

FILING EMPLOYEE TAX INFORMATION

ELECTRONICALLY

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: David H. Steele

This act modifies the Individual Income Tax Act to require employers who file Form W-2 with the Internal Revenue Service in an electronic format to also file Form W-2 in an electronic format with the State Tax Commission.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-10-406, as last amended by Chapter 287, Laws of Utah 1990

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-406** is amended to read:

59-10-406. Collection and payment of tax.

(1) (a) Each employer shall, on or before the last day of April, July, October, and January, pay to the commission the amount required to be deducted and withheld from wages paid to any employee during the preceding calendar quarter under this part.

(b) The commission may change the time or period for making reports and payments if:

(i) in its opinion, the tax is in jeopardy; or

(ii) a different time or period will facilitate the collection and payment of the tax by the employer.

(2) Each employer shall file a return, in a form the commission prescribes, with each payment of the amount deducted and withheld under this part showing:

(a) the total amount of wages paid to his employees;

(b) the amount of federal income tax deducted and withheld;

(c) the amount of tax under this part deducted and withheld; and

(d) any other information the commission may require.

28 (3) (a) Each employer shall file an annual return, in a form the commission prescribes,
29 summarizing:

- 30 (i) the total compensation paid;
- 31 (ii) the federal income tax deducted and withheld; and
- 32 (iii) the state tax deducted and withheld for each employee during the calendar year.

33 (b) This return shall be filed with the commission on or before February 28 of the year
34 following that for which the report is made.

35 (4) (a) Each employer shall also, in accordance with rules prescribed by the commission,
36 provide each employee from whom state income tax has been withheld with a statement of the
37 amounts of total compensation paid and the amounts deducted and withheld for that employee
38 during the preceding calendar year in accordance with this part.

39 (b) The statement shall be made available to each entitled employee on or before January
40 31 of the year following that for which the report is made.

41 (5) (a) The employer is liable to the commission for the payment of the tax required to be
42 deducted and withheld under this part. The employee is not thereafter liable for the amount of any
43 such payment, nor is the employer liable to any person or to any employee for the amount of any
44 such payment.

45 (b) For the purpose of making penal provisions of this title applicable, any amount
46 deducted or required to be deducted and remitted to the commission under this part is considered
47 the tax of the employer and with respect to such amounts he is considered the taxpayer.

48 (6) Each employer who deducts and withholds any amount under this part shall hold the
49 amount in trust for the state of Utah for the payment of it to the commission in the manner and at
50 the time provided for in this part. So long as any delinquency continues, the state of Utah shall
51 have a lien to secure the payment of any amounts withheld, and not remitted as provided under this
52 section, upon all of the assets of the employer and all property owned or used by the employer in
53 the conduct of his business, including stock-in-trade, business fixtures, and equipment. This lien
54 shall be prior to any lien of any kind, including existing liens for taxes.

55 (7) As a condition precedent to doing business in Utah, the commission may require an
56 employer to post with it a corporate bond in an amount reasonably calculated to ensure the
57 payment to the state of taxes deducted and withheld from wages, but not to exceed \$5,000.

58 (8) To the extent consistent with this section, the commission may use all the provisions

59 of this chapter relating to records, penalties, interest, deficiencies, redetermination of deficiencies,
60 overpayments, refunds, assessments, and venue to enforce this section.

61 (9) For all tax years beginning on or after January 1, 2001, an employer that is required to
62 file a federal Form W-2 in an electronic format with the Federal Department of the Treasury
63 Internal Revenue Service shall file each Form W-2 that is required to be filed with the commission
64 in an electronic format approved by the commission.

Legislative Review Note
as of 11-28-00 9:02 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Public Utilities and Technology Interim Committee recommended this bill.