

**INSTRUCTIONS FOR TRANSMITTING W-2 INFORMATION ELECTRONICALLY
TO THE CAPITAL TAX COLLECTION BUREAU (CTCB)**

The municipalities and school districts that are members of the CTCB adopted an Earned Income Tax (EIT) regulation change effective for tax year 1991 and forward. This change requires employers to file year end W-2 information electronically (in lieu of paper forms) where the number of W-2s submitted equals or exceeds the number of like information returns that requires electronic reporting to the Social Security Administration (SSA). Since tax year 1991 this threshold is met if at least 250 W-2s are to be filed with CTCB.

CTCB follows the specifications and requirements for reporting W-2 information to the SSA with a few modifications as follows. For tax year 2009, the SSA publication on this matter is their Pub. EFW2 booklet.

Electronic filers of W-2 information must follow these directions/specifications when reporting to CTCB:

- 1) The following records **must be included** on electronic reports to CTCB. The fields that **must be completed** within each required record are also shown by their position numbers. All other fields within required records must be included but do not have to be completed. Additional records may be included/completed but they will not be read.

EFW2 RECORDS

== CD ROM ==

<u>Record</u>	<u>Record Positions</u>
RA	1-11 & 38-171
RE	1-25 & 40-173
RS	1-149 & 308-330
RF	1-16

- 2) The EIN field in the "RE" record must be the employer number that is used to transmit Earned Income Tax withholdings to the CTCB (it may be different than the Federal EIN).

- 3) Local tax information (i.e., local wages, local tax withheld, and municipality of residency code) must be placed in the records and fields as designated for such in the SSA booklet. In the SSA's (EFW2) booklet, the local tax fields are contained in the Code "RS" records. The fields reserved for local income tax information are identified as "Taxing Entity Code", "Local Taxable Wages", and "Local Income Tax Withheld". **The money amount fields must be unsigned, right justified, and zero filled.**

The political subdivision code (optional for tax year 2010) should be placed in the SSA field identified as "Taxing Entity Code". The political subdivision code is a CTCB provided, 4 digit numeric code used to identify the municipality in which the taxpayer lived on the last day of the tax year. CTCB makes available a booklet containing an alphabetical listing of all

municipalities (political subdivisions) in Pennsylvania along with their assigned numeric codes on our website at www.captax.com.

- 4) For CD Rom and diskette filings:
 - A) Diskettes must be compatible with MS-DOS operating systems.
 - B) Files must be sequential.
 - C) 8" diskettes are no longer accepted
- 5) Employers granted a waiver from the IRS for filing W-2 information electronically will also be excluded from filing in such manner with CTCB providing they include a copy of their waiver from the IRS along with the paper filing of their W-2s. Employers failing to file electronically where required, will be subject to non-filing penalties.
- 6) A completed Form MAG-1 (available at www.captax.com) and a Form 512 (Employer's EIT Reconciliation) must be submitted along with the electronic filing of the W-2s.
- 7) **All electronic reports should be forwarded to our HARRISBURG DIVISION even if withholding taxes are remitted to our Carlisle or Central Dauphin Divisions. CD Roms and diskettes will not be returned to the employer when we are finished with them. They will be destroyed or reformatted.**

Technical questions concerning electronic filing with the CTCB should be directed to our IT Manager, Dave Gulden, at (717) 234-3217.