

IMPORTANT WITHHOLDING TAX CHANGES

IMPORTANT NOTICE TO WITHHOLDERS: Effective for the 3rd Quarter of 2016 and beyond, the withholding return/payment due date for **QUARTERLY** withholders only has been changed to the last day of the month following the last day of each calendar quarter. **THIS CHANGE ONLY APPLIES TO QUARTERLY FILERS** -- Monthly filings are still due by the 15th of the following month.

IF YOU USE A PAYROLL PROCESSING COMPANY, PLEASE INFORM THEM OF THIS CHANGE TO AVOID PENALTY AND/OR INTEREST FOR LATE PAYMENTS.

WHO MUST FILE:

1. Each employer located within the City of Bryan is required to withhold the tax for all employees age (18) eighteen and older.
2. Before beginning work within the City, each NON - RESIDENT EMPLOYER doing business in the city must register with the City Income Tax Department to determine their filing requirement.

DEPOSIT REQUIREMENTS:

MONTHLY – Employers must remit monthly if withholding in the previous calendar year exceeded \$2,399.00 or if the amount required to be withheld during any month of the previous calendar quarter exceeded \$200.00.

QUARTERLY – Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers.

RECONCILIATION RETURN

An employer shall file a Withholding Reconciliation Return by the due date listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld or should have been withheld for the Municipality during the preceding calendar year, the amount of tax withheld if any, from each such employee's qualifying wage, the total amount of qualifying wages paid to such employee during the preceding calendar year, the name of every other municipal corporation for which tax was withheld or should have been withheld from such employee during the preceding calendar year, any other information required for federal income tax reporting purposes on Internal Revenue Service form W-2 or its equivalent form with respect to such employee, and other information as may be required by the Tax Administrator.

www.cityofbryan.com

WITHHOLDING DUE DATES

Monthly returns and payment must be received no later than the 15th of the month following the end of the reporting period. *Quarterly see above.*

RECONCILIATION DUE DATE

The reconciliation due date is the last day of February.

INTEREST AND PENALTIES

Interest – Interest is based on the Federal Reserve rate for the prior year plus 5%.

Note: Interest may change annually.

See Interest link on home page.

Late -Filing Penalty - \$25.00 per month or fraction of a month with a maximum of \$150.00

Late -Payment Penalty – 50% of the total tax due