

## 2015 Arizona Withholding Reconciliation Return

Obtain additional information or assistance by calling one of the numbers listed below:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's website at [www.azdor.gov](http://www.azdor.gov).

### General Instructions

**NOTE:** *These instructions specifically address Form W-2 and Form W-2c. Certain federal information returns (i.e. Form W-2G, Form 1099-MISC, Form 1099-R, etc.) should only be included to report Arizona withholding, in accordance with Arizona Withholding Tax Ruling WTR 99-1.*

#### Who May File Form A1-R

Employers that file Form A1-QRT must file Form A1-R, *Arizona Withholding Reconciliation Return*, to perform the reconciliation required by Arizona Revised Statutes (A.R.S.) § 43-412. Form A1-R is also the Arizona transmittal return for federal Form W-2 and Form W-2c. Form W-2G, Form 1099-MISC, and Form 1099-R are only required if those forms include Arizona withholding. These federal forms are required to be filed with Form A1-R as an integral part of the reconciliation required by the statute.

**NOTE:** *Employers that file Form A1-APR, Arizona Annual Payment Withholding Tax Return, will not file Form A1-R. Form A1-APR contains the reconciliation required by A.R.S. § 43-412.*

#### Filing Original Returns

File this return only on a calendar year basis, i.e., for the period January 1, 2015, through December 31, 2015. The return is due by February 28 of the year following the calendar year for which payments were made. If the due date falls on a Saturday, Sunday, or legal holiday, the return is considered timely if it is filed by the next day that is not a Saturday, Sunday, or legal holiday. If the employer has an Arizona extension, file the return by the extended due date. Include a copy of the extension request to the front of the return. Mail the return to:

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

#### Extension of Time to File a Return

**NOTE:** *To request an extension to file Arizona Form A1-R, refer to Arizona Withholding Tax Procedure WTP 11-1, available on the department's website [www.azdor.gov](http://www.azdor.gov) under Legal Research and Procedures. Be sure to select "Withholding" from the drop down box for the Procedure Tax Type.*

An employer may apply for an extension of time to file Form A1-R upon a showing of good cause. The employer must file the extension request as soon as the employer knows that an extension of time to file is necessary. The extension request must be mailed on or before February 28.

An extension cannot be granted if the extension request is filed after the due date of Form A1-R. An extension of time to file Form A1-R is also an extension of time to file federal Forms W-2, W-2c, W-2G, and 1099-R associated with that return. Include a copy of the extension request to the front of Form A1-R when filing 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 information return is \$100 for each month, or fraction of a month, that the failure continues, up to a maximum penalty of \$500.

#### Submitting Forms W-2, W-2c, W-2G, and 1099-R

The department will accept federal Forms W-2, W-2c, W-2G, and 1099-R (if Forms W-2G, and 1099-R include Arizona withholding) submitted by either method listed below:

**Optical media.** Label the CD-ROM or DVD with the employer's name, employer identification number, calendar year and Form W-2 or Form 1099 (or both, whichever applies). If the CD-ROM or DVD is password protected, include the email address the password originated from on the CD-ROM or DVD label. 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-ROM or DVD label. The department **will not** return or copy any media.

**CAUTION:** The employer submits the CD-ROM or DVD at its own risk and understands that the information may need to be provided to the department again at a later date if it is not accessible by the department for any reason.

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

Refer to Publication 701, *Optical Media Reporting*, for information regarding optical media specifications for reporting federal Forms W-2, W-2c, W-2G, and 1099-R.

**NOTE:** *Only the federal documents submitted with the Arizona Form A1-R may be filed via optical media. A paper copy of Arizona Form A1-R must be filed to the address on the form, unless Form A1-R was filed electronically through a payroll service company or transmitter. Please do not include a paper copy of Form A1-R with the CD-ROM or DVD containing optical media. Instead, complete Arizona Form A1-T.*

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

**NOTE:** If Form A1-R was filed electronically, then complete Arizona Form A1-T and include it with the paper copy of the federal Forms W-2, W-2c, W-2G and 1099-R.

Mail Form A1-R and the document(s) to:

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

## **Specific Instructions**

Type or print the name, address, and phone number in the boxes in the Taxpayer Information section. 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 the boxes to indicate whether this return is an amended return, and whether your address is changed. If filing under extension, include a copy of the extension request with your return.

Enter the employer identification number (EIN) where indicated to the right of the taxpayer name. Complete lines 1 through 4.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). Taxpayers that fail to include their 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 individual's social security number or the employer identification number of the business. Paid tax return preparers that fail to include their TIN may be subject to a penalty.

### **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 can be made via check, electronic check, money order, 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**

Employers must be registered with the department before they can pay taxes online. 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 convenience fee based on the amount of the tax payment. The service provider will disclose the amount of the convenience fee during the transaction and the option to continue or cancel the transaction will be presented. If you accept the convenience 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 2015 Arizona Forms A1-QRT**

### **Lines 6 through 10 -**

Enter the amount of Arizona tax reported on Form A1-QRT for each quarter and total the amounts on line 10.

### **Underpayment of Tax for 2015**

If you discover that you have an underpayment of tax for 2015, submit an amended Form A1-QRT for each underpaid quarter.

Remit a separate payment with each amended Form A1-QRT. Enter your employer identification number on your check. The department will calculate the amount of interest and any applicable penalties and send a billing notice after the amended return is processed.

### **Overpayment of Tax for 2015**

If you discover that you have an overpayment of tax for 2015, submit an amended Form A1-QRT for each overpaid quarter.

After the amended return is processed and payments are confirmed, the overpayment will be applied to any outstanding liabilities, possibly in another tax type. If the overpayment exceeds the outstanding liabilities or the employer has no outstanding liabilities, a refund will be issued. A refund will not be issued once the overpayment is applied to a liability.