


## INSTRUCTIONS FOR COMPLETING FORM KW-3

**IMPORTANT:** Enter your federal Employer Identification Number (EIN) in the space provided at the top of Form KW-3.

**DUE DATE:** Even if no Kansas tax was withheld, every employer who is currently registered must file a Kansas Employer's/Payor's Annual Withholding Tax Return, Form KW-3, by the last day of February of the year following the taxable year. **Form KW-3 must accompany the Wage and Tax Statements (Form W-2) and/or any federal 1099 form(s) that have Kansas withholding. (1099s without Kansas withholding should be mailed to the Department using federal Form 1096.)** An employer/payor who begins business or withholding during a calendar year must file for that portion of the year in which wages or payments other than wages were paid or Kansas income tax withheld. An employer/payor who discontinues business or discontinues withholding during a calendar year must file Form KW-3 within thirty (30) days after the business was discontinued or payment of wages ceased.

**LINE A:** Enter the total Kansas income tax withheld from all employees/payees as shown on the Form W-2 and/or federal 1099 form(s) that reflect Kansas withholding.

 **You must complete the appropriate filing period schedule of payment on the back of Form KW-3 and enter the total number of W-2 forms and/or applicable federal 1099 forms enclosed with Form KW-3.** If this number exceeds 50, you are required to submit this information electronically. For specific instructions, visit our web site at [www.ksrevenue.org/forms-btwh.htm](http://www.ksrevenue.org/forms-btwh.htm).

**LINE B:** Enter the total amount of Kansas withholding tax paid during the calendar year from the completed schedule on the back of Form KW-3.

**LINE C:** Enter the amount of any credit memo(s) received as a result of an overpayment from the previous year and used as credit this calendar year.

**LINE D:** Add lines B and C and enter the total on line D. This is the total amount of payment and/or credit applied to withholding tax for this year. DO NOT include amounts paid for penalties or prior year's liabilities.

**LINE E:** Compare lines A and D. If lines A and D are not the same amount, enter the amount of underpayment or overpayment on line E.

- **Underpayment** (line D is less than line A): Complete a KW-5, Withholding Deposit Report, for the filing period(s) of the underpayment, and submit with your payment, KW-3 and W-2/1099 forms. If you use a KW-5 to report the underpayment, penalty and interest, do not complete lines F, G or H of the KW-3. If KW-5s are not available, complete lines F, G and H of the KW-3.
- **Overpayment** (line D is more than line A): Enter the amount of overpayment on line E and again on line H.

To avoid penalty and interest, all Kansas income tax withheld from wages paid in the year indicated on Form KW-3 must be paid prior to the due date of the last withholding tax deposit report for that year.

**LINE F:** Penalty is due at the rate of 15% on the underpayment if this return is filed and tax paid after the due date and prior to March 1 of the following year. Additional penalty is due if the underpayment is paid on or after March 1 of the following year. Information about the additional penalty rates is on our web site: [www.ksrevenue.org](http://www.ksrevenue.org)

**LINE G:** If filing this report on or after March 1 following the tax year, interest is due. The interest rate changes each year. A chart of the current and prior interest rates is on our web site: [www.ksrevenue.org](http://www.ksrevenue.org)

**LINE H:** Add lines E, F and G and enter the total on line H. If line H represents an underpayment, include with Form KW-3 your remittance in the amount of the underpayment. If line H represents an overpayment, this amount must be verified by the Department of Revenue before the credit can be used to reduce a liability on subsequent period(s).

Sign, date and mail your Form KW-3, along with the state copy of the Wage and Tax Statement (Form W-2) and any applicable federal 1099 forms to: Withholding Tax, Kansas Department of Revenue, 915 SW Harrison St., Topeka, Kansas 66625-0002

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