

7.06 – 1045 Withholding: Annual Reporting by Employer

1. An employer required to withhold or withholding for employees who have opted in must include the following information on the W-2:

- a. Total District wages reported as Local wages;
- b. District tax withheld during the calendar year reported as Local income tax;
- c. The Locality name as “Metro”; and

2. The employer must use a federal W-2, or whichever form the employer uses for Oregon personal income tax purposes.

3. The due date for filing the W-2 form for District purposes is the same as the federal due date.

4. The information in the W-2 must be filed electronically with the Administrator for all employees in which Metro tax was withheld and for all employees with \$200,000 or more in District wages. If an employer cannot file electronically, they may request permission of the Administrator to use an alternate filing method.

5. Employer Annual Reconciliation Return.

a. An employer required to withhold or withholding for employees who have opted in must file a summary of total compensation paid and District personal income tax withheld for each employee. Each reconciliation return must include a reconciliation of income tax remitted to the Administrator by the employer for the calendar year to the total of income tax withheld from employees' pay for the calendar year.

b. Correct and accurate W-2s are required to be filed by the same due date for the Annual Reconciliation Return. If an amended Annual Reconciliation Return is filed, the corrected W-2s resulting in that amended Annual Reconciliation Return must be filed at the same time. The amended Annual Reconciliation must include an explanation of all changes resulting in the amended return.

c. The reconciliation returns for income tax withholding must be filed electronically with the Administrator. If an employer cannot file electronically, they may request permission of the Administrator to use an alternate filing method.

d. If there is a difference between the amount paid to the Administrator by the employer and the amount withheld by the employer from the employees' pay, the employer must explain the difference on the return.

e. The due date for each reconciliation return is January 31. If the due date is on a weekend or a holiday, the return is due the next business day. If the employer ceases doing business, each reconciliation return is due within 30 days of termination of business.