Income Tax Department

SPECIFICATIONS FOR ELECTRONIC MEDIA FILING OF W-2 FORMS

Acceptable standards for electronic media filing of Forms W-2:

1. The Social Security Administration, Specifications for Filing Forms W-2 Electronically (EFW2) For the currentTax Year, Publication Number 42-007 (number 1 below); or

2. The CityTax Proprietary Format (number 2 below).

How to Report Wages and Income Tax Withheld

1. **Federal EFW2 Format** (EFW2 the current Tax Year):

   a. Data is to be submitted via CD-ROM and the file must be: (Transmission of data via any other media is strictly prohibited unless an alternative method is approved by the City.)

      1) In a fixed length MS-DOS ASCII file format;

      2) Named "**W2REPORT**" with no file extension; and

      3) In the root directory.

   b. Records Specifications are found on Page 15 of the EFW2 for tax year. The specifications for electronic media filing of local Forms W-2 are the same as specifications published by the Social Security Administration except for fields in the RS record (State Wage Record) defined by the State/local agency.

   c. Transmitters of W-2 information for multiple employers can avoid creating a separate file for each employer by using the EFW2 for tax year specifications. Review Appendix C, example 10, page 82, to see how multiple employers can be combined into one file.

   d. Data rules can be found on page 15 of EFW2 for tax year.

   e. Required and Optional Records:

      Include the RA, RE, RW, RO, RS, RT, RU and RF records when using the EFW2 format. The employer records should include only records pertaining to the City of Grand Rapids income tax. The RS records should include only <u>local</u> tax information for Grand Rapids.

      RA − Submitter Record (Required)
      This record should be the same as the record submitted to the Social Security Administration.

1. **Federal EFW2 Format**: (Continued)

RE − Employer Record (Required)

This record should be the same as the record submitted to the Social Security Administration.

RW − Employee Wage Record (Required)

This record should be the same as the record submitted to the Social Security Administration. Include RW records for all employees who worked and/or conducted business on behalf of their employer in Grand Rapids.

RO − Employee Wage Record (Optional)

RS − State Record (Required)

a. This record should be the same as the record submitted to the Social Security Administration. Include RS records for:

1) All employees from whom tax was withheld for the City of Grand Rapids;

2) All employees who are residents of Grand Rapids regardless of where they worked for the employer; and

3) All employees who are nonresidents of Grand Rapids and worked or conducted business on behalf of the employer in Grand Rapids.

b. Specifications for RS record fields defined by State/local agency, The City of Grand Rapids:

RS POSITION	FIELD NAME	LENGTH	FIELD SPECIFICATIONS
5-9	Taxing Entity Code	5	To be defined by State/Local agency. Left Justified and blank filled. Identify the City of Grand Rapids using the abbreviation "MIGRR". Applies to income tax reporting.
298-307	Other state data Locality Name (Form W-2, box 20)	10	To be defined by State/Local agency. Left Justified and blank filled. Identify the City of Grand Rapids using the abbreviation "MIGRR" followed by 5 blank characters. Applies to income tax reporting.
309-319	Local taxable wages (Form W-2, box 18)	11	To be defined by State/Local agency. Right justified and zero filled Applies to income tax reporting.
320-330	Local income tax withheld (Form W-2, box 19)	11	To be defined by State/Local agency Right justified and zero filled. Include only income tax withheld for the City of Grand Rapids, Michigan. Applies to income tax reporting.

The code used by your accounting system to identify the particular city as the locality for which tax was withheld is meaningless to the city.

1. **Federal EFW2 Format**: (Continued)

RT – Total Record (Required)

This record should be the same as the record submitted to the Social Security Administration except include totals for only the RS records for all employees who were residents of Grand Rapids or worked (and/or conducted business) for their employer in Grand Rapids.

RU – Total Record (Optional)

RF – Final Record (Required)

RV – State Total Record (Optional)

2. **CityTax Proprietary Format (CTP):**

(This is a comma-delimited format. See instructions for creating this file in Microsoft Excel under section e below.)

a. Data is to be submitted via CD-ROM and the file must be:

1) In comma delimited MS-DOS ASCII file format;

2) Named "**W2REPORT"** with a "**.CSV**" file extension; and

3) In the root directory.

b. First row: Employer Record Specifications

Column	Data	Explanation
A	CTE	Text exactly as shown. Identifies as employer record.
B	Employer EIN of Tax ID	9 digits no spaces or punctuation
C	Tax year	4 digits
D	Employer name	
E	C or blank	C if corporation, blank otherwise
F	Employer street address	No punctuation or commas in address
G	Employer city	
H	Employer state	2 character state abbreviation
I	Employer Zip Code	5 digits (6 characters if foreign address)
J	Employer Zip Plus 4	4 digits

c. Employee rows: Employee Record Specifications (One row per employee)

Column	Data	Explanation
A	CTW	Text exactly as shown. Identifies as employee record.
B	Employee SSN	9 digits no spaces or punctuation
C	Employee Last Name	
D	Employee First name	

Column	Data	Explanation
E	Employee Middle Initial	
F	Employee Street Address	No punctuation or commas in address
G	Employee City	
H	Employee State	2 character state abbreviation
I	Employee Zip Code	5 digits (6 characters if foreign address)
J	Employee Zip Plus 4	4 digits
K	Employee total wages	Same as Form W-2, box 1. Format as number with two decimal places; do not use 1000 Separator (,). If no wages zero fill field.
L	Local Entity Code	Same as Form W-2, box 20. Identify the City of Grand Rapids using the abbreviation MIGRR followed by 5 blank characters.
M	Grand Rapids Income Tax Withheld	Same as Form W-2, box 19. Format as number with two decimal places; do not use 1000 Separator (,). If no withholding zero fill.

d. End of data marker. In row after the last row of employee data, enter in column A 'ZZZ' as the end of data marker.

e. How to Create CTP formatted file using Microsoft Excel.

   1) Open a new spreadsheet.

   2) All entries are to be made in upper case letters.

   3) In the first row, enter the employer data as specified above. Enter one value per column. Skip a column if blank. Start by entering 'CTE' on the first line in column A. Enter the remaining employer data items one per column.

   4) In the second row and each subsequent employee row necessary thereafter, enter the employee data as specified above. Enter 'CTW' in column A. Enter the remaining employee data items one item per column. If a data item is blank, skip the corresponding column. The employee records should include only local tax information for:

   i. All employees from whom tax was withheld for the City of Grand Rapids;

   ii. All employees who are residents of Grand Rapids regardless of where they worked for the employer; and

   iii. All employees who are nonresidents of Grand Rapids and who worked or conducted business on behalf of the employer in Grand Rapids regardless of whether or not Grand Rapids withholding was deducted.

2. **CityTax Proprietary Format (CTP): (Continued)**

5) On the row after the last line of employee data, enter in column A 'ZZZ' as an end of data marker.

6) When done entering employee data, click on the Save button (or select Save from the file menu). At the bottom of the save window is a drop down box titled, Save as type. Click on this drop-down and select, 'CSV (Comma delimited)(*.csv). Enter the file name, 'W2REPORT' and then click on the save button.

3. **Marking of CR-ROM's:** Mark all CD-ROM's submitted with the name of the taxpayer, the taxpayer's tax ID, the tax year of the Forms W-2, and the sequential number if more than one CD-ROM is submitted.

4. **Filing of Form GRW-3, Employer's Annual Reconciliation of Income Tax Withheld**

An employer filing W-2's on CD-ROM must submit Form GRW-3, Employer's Annual Reconciliation of Income Tax Withheld, with the electronic media.

a. **Tax due** upon reconciliation, as reported on Form GRW-3, line 6, must be paid when the reconciliation and CD-ROM are submitted.

b. **Refund** of an overpayment of tax withheld, as reported on Form GRW-3, line 7, will be made only upon the employer's **submission of a letter requesting a refund** of the overpayment and providing a ***detailed explanation*** of the cause of the overpayment. The request for refund should be attached to the Form GRW-3 submitted to the city.

5. Mail the CD-ROM with Form GRW-3 to:

Grand Rapids Income Tax Department
PO Box 347
Grand Rapids MI 49501-0347

6. **Questions:** All questions about electronic media filing of Forms W-2 with Grand Rapids must be directed via e-mail to www.grwhtax@grcity.us or phone to (616) 456-3415 Option 4.