timely filing. When the due date falls on a Saturday, Sunday, or legal holiday, the return and payment will be considered timely if postmarked on the next business day.

**11. Filing Frequency Requirements**

Missouri income tax withholding returns must be filed by the due date as long as an account is maintained with the Missouri Department of Revenue, even if there was no payroll for the reporting period. **Returns must be filed each reporting period, even though there may not have been any tax withheld.** If no tax was withheld, a zero withholding tax return may be filed online at <http://dor.mo.gov/tax/business/withhold>.

There are four filing frequencies: quarter-monthly, monthly, quarterly, and annually. A newly registered employer is initially assigned a filing frequency on the basis of his/her estimation of future withholdings. **If the assigned filing frequency differs from the filing requirements established by statute, it is the employer's responsibility to notify the Missouri Department of Revenue immediately.** The time for filing is as follows:

- 1) Quarter-monthly — Employers required to withhold \$9,000 or more per month for at least two months during the preceding 12 months shall file on a quarter-monthly basis (see Section 12);
- 2) Monthly — Employers required to withhold \$500 per month for at least two months during the preceding 12 months shall file on a monthly basis;
- 3) Quarterly — Employers not required to file and pay taxes withheld on a monthly basis who withhold at least \$20 per quarter during at least one quarter of the preceding four quarters shall file on a quarterly basis;
- 4) Annually — Employers required to withhold less than \$20 during each of the preceding four quarters shall file on an annual basis.

**EMPLOYER WITHHOLDING TAX DUE DATES**

MONTHS	ANNUAL REPORTS	QUARTERLY REPORTS	MONTHLY REPORTS	QUARTER-MONTHLY REPORTS
JANUARY			Feb. 17	Payment is required within three banking days for the periods ending the 7th, 15th, 22nd and the last day of a month.
FEBRUARY			Mar. 16	
MARCH		April 30	April 30	
APRIL			May 15	
MAY			June 15	
JUNE		Jul. 31	July 31	
JULY			Aug. 17	
AUGUST			Sept. 15	
SEPTEMBER		Nov. 2	Nov. 2	
OCTOBER			Nov. 16	
NOVEMBER			Dec. 15	
DECEMBER	Feb. 1, 2010	Feb. 1, 2010	Feb. 1, 2010	

## 12. Quarter-Monthly Reporting

Any employer who withheld \$9,000 or more in each of at least two months during the prior 12 months shall file a report and remit payment to the Director of Revenue on a quarter-monthly basis. One of the alternative filing methods on page 2 must be used by quarter-monthly filers.

A quarter-monthly period means:

- 1) The first seven days of a calendar month;
- 2) The eighth to the fifteenth day of a calendar month;
- 3) The sixteenth to the twenty-second day of a calendar month;
- 4) The twenty-third day through the last day of a calendar month.

The employer must make a payment, at the end of each quarter-monthly period to pay 90 percent of the withholding due for the filing period. The payment must be made within three banking days following the end of the quarter-monthly period or deposited in a depository designated by the director within four banking days after the end of the quarter-monthly period. Banking days shall not include Saturday, Sunday, or legal holidays. The compensation authorized in Section 143.261, RSMo, may be taken by the employer against the payment required to be made only if such payment is made on a timely basis.

As a quarter-monthly filer you have the option to:

1. Pay 100 percent of the estimated quarter-monthly amount, as determined by the Department of Revenue, within three banking days after the end of each quarter-monthly period (four times a month);  
or
2. Pay at least 90 percent of the actual tax due by the due date of that particular quarter-monthly period. If there is not a payroll during a quarter-monthly period, no quarter-monthly payment voucher is necessary.

Any additional tax due at the end of the month must be paid on or before the due date of the tax return. Visit [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax) for more information about alternative filing methods.

**Example:** An employer has a semi-monthly payroll cycle which falls on January 15 and on January 31. The actual Missouri income tax withholding for the January 15 payroll is \$12,000. The employer must remit at least 90 percent of the \$12,000 (\$10,800) with the 2nd quarter-monthly payment due no later than January 18. The actual Missouri income tax withholding for the January 31 payroll is \$15,000. The employer must remit at least 90 percent of the \$15,000 (\$13,500) with the 4th quarter-monthly payment due no later than February 5. Because the employer did not have a payroll during the 1st or 3rd quarter-monthly periods, a quarter-monthly payment does not need to be submitted for those two periods.

**Example:** An employer has only one monthly payroll period and it falls on January 20. The actual Missouri income tax withholding for the January 20 payroll is \$30,000. The employer must remit at least 90 percent of the \$30,000 (\$27,000) with the 3rd quarter-monthly payment due no later than January 25. Because the employer did not have a payroll during the 1st, 2nd, or 4th quarter-monthly periods, a quarter-monthly payment does not need to be submitted for those three periods.

The withholding tax return is due by the 15th day of the following month, except for the third month of a quarter, which is due the last day of the following month. If a balance is due, pay the remaining amount using TXP or online filing. Submit a withholding tax return

by printing and mailing a Form MO-941 or online at <http://dor.mo.gov/tax/business/withhold>. See page 2 for more information on alternative filing methods.

Any employer who has been placed on a quarter-monthly filing frequency who has not withheld \$9,000 or more in two months of the prior 12 months, may request permission from the Missouri Department of Revenue to file and pay on a less frequent basis. An employer must file and pay on a quarter-monthly basis for a minimum of 12 months before requesting a change in filing frequency.

## 13. Under and Over Reporting of Withholding

### A. Underpayments

1. If withholding tax has been under reported in any one period, the employer must file a Form **MO-941U**, Employer's Withholding Tax Underpayment Amended Return. Interest and additions to tax will be imposed on the underpaid portion according to established procedures. However, no penalty for underpayment of any amount required to be paid will be imposed on any employer for failure to comply with the quarter-monthly filing requirements for the first two months the employer is obligated to make quarter-monthly payments.
2. If a quarter-monthly filer underpays, a penalty of 5 percent, in lieu of all other penalties, interest, or additions to tax imposed by the statutes, will be charged on the amount of underpayment. The penalty of 5 percent for underpayment will not be imposed if one of the following exceptions is met:
  - a) Payment of at least 90 percent of the actual amount required to be remitted for the period.

Example: Actual tax withheld was \$10,000, less timely filing compensation deduction of \$150, leaving a liability of \$9,850. The payment must be at least \$8,865, (\$9,850 X 90 percent) to avoid the 5 percent penalty; or

- b) The employer's timely remittance for the quarter-monthly equals or exceeds one-fourth of the average monthly withholding tax liability of the employer for the preceding year. The month of the highest liability and the month of lowest liability are excluded in computing the average. This exception may be used only if the employer has a withholding tax liability for at least six months of the previous calendar year.

Example: The employer had \$150,000 withholding in the preceding year for the 12-month period. The highest and lowest months' withholding were a total of \$30,000. The average quarter-monthly liability is \$3,000 ( $\$150,000 - \$30,000 = \$120,000$ .  $\$120,000 \div 10 = \$12,000$ .  $\$12,000 \times .25 = \$3,000$ ). If the employer was in business for at least six months, but less than 12 months, use the actual months' amounts less the highest and lowest and divide by the remaining months to determine the average month.

### B. Overpayments

- 1) If withholding tax has been over reported in any one tax period, the employer must file an amended Missouri withholding tax return Form **MO-941X** with the Missouri Department of Revenue. Documentation supporting the change in a withholding amount must accompany Form MO-941X. An example of this documentation requirement would be a copy of the payroll ledger for the month being amended and a copy of Form W-2C if one were issued. If the department authorizes an overpayment, the overpayment may be used to offset a prior debt within your withholding tax account.

The department will notify you of any offset, and of any overpayment remaining that may be available to be refunded or used as a credit on future returns filed. **For any excess remittance, the Director of Revenue will issue a refund or credit over the actual amount due for a period. Any employer can take credit for an overpayment only after receiving an overpayment notice from the Director of Revenue.**

- 2) Claims for overpayment must be filed within three years from the date the return was filed or two years from the date the tax was paid, whichever period expires later. If no return was filed by the taxpayer, a claim for credit or refund must be filed within two years from the time the tax was paid. No claim for credit or refund will be allowed after the expiration of the period of limitation prescribed in Section 143.801, RSMo.

Forms are furnished in your voucher book or may be obtained by accessing the Missouri Department of Revenue's web site at: [www.dor.mo.gov/tax/forms/](http://www.dor.mo.gov/tax/forms/), writing the Taxation Bureau, P.O. Box 3022, Jefferson City, MO 65105-3022, or calling (573) 751-6881.

### 14. Employer Compensation

Employers, except the United States, the state of Missouri, and all agencies and political subdivisions of the state of Missouri or the United States Government, may deduct and retain as compensation from remittances made to the Director of Revenue on or before the respective due dates for the payment involved, the following percentages of the total amount of tax withheld and paid annually.

COMPENSATION PERCENTAGE	YEAR-TO-DATE TOTAL JANUARY-DECEMBER
2%	0 to \$5,000
1%	\$5,001 to \$10,000
1/2%	In Excess of \$10,000

This is an annual accumulative total. After employers withhold \$10,000, they are entitled to one-half percent compensation for the balance of the year.

The employer is not entitled to compensation if payment is not made on or before the due date. If the compensation deduction is allowable, the deduction must be deducted on each return filed.

**Notice to Quarter-Monthly filers:** The compensation deduction authorized in section 143.261, RSMo may be taken by the employer against the payment required to be made as long as the payment is made by the employer on a timely basis as provided in section 143.851, RSMo.

### 15. New Jobs Training and Job Retention Training Credit Programs

Employers and junior college districts may enter into a cooperative agreement establishing new jobs and/or job retention training projects with the approval of the Missouri Department of Economic Development. The program costs may be met by receipt of new jobs and/or job retention credit from withholding. An employer interested in this program should contact the Missouri Department of Economic Development, Division of Workforce Development, P.O. Box 1087, Jefferson City, MO 65102-1087.

### 16. Quality Jobs Program

As an incentive for new job creation, employers meeting certain eligibility requirements may be allowed to retain a percentage of the withholding tax for each new job created.

An employer interested in this program should contact the Missouri Department of Economic Development, Business and Community Services Finance Management at P.O. Box 118, Jefferson City, MO 65102-0118, telephone (573) 751-4539 or send an e-mail message to [dedfin@ded.mo.gov](mailto:dedfin@ded.mo.gov). Additional information may also be found at <http://go.missouridevelopment.org/qj>.

### 17. Delinquent Returns and Payments — Penalty, Interest, Additions to Tax

1. Interest at the rate of 5 percent for calendar year 2009, (.0001370 daily rate computation) must be included on all payments of tax not filed on a timely basis pursuant to Section 143.731, RSMo. Interest is subject to change on an annual basis pursuant to Section 32.065, RSMo.
2. An employer's failure to file a required return timely, unless due to reasonable cause and not to willful neglect, will result in additions to tax of 5 percent per month or fraction thereof, not to exceed 25 percent per Section 143.741(1), RSMo.
3. Failure to file a timely duplicate Form W-2, Wage and Tax Statement, is subject to a penalty of \$2 per statement not to exceed \$1,000, unless the failure is due to reasonable cause and not willful neglect per Section 143.741(2), RSMo.
4. A deficiency is subject to additions to tax of 5 percent, if the deficiency is due to negligence or disregard of rules and regulations, or 50 percent if the deficiency is due to fraud per Sections 143.751(1) and (2), RSMo.
5. Failure to pay tax timely will result in additions to tax of 5 percent per Section 143.751(3), RSMo.
6. A person who willfully fails to collect, account, or pay withheld taxes is subject to a penalty equal to the amount not paid per Section 143.751(4), RSMo.

In addition, any officer, director, or statutory trustee of any corporation who has direct control, supervision, or responsibility for filing returns and making payments of the tax, who fails to file or make payment, shall be personally assessed the tax, including interest, additions to tax, and penalties per Section 143.241.2, RSMo.

7. Criminal penalties are also provided in Sections 143.911 to 143.951, RSMo.
8. A Certificate of Tax Lien may be filed for record with the recorder's office. The lien shall be filed on the date an assessment becomes final and shall attach to all real and personal property owned by or acquired by the taxpayer. A Certificate of Tax Lien may also be filed with the clerk of the circuit court and shall have the force and effect of a default judgment pursuant to Section 143.902, RSMo.

### 18. Failure to Pay Taxes Withheld

Any employer who fails to remit income tax withheld or to file tax returns as required, may be required to deposit the taxes in a special trust account for Missouri (see Section 32.052, RSMo). Penalties are provided for failure to make payment. If the Director of Revenue finds that the collection of taxes required to be deducted and withheld by an employer may be jeopardized by delay, he/she may require the employer to remit the tax or make a return at any time. A lien outstanding with regard to any tax administered by the director shall be a sufficient basis for this action (see Section 143.221.4, RSMo). Effective August 28, 2004, any business with a retail sales tax license who fails to pay withholding tax is subject to license revocation.

## Personal Liability

Any officer, director or statutory trustee of any corporation, including administratively dissolved corporations, or foreign corporations that have had their certificate of authority revoked, subject to the provisions of Sections 143.191 to 143.265, RSMo, who has the direct control, supervision, or responsibility for filing returns or making payment of the amount of tax imposed in accordance with Sections 143.191 to 143.265, RSMo, and who fails to file such return or make payment with the Director of Revenue, shall be personally assessed for such amounts, including interest, additions to tax, and penalties (see Section 143.241.2, RSMo).

## 19. Statements for Employees

Two copies of the Form W-2, Wage and Tax Statement, shall be provided to each employee to whom wages were paid and were subject to withholding tax whether or not tax was withheld from such payments. Wages include sickness or injury payments made by an employer under wage continuation plans, whether paid in cash or otherwise.

The Form W-2 supplied by the Internal Revenue Service must be used for this purpose unless the employer uses a substitute form approved in writing by the Missouri Department of Revenue.

If it becomes necessary to correct Form W-2 after it has been issued to an employee, two corrected Form W-2s should be issued to the employee and a copy mailed to the department. The new copies must be clearly marked **“Corrected by Employer.”**

In case a Form W-2 is lost or destroyed, a substitute copy must be issued to the employee and must be clearly marked **“Reissued by Employer.”**

Form W-2, Wage and Tax Statement, and/or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., must be provided to the employee **on or before January 31** of the following calendar year for which the Form W-2 and/or Form 1099-R applies. File Form 1099-R for each person to whom you have made any designated distribution from profit-sharing or retirement plans, IRAs, annuities, pensions, etc., whether or not you withheld Federal or Missouri income tax.

## 20. Final or Annual Report of Income Tax Withheld

### A. Annual Report

**On or before March 1**, each employer must file copies of all withholding statements, Form W-2 or Form 1099-R, Copy 1, for the year, along with Form MO W-3, Transmittal of Wage and Tax Statements. These copies must also be accompanied by a list, preferably an adding machine tape or a computer printout, of the total amount of the income tax withheld as shown on all “Copy 1s” of Form W-2/Form 1099-R.

Send Form W-2(s) and/or Form 1099-R(s) and Form MO W-3 to the **Missouri Department of Revenue, P.O. Box 3330, Jefferson City, MO 65105-3330** in convenient size packages. Each package must be identified with the name and account number of the employer, and the packages must be consecutively numbered.

**Do not include the fourth quarter or 12th month return with the Form W-2(s) and/or Form 1099-R(s) and Form MO W-3. The last annual remittance must be sent separately with Form MO-941.**

Any employee copies of Form W-2(s) and/or Form 1099-R(s) and Form MO W-3 that were returned to the employer as undeliverable must be kept by the employer for at least four years.

## B. Magnetic Media Reporting

Employers with 250 or more Form W-2s must file on magnetic media. The Department of Revenue’s magnetic media reporting format conforms with the Specifications for Filing Forms Electronically (EFW2) format used by the Social Security Administration. The necessary fields included in the EFW2 format specifications are listed on page 12. The department is unable to accept electronic filing of W-2 information.

Employers with fewer than 250 W-2s can either file by magnetic media or by submitting paper Form W-2s to the Taxation Bureau, P.O. Box 3330, Jefferson City, MO 65105-3330.

Please file Form MO W-3, Transmittal of Wage and Tax Statements, with your Form W-2(s) or your magnetic media reporting.

**If you already included the Codes RE and RS records on your Social Security Administration tape or diskette, you may send a duplicate copy to the Missouri Department of Revenue. Otherwise you must add the Codes RE and RS records.** The additional data specifications for magnetic media reporting required by the state of Missouri are listed on page 12. If you have any questions regarding the reporting of your Form W-2s, please call (573) 751-3505.

For information regarding Form 99-Misc reporting, please visit [www.dor.mo.gov/tax/faq/faqwhold.htm](http://www.dor.mo.gov/tax/faq/faqwhold.htm). Scroll the FAQs to the heading of “Information at Source Reporting”.

The Department of Revenue will not provide notification when magnetic media information is processed; nor will the department return completed magnetic media to the employer.

## C. Form W-2 Corrections

If after you have filed your Form W-2(s) and Form MO W-3, you discover an error and need to file a Form W-2C, you should attach a copy of the Form W-2C to Form MO W-3 and check the box indicated for submitting Form W-2C(s). Enter the same amount on Line 1 and Line 2 that was originally entered unless as a result of the Form W-2C(s) those amounts changed. If changed, enter the total new correct amount for all Form W-2(s) in both boxes.

## 21. Closing a Withholding Account/Final Report

**An employer must notify the Missouri Department of Revenue to close its withholding tax account. The Missouri Department of Revenue will not automatically close the account because it stops making payments and filing returns.** An employer should close its withholding account if any of the following occur:

- It permanently stops doing business;
- It permanently stops having employees; or
- It has a major change in business, such as forming a partnership or joining others to form a corporation.

To close the account, use Form MO-941F, Employer’s Withholding Tax Final Report, **AND** write “FINAL PAYROLL” on the last Form MO-941 to be filed. Failure to notify the Missouri Department of Revenue to close the account will cause estimated billings to be issued. If a non-filer notice is received, the employer must report and remit the actual amount withheld to the Missouri Department of Revenue.

## 22. Records to be Kept by Employers

The following records must be retained for all employees:

- 1) Name, address, social security number, and period of employment;
- 2) Amounts and dates of all wage payments subject to Missouri income tax withholding;
- 3) Employee's state income tax withholding allowance certificate;
- 4) Employer's state income tax withholding registration number;

- 5) Record of quarter-monthly, monthly, quarterly, and annual returns filed including dates and amounts of payments;
- 6) Records that would assist the Missouri Department of Revenue in auditing the employer's records.

All records should be kept for at least three years after the date the taxes to which they relate become due, or the date the taxes are paid, whichever is later.

In addition to the records listed above, all records of the allocation of working days in the state of Missouri must be retained for all nonresident employees.

## Missouri Department of Revenue Tax Assistance Centers

Public hours Monday through Friday at the offices listed below are:

**January through April**

7:30 a.m. to 5:30 p.m.

**May through December**

8:00 a.m. to 5:00 p.m.

Individuals with speech or hearing impairments may use TDD(800) 735-2966 or fax (573) 526-1881.

### **Cape Girardeau**

3102 Blattner Dr., Suite 102  
(573) 290-5850

### **Kansas City**

615 East 13th St., Room 127  
(816) 889-2920

### **St. Louis**

3256 Laclede Station Rd., Suite 101  
(314) 877-0177

### **Jefferson City**

301 W. High St., Room 330  
(573) 751-7191

### **Springfield**

149 Park Central Square, Room 313  
(417) 895-6474

### **St. Joseph**

525 Jules, Room 314  
(816) 387-2230

### **Joplin**

1110 E. Seventh St., Suite 400  
(417) 629-3070

Automated IVR Refund/Balance Due Inquiry  
Electronic Filing Information  
General Inquiry Line

(573) 526-8299  
(573) 751-3930  
(573) 751-3505

### **Other Important Phone Numbers**

**Form Ordering or Questions**  
Forms-by-Fax

(573) 751-5337  
(573) 751-4800

Electronic Filing Information  
General Inquiry Line

(573) 751-3930  
(573) 751-3505

**Download forms or check the status of your return from our web site: [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)**  
Suggestions for Tax System Improvements e-mail: [taxsuggest@dor.mo.gov](mailto:taxsuggest@dor.mo.gov)

MISSOURI DEPT. OF REVENUE <b>EMPLOYER'S RETURN OF INCOME TAXES WITHHELD</b>	FORM <b>MO-941</b> (REV. 11-2007)	FILING FREQUENCY
		DUE ON OR BEFORE
MO TAX I.D. NUMBER	REPORTING PERIOD	
FEIN	PIN	
I have direct control, supervision, or responsibility for filing this return and payment of the tax due. Under penalties of perjury, I declare it is a true, accurate, and complete return.		
AUTHORIZED SIGNATURE	DATE	MO 860-1895 (11-2007)
<b>MAIL REMITTANCE AND RETURN TO:</b> Missouri Department of Revenue, P.O. Box 999, Jefferson City, Missouri 65108-0999. If you pay by check, you authorize the Department of Revenue to process the check electronically. Any check returned unpaid may be presented again electronically.		

1. Withholding This Period .....	\$									00
2. Compensation Deduction .....	\$									00
3. Previous Overpay/ Payments .....	\$									00
4. Balance Due. ....	\$									00
5. Additions to Tax (see Instructions) .....	\$									00
6. Interest (see Instructions) .....	\$									00
7. Total Amount Due (U.S. funds only) .....	\$									00
<b>DOR USE ONLY</b>										
*										
*										

**INSTRUCTIONS FOR COMPLETING FORM MO-941 — TAX COMPUTATION**

Use the correct return.

- Enter the amount of employer withholding tax for the period on Line 1.
- Enter the compensation deduction for timely payment made on Line 2. (Compensation should be taken on the amount entered on Line 1.)
- Enter previous overpayments/credits on Line 3.
- Compute balance due. Subtract Lines 2 and 3 from Line 1 and enter the difference on Line 4.
- Compute additions to tax, if applicable, and enter on Line 5.
  - For failure to pay withholding tax by the due date — subtract Line 3 from Line 1 and multiply the result by 5 percent; or
  - For failure to file your return by the due date — subtract Line 3 from Line 1 and multiply the result by 5 percent for each month late, not to exceed 25 percent.
- Compute interest, if applicable, and enter on Line 6. Divide the annual interest rate by 365 (366 for leap years) to obtain the daily interest rate.

Then subtract Line 3 from Line 1 and multiply the result by the daily interest rate for each day late.

This year's interest rate is 5 percent.

- Compute total amount due. Add Lines 4, 5, and 6 and enter on Line 7.

**Mail your remittance and return to:** Missouri Department of Revenue, P.O. Box 999, Jefferson City, MO 65108-0999 payable to Missouri Director of Revenue and include your Missouri Tax I.D. Number in the lower left area of your check (U.S. funds only).

**NOTE:** An amended return, Form MO-941X, must be filed if the amount of tax withheld for a particular period is **less** than the original employer withholding tax reported for that period. An amended return, Form MO-941U, must be filed if the amount of tax withheld for a particular period is **more** than the original withholding tax reported for that period. Use a separate Form MO-941X or Form MO-941U, for each period to be amended.

**ROUND ALL CENTS TO THE NEAREST WHOLE DOLLAR.** You must round the amounts that you withhold from your employees to the nearest whole dollar. For 1 cent through 49 cents, round down to the previous whole dollar amount (round \$32.49 down to \$32.00). For 50 cents through 99 cents, round up to the next whole dollar amount (round \$32.50 up to \$33.00). For your convenience, the zeros have already been placed in the cent columns on the returns.

**PLEASE NOTE THE FOLLOWING GUIDELINES FOR COMPLETING RETURNS**

You determine how accurately your information is transferred to our tax system. There is no intermediate step between your hand-printed characters and the creation of computer usable data (other than the optical reading). Clear and distinct characters, when written according to the guidelines below, will ensure accuracy.

- DO NOT USE RED INK OR TYPEWRITER PRINT ON THESE VOUCHERS.**
- PLEASE USE A MEDIUM TIP BLACK OR BLUE BALLPOINT PEN.**

- PRINT FIRMLY!!!** Dark characters are essential.
- The size of the character you write should not be less than 2/3 the height of the box. The character should fill the box, but leave a small margin between the character and the border.
- Enter a zero or the appropriate number where applicable; otherwise, leave blank.
- DO NOT** write **N/A** or **NONE** or draw a line in any box or space where a number or digit should go.
- DO NOT** use commas or decimals.



**TO ENSURE YOUR RETURN WILL BE PROPERLY PROCESSED**

- Remove all tear away jackets from checks.**
- Do not send check stubs with checks.**
- Do not staple check to withholding tax returns.
- Do not bend or fold your withholding tax return and/or check.
- Include your Missouri I.D. Number (MITS) on all remittances.

*The Missouri Department of Revenue will accept magnetic tapes or diskettes containing records for reporting wage information. The employer must use the Specifications for Filing Forms W-2 Electronically (EFW2) format provided by the Social Security Administration (SSA). The department is unable to accept electronic filing of W-2 information.*

## Magnetic Tape Specifications: Annual W-2 Copy B Information

### **CODE RE — Employer Record**

<b>Location</b>	<b>Field</b>	<b>Length</b>	<b>Specification</b>
1-2	Record Identifier	2	Constant "RE"
3-6	Tax Year	4	Enter the tax year for this report
8-16	FEIN	9	Enter the FEIN entered on Form MO-941
40-96	Employer Name	57	Enter employer's name. Left justify and fill with blanks.
97-118	Street Address	22	Enter the employer's street address. Left justify and fill with blanks.
141-162	City	22	Enter the employer's city. Left justify and fill with blanks.
163-164	State Abbreviation	2	Enter the employer's state by standard postal abbreviation. (Missouri = MO)
165-169	Zip Code	5	Enter the employer's five-digit zip code.
170-173	Zip Code Extension	4	Enter the employer's four-digit extension of the zip code. If not applicable, fill with blanks.

### **CODE RS — State Record (Employee Information)**

<b>Location</b>	<b>Field</b>	<b>Length</b>	<b>Specification</b>
1-2	Record Identifier	2	Constant "RS"
3-4	State Code	2	Enter the appropriate numeric postal code. Missouri = 29
10-18	Social Security Number	9	Enter the employee's social security number. If unknown, enter all zeroes. Omit hyphens and spaces.
19-33	Employee First Name	15	Enter the employee's first name. Left justify and fill with blanks.
34-48	Employee Middle Name or Initial	15	Enter the employee's middle name or initial. Left justify and fill with blanks.
49-68	Employee Last Name	20	Enter the employee's last name. Left justify and fill with blanks.
248-267	State Employer Account Number	20	Enter the eight-digit Missouri Employer Withholding Tax Number. Left justify and fill with blanks.
276-286	State Taxable Wages	11	Enter state taxable wages in dollars and cents. Do not enter a decimal point. Right justify and fill with zeroes.
287-297	State Income Tax Withheld	11	Enter state income tax withheld in dollars and cents. Do not enter a decimal point. Right justify and fill with zeroes.

## CHECKLIST FOR FILING FORM W-2s

- ✓ Form W-2s must be provided to the employee on or before January 31.
- ✓ If you have less than 250 Form W-2s, you may send copies or use the magnetic media tape or diskette filing options.
- ✓ If you have 250 or more Form W-2s, you must file Form W-2s by magnetic media tape or diskette.
- ✓ You must enclose Form MO W-3 with your Form W-2s or your magnetic media tape or diskette.
- ✓ Mail Form MO W-3 and Form W-2s or your magnetic media tape or diskette to the Missouri Department of Revenue, P.O. Box 3330, Jefferson City, Missouri 65105-3330 **on or before March 1, 2010.**

## EMPLOYER WITHHOLDING TAX FREQUENTLY ASKED QUESTIONS

### **Q. *What is the timely compensation deduction?***

- A. Employers who are not government agencies or political subdivisions may receive a deduction if their Form MO-941, Employer's Return of Income Taxes Withheld, is timely filed and timely paid. The timely compensation **begins at 2 percent and is reduced to 1 percent once the employer's year-to-date withholding reaches \$5,000.** The amount of compensation deduction is **reduced to one-half percent once the year-to-date withholding reaches \$10,000.**

For example, if my employer withholding tax is \$4,000 for the month of January, I will receive a 2 percent timely compensation if timely filed and timely paid. If my February withholding tax is \$4,000, (my year-to-date withholding tax would be \$8,000), I will receive a 2 percent compensation deduction for \$1,000 and a 1 percent compensation deduction for the remaining \$3,000 of the February withholding tax if timely filed and timely paid.

### **Q. *How do I file an amended withholding tax return?***

- A. If you have overpaid your withholding tax, file a Form MO-941X. If you underpaid your withholding tax, file a Form MO-941U.

### **Q. *How can I take a credit if I have an overpayment?***

- A. When you receive an overpayment notice you can take the credit on your next return. If you have a delinquency, the Missouri Department of Revenue will automatically apply your overpayment to the balance due.

### **Q. *When do I need to send copies of my Form W-2(s) to the department?***

- A. You must send your 2009 Form W-2(s) to the department with Form MO W-3 no later than March 2, 2010. You may send copies of Form W-2(s) to the department if you have less than 250 Form W-2s. If you have 250 or more Form W-2s, see page 12 for magnetic media tape and diskette specifications.



**EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE**

**MO W-4**  
(REV. 11-2007)

This certificate is for income tax withholding and child support enforcement purposes only.  
**PLEASE TYPE OR PRINT.**

FULL NAME		SOCIAL SECURITY NUMBER		FILING STATUS <input type="checkbox"/> SINGLE <input type="checkbox"/> MARRIED <input type="checkbox"/> HEAD OF HOUSEHOLD	
HOME ADDRESS (NUMBER AND STREET OR RURAL ROUTE)		CITY OR TOWN, STATE AND ZIP CODE			

1. <b>ALLOWANCE FOR YOURSELF:</b> Enter 1 for yourself if your filing status is single, married, <b>OR</b> head of household. ....	1	
2. <b>ALLOWANCE FOR YOUR SPOUSE:</b> Does your spouse work? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter 0. If NO, enter 1 for your spouse .....	2	
3. <b>ALLOWANCE FOR DEPENDENTS:</b> Enter the number of dependents you will claim on your tax return. Do not claim yourself or your spouse or dependents that your spouse has already claimed on his or her Form MO W-4. ....	3	
4. <b>ADDITIONAL ALLOWANCES:</b> You may claim additional allowances if you itemize your deductions or have other state tax deductions or credits that lower your tax. Enter the number of additional allowances you would like to claim. ....	4	
5. <b>TOTAL NUMBER OF ALLOWANCES YOU ARE CLAIMING:</b> Add Lines 1 through 4 and enter total here. ....	5	
6. <b>ADDITIONAL WITHHOLDING:</b> If you expect to have a balance due (as a result of interest income, dividends, income from a part-time job, etc.) on your tax return, you may request your employer to withhold an additional amount of tax from each pay period. To calculate the amount needed, divide the amount of the expected balance due by the number of pay periods in a year. Enter the additional amount to be withheld each pay period here. ....	6	\$
7. <b>EXEMPT STATUS:</b> If you had a right to a refund of <b>ALL</b> of your Missouri income tax withheld last year because you had <b>NO</b> tax liability and this year you expect a refund of <b>ALL</b> Missouri income tax withheld because you expect to have <b>NO</b> tax liability, write "EXEMPT" on Line 7. See information below. ....	7	

Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or I am entitled to claim exempt status.

EMPLOYEE'S SIGNATURE (Form is not valid unless you sign it.)	DATE ____/____/____
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EMPLOYER'S NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER _____
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EMPLOYER'S ADDRESS	MISSOURI TAX IDENTIFICATION NUMBER _____
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**NOTICE TO EMPLOYER:** Within 20 days of hiring a new employee, send a copy of Form MO W-4 to the: Missouri Department of Revenue, P.O. Box 3340, Jefferson City, MO 65105-3340 or fax to (573) 526-8079. For additional information regarding new hire reporting, please visit [www.dss.mo.gov/cse/newhire.htm](http://www.dss.mo.gov/cse/newhire.htm).



**—EMPLOYEE INFORMATION—**



**You Do NOT PAY MISSOURI INCOME TAX ON ALL OF THE INCOME YOU EARN!**

**Visit [www.dor.mo.gov](http://www.dor.mo.gov) to try our online withholding calculator.**

Deductions and exemptions reduce the amount of your taxable income. Form MO W-4 is completed so you can have as much "take-home pay" as possible without an income tax liability due to the state of Missouri when you file your return. Deductions and exemptions reduce the amount of your taxable income. *If your income is less than the total of your personal exemption plus your standard deduction, you should mark "EXEMPT" on Line 7 above.* The following amounts of your annual Missouri adjusted gross income will not be taxed by the state of Missouri when you file your individual income tax return.

**Single**

\$2,100 — personal exemption  
\$5,700 — standard deduction  
\$7,800 — Total  
+ \$1,200 for each dependent

**Married Filing Combined**

\$ 4,200 — personal exemption  
\$11,400 — standard deduction  
\$15,600 — Combined Total (For both spouses)  
+ \$1,200 for each dependent  
+ up to \$10,000 for federal tax

**Head of Household**

\$ 3,500 — personal exemption  
\$ 8,350 — standard deduction  
\$11,850 — Total  
+ \$1,200 for each dependent  
+ up to \$5,000 for federal tax

**Items to Remember:**

- If your filing status is married filing combined and your spouse works, do not claim an exemption on Form MO W-4 for your spouse.
- If you and your spouse have dependents, please be sure only one of you claim the dependents on your Form MO W-4. If both spouses claim the dependents as an allowance on Form MO W-4, it may cause you to owe additional Missouri income tax when you file your return.
- If you have more than one employer, you should claim a smaller number or no allowances on each Form MO W-4 filed with employers other than your principal employer so the amount withheld will be closer to your amount of total tax.
- If you itemize your deductions, instead of using the standard deduction, the amount not taxed by Missouri may be a greater or lesser amount.

## 2009 MISSOURI WITHHOLDING TAX FORMULA

### STEP 1—USING ANNUAL AMOUNTS

(Refer to Federal Publication 15 for questions concerning gross taxable income or federal withholding tax.)

1. GROSS INCOME — Determine the employee's total wages for the payroll period. Multiply this amount by the number of payroll periods you have in a year. The result is the employee's annual wage. (Multiply by: 260 if you pay daily, 52 if you pay weekly, 26 if you pay bi-weekly, 24 if you pay semi-monthly, or 12 if you pay monthly.)

**Note:** If the employee has supplemental or overtime pay, see the withholding procedures outlined below.

2. STANDARD DEDUCTION — Annual amount is: \$5,700 if employee is single, \$5,700 if employee is married and spouse works, \$11,400 if employee is married and spouse does not work (this is determined by the check box on Form MO W-4, Line 2, and is not a separate filing status), \$8,350 if employee's filing status is Head of Household.
3. MO W-4 ALLOWANCES — Annual amount is: \$2,100 for the first allowance and \$1,200 for each additional allowance if employee is **single or married and spouse works**, \$2,100 for the first allowance, \$2,100 for the second allowance (for the non-working spouse) and \$1,200 for each additional allowance if the employee is **married and spouse does not work**; \$3,500 for the first allowance and \$1,200 for each additional allowance thereafter if the employee's filing status is **Head of Household**.
4. FEDERAL WITHHOLDING — Determine the amount of the employee's total federal income tax withheld for the payroll period. Multiply this amount by the number of payroll periods you have in a year. The result is the employee's annual federal income tax withheld. **An individual's federal income tax deduction is limited to \$5,000 (\$10,000 if a combined return)**. These limitations should be applied on an aggregate basis. (Multiply by: 260 if you pay daily, 52 if you pay weekly,

26 if you pay bi-weekly, 24 if you pay semi-monthly, or 12 if you pay monthly.)

**Note:** The maximum federal income tax deduction for a married filer, spouse not working, is \$10,000. If the spouse is working, the maximum limit should be calculated using \$5,000.

Determine if the spouse is working by the check boxes on Form MO W-4, Line 2.

5. MISSOURI TAXABLE INCOME — Subtract the total annual amounts of numbers 2, 3, and 4 from the total annual gross income of number 1. The result is the employee's Missouri taxable income.

### STEP 2

1. MISSOURI WITHHOLDING TAX — Multiply the employee's Missouri taxable income by the applicable annual payroll period rate. Begin at the lowest rate and accumulate the total withholding amount for each rate. The result is the employee's annual Missouri withholding tax.
2. MISSOURI WITHHOLDING TAX PER PAYROLL PERIOD — Divide the employee's annual Missouri withholding amount by: 260 if you pay daily, 52 if you pay weekly, 26 if you pay bi-weekly, 24 if you pay semi-monthly, 12 if you pay monthly. The result is the employee's Missouri withholding tax per pay period.

**ROUNDING ON MISSOURI WITHHOLDING REPORTS. You must round the amounts that you withhold from your employees to the nearest whole dollar.**

Visit [www.dor.mo.gov/tax](http://www.dor.mo.gov/tax) to access our online withholding tax calculator.

### Supplemental Pay Withholding

If the employee has supplemental or overtime pay, and the payment is included with normal wages, apply the withholding formula to the total payment as if it was a regular payroll wage payment.

If the employee has supplemental or overtime pay and the overtime wages are paid separately from regular wages, you may withhold based upon one of the following two methods.

- Withhold a flat percentage rate of 6 percent of the supplemental wages; or
- Add the supplemental wages to the regular wages paid for the payroll period and apply the withholding formula to the total amount as if it was a regular payroll wage payment. Then subtract the tax already withheld from the regular wage payment and withhold the remaining tax from the supplemental payment.

## INCOME TAX WITHHOLDING PERCENTAGE TAX

Rates	Daily Payroll Period	Weekly Payroll Period	Bi-Weekly Payroll Period
1.5%	\$ 0.00 to \$ 4.00	\$ 0.00 to \$ 20.00	\$ 0.00 to \$ 38.50
2.0%	4.01 to 8.00	20.01 to 40.00	38.51 to 77.00
2.5%	8.01 to 12.00	40.01 to 60.00	77.01 to 115.50
3.0%	12.01 to 16.00	60.01 to 80.00	115.51 to 154.00
3.5%	16.01 to 20.00	80.01 to 100.00	154.01 to 192.50
4.0%	20.01 to 24.00	100.01 to 120.00	192.51 to 231.00
4.5%	24.01 to 28.00	120.01 to 140.00	231.01 to 269.50
5.0%	28.01 to 32.00	140.01 to 160.00	269.51 to 308.00
5.5%	32.01 to 36.00	160.01 to 180.00	308.01 to 346.50
6.0%	36.01 and over	180.01 and over	346.51 and over

  

Semi-Monthly Payroll Period	Monthly Payroll Period	Annual Payroll Period
\$ 0.00 to \$ 42.00	\$ 0.00 to \$ 84.00	\$ 0.00 to \$ 1,000.00
42.01 to 84.00	84.01 to 168.00	1,000.01 to 2,000.00
84.01 to 126.00	168.01 to 252.00	2,000.01 to 3,000.00
126.01 to 168.00	252.01 to 336.00	3,000.01 to 4,000.00
168.01 to 210.00	336.01 to 420.00	4,000.01 to 5,000.00
210.01 to 252.00	420.01 to 504.00	5,000.01 to 6,000.00
252.01 to 294.00	504.01 to 588.00	6,000.01 to 7,000.00
294.01 to 336.00	588.01 to 672.00	7,000.01 to 8,000.00
336.01 to 378.00	672.01 to 756.00	8,000.01 to 9,000.00
378.01 and over	756.01 and over	9,000.01 and over

**Note:** By agreement between the employee and the employer, the employee may designate additional withholding per pay period if he/she expects to owe more than the amount withheld. Additional amount of withholding may be claimed on Line 6, of Form MO W-4 (Employer's Withholding Allowance Certificate).

### Missouri Withholding Formula Example

*Employee is married claiming two allowances (spouse works)*

Annual Gross Income	\$30,000.00		
Annual Standard Deduction	- 5,700.00	(annual standard)	
		(\$11,400 ÷ 2 = \$5,700)	
Annual MO W-4 Allowances	- 3,300.00	(\$2,100 for 1st & \$1,200 for 2nd)	
Federal Income Tax Withheld	- 2,620.00		
Missouri Taxable Income	\$18,380.00		

### Income Tax Withholding Percentage Table (Annual Payroll Period)

$\$ 1,000.00 \times 1.5\% = \$ 15.00$	$\$ 18,380.00$	
$1,000.00 \times 2.0 = 20.00$	$- 9,000.00$	
$1,000.00 \times 2.5 = 25.00$	$\$ 9,380.00$	EXCESS
$1,000.00 \times 3.0 = 30.00$	$\times 6\%$	
$1,000.00 \times 3.5 = 35.00$	$\$ 562.80$	
$1,000.00 \times 4.0 = 40.00$		
$1,000.00 \times 4.5 = 45.00$	$\$ 562.80$	
$1,000.00 \times 5.0 = 50.00$	$+ 315.00$	
$1,000.00 \times 5.5 = 55.00$	$\$ 877.80$	Annual Missouri Withholding
$\$ 9,000.00$	$\$ 315.00$	
$\$ 877.80 \div 12 = \$ 73.00$ Monthly Missouri Withholding (Rounded to the nearest whole dollar.)		

### Tips

- Make employees aware of their option to change or update their Form W-4.
- If employees have overtime pay, use the appropriate formula for supplemental pay withholding.
- If the employee is married, but spouse does not work, apply the full standard deduction and the total amount of federal tax using the \$10,000 maximum limit.

