

**2016 Arizona Withholding Reconciliation Return**

**For information or help, call one of these numbers:**

Phoenix (602) 255-2060  
From area codes 520 and 928, toll-free (800) 843-7196

**Tax forms, instructions, and other tax information**

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

**Withholding Tax Procedures and Rulings**

These instructions may refer to the department's withholding tax procedures and rulings. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

**Publications**

To view or print the department's publications, go to our website and click on *Publications*.

**General Instructions**

**Who Must File Form A1-R**

Employers that file Form A1-QRT must file Form A1-R to reconcile the amount of tax withheld during the year to the amount paid during the year.

Form A1-R is also used to transmit federal Forms W-2, Form W-2c, Form W-2G (with Arizona withholding) and Form 1099-R (with Arizona withholding).

**NOTE:** *Employers that file Form A1-APR, Arizona Annual Payment Withholding Tax Return, will not file Form A1-R.*

**IMPORTANT:** *Arizona Form A1-R is an information return. Do not submit any amount(s) owed or try to claim a refund with this return. To pay additional amounts, or claim a refund, file an amended quarterly withholding tax Form A1-QRT.*

**When is Form A1-R Due?**

Period in Which Wages Paid	Form A1-R Due By
January - December	February 28 of the following year
<i>If the due date falls on a Saturday, Sunday, or a legal holiday, the return will be considered timely if filed on the next business day.</i>	

**Filing Original Returns**

File this form only on a calendar year basis (for example, January 1, 2016, through December 31, 2016).

If you cancelled your withholding account during 2017, you may use this form to file your final reconciliation for 2017 before its normal due date of February 28, 2018. If you are filing an early return for 2017, check the box to indicate that this is an early return for 2017.

**Extension of Time to File a Return**

You may apply for a 30-day extension of time to file Form A1-R. When asking for an extension, you must show good cause. You must file the extension request as soon as you know that you need an extension. The extension request must be mailed on or before February 28. For details on how to request an extension, see *WTP 11-1, Procedure for Requesting Extension of the Filing Deadline for Annual Withholding Tax Returns*.

If you are filing under an extension, include a copy of the extension with Form A1-R.

**Filing Amended Returns**

If this is an amended Form A1-R, check the amended return box. Enter the amended numbers in all areas of the form, and explain why an amended return is being filed in the space provided. Include amended federal Forms W-2, W-2c, W-2G, and/or 1099-R with the amended return.

**Penalties**

This form is an information return. The penalty for failing to file, filing late (including extensions) or filing an incomplete return is \$100 for each month, or fraction of a month, that the failure continues. The maximum penalty is \$500.

**Sending Federal Forms W-2, W-2c, W-2G (with Arizona withholding), and 1099-R (with Arizona withholding) to the Department**

An employer may send Forms W-2, W-2c, W-2G (with Arizona withholding), and 1099-R (with Arizona withholding) to the department by attaching paper copies to Form A1-R. The employer may also send the federal forms in by optical media.

**Paper copy.** Submit a paper copy of each federal Form W-2, W-2c, W-2G, and 1099-R with Form A1-R.

**Optical media.** Label the CD-ROM or DVD (CD/DVD) with the employer's name, Employer Identification Number (EIN), calendar year and Form W-2 or Form 1099 (or both, whichever applies). If the CD/DVD is password protected, note that on the label and indicate the email address from which you will be sending the password to the department. Email the password separately to [MediaLibrarian@azdor.gov](mailto:MediaLibrarian@azdor.gov). Include "Form W-2" or "Form 1099" (or both, whichever applies) in the subject line of the email. In the body of the email, include the same information that is on the CD/DVD label. The department **will not** return or copy any media.

Employers submitting the information on CD/DVD should secure the CD/DVD in a hard case and include it with Form A1-R.

For more details on sending in federal forms using optical media, see the department's publication 701, *Optical Media Reporting*.

**CAUTION:** *The employer submits the CD/DVD at its own risk. If the department cannot access the information on the CD/DVD for any reason, the employer may need to provide the information again.*

**Specific Instructions**

**Part 1 – Taxpayer Information**

- All returns, statements, or other documents filed with the department must have the taxpayer's EIN or taxpayer identification number (TIN) indicated on them.
- Taxpayers who fail to include their EIN or TIN may be subject to a penalty.
- Paid tax return preparers must include their TIN where requested.

- The TIN for a paid tax return preparer is:
  - The preparer's PTIN
  - The preparer's social security number
  - The EIN of the preparer's employer
- Paid tax return preparers who fail to include their TIN may be subject to a penalty.

### Employer Information

Enter the employer's name, EIN, address, and telephone number in the spaces provided.

If the employer has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. **Do not abbreviate the country's name.**

### Check Boxes:

- **Amended Return**

If this is an amended Form A1-R, check the "Amended Return" box on page 1 of the form. Explain why you are amending the return in Part 4. Include the corrected copies of Forms W-2G and 1099-R with the amended Form A1-R.

- **Address Change**

If you had an address change since you last filed Form A1-R, check the "Address Change" box and enter your current address in the address section.

- **Early-Filed Return**

If you cancelled your withholding account during 2017 and are filing your final return before February 28, 2018, check this box.

- **Cancellation Due to Merger or Acquisition**

If you cancelled your withholding account due to a merger or acquisition and the surviving employer is filing forms W-2, check this box.

- **Surviving Employer is Filing Form A1-R**

Check this box if Form A1-R is being filed by the surviving *employer and the amount on line 1 is less than the amount on line 10* because the difference was remitted by the predecessor employer. If this box is checked, also enter the predecessor employer name and EIN.

## Part 2 – Federal Transmittal Information

### Line 1 –

Enter the total Arizona tax withheld on federal Forms W-2, W-2c, W-2G, or 1099-R for 2016.

### Line 2 –

Enter the total wages paid to Arizona employees for 2016.

### Line 3 –

Enter the number of Arizona employees in 2016.

### Line 4 –

Enter the total number of federal Forms W-2, W-2c, W-2G, or 1099-R submitted to the department.

### Line 5 –

Form A1-R is an information return. An information return that is incomplete or filed after its due date (including extensions) is subject to a penalty of \$100 for each month, or fraction of a month, that the failure continues, up to a

maximum penalty of \$500. If the employer files this return after its due date (including extensions), enter the amount of the penalty on this line. Payments of the penalty can be made via check or money order, electronic check, or credit card.

### Check or Money Order

Make checks payable to Arizona Department of Revenue. Include the employer's EIN on the front of the check or money order. Include the check or money order with the return.

### Internet Payments

Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) to register or to make payments over the Internet.

### Electronic payment from checking or savings account

Payments can be made electronically from a checking or savings account. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and choose the e-check option. There is no fee to use this method. This payment method will debit the amount from the specified checking or savings account on the date specified. If an electronic payment is made from a checking or savings account, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

### Credit card payment

Payments can be made via American Express, Discover, MasterCard or VISA credit cards. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and choose the credit card option. This will take you to the website of the credit card payment service provider. The service provider will charge a fee based on the amount of the tax payment.

The service provider will disclose the amount of the fee during the transaction and you will be given the option to continue or cancel. If you accept the fee and complete the credit card transaction, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

## Annual Summary of Amounts Reported on 2016 Arizona Forms A1-QRT

### Lines 6 through 10 –

On lines 6 through 9, enter the amount of tax reported on Form A1-QRT for each quarter. Add the amounts on lines 6 through 9 and enter the total on line 10. The amount entered on line 10 should equal the amount reported on line 1.

If you are filing Form A1-R as a surviving employer (as a result of a merger or acquisition), and the amount on line 1 is more than the amount on line 10 because amounts were remitted by the prior employer, check the box near the top of Form A1-R to indicate that. Also, enter the name and EIN of the predecessor employer in the space provided.

### Underpayment of Tax for 2016

If you find that you have underpaid your tax for 2016, you must file an amended Form A1-QRT for each quarter for which there was an under payment.

You must send in a separate payment with each amended Form A1-QRT. The department will calculate the amount of interest and any applicable penalties and send a billing notice after the amended return is processed.

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**Overpayment of Tax for 2016**

If you find that you have overpaid your tax for 2016, you must file an amended Form A1-QRT for each quarter for which there was an overpayment.

An overpayment will first be applied to any unpaid tax. This may include tax due for another tax type. If the overpayment is more than any unpaid tax, or if the employer does not have an unpaid balance of tax, a refund will be issued. A refund will not be issued once the overpayment is applied to a tax liability.

**Where to Mail Form A1-R**

Mail Form A1-R along with Forms W-2, W-2c, W-2G (with Arizona withholding), and 1099-R (with Arizona withholding) to:

Arizona Department of Revenue  
PO Box 29009  
Phoenix, AZ 85038-9009