

2011 Arizona Withholding Reconciliation Return

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

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|--|----------------|
| Phoenix | (602) 255-2060 |
| From area codes 520 and 928, toll-free | (800) 843-7196 |
| Hearing impaired TDD user | |
| Phoenix | (602) 542-4021 |
| From area codes 520 and 928, toll-free | (800) 397-0256 |

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's Internet home page at www.azdor.gov.

General Instructions

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 ARS § 43-412. Form A1-R is also the Arizona transmittal return for federal Forms W-2, W-2c, W-2G, and/or 1099-R, if those forms include Arizona withholding. These federal forms are required to be filed with the 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 ARS § 43-412.*

Filing Original Returns

File this return only on a calendar year basis, i.e., for the period January 1, 2011, through December 31, 2011. 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. Attach a copy of the extension request to the front of the return. Send the return to the Arizona Department of Revenue, PO Box 29009, Phoenix AZ 85038-9009.

Extension of Time to File a Return

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. Attach a copy of the extension request to the front of Form A1-R when filing Form A1-R.

NOTE: To request an extension to file the 2011 Arizona Form A1-R, refer to new Withholding Tax Procedure WTP 11-1, available on the department's website www.azdor.gov under Legal Research and Procedures. Be sure to select "Withholding" from the drop down box for the Procedure Tax Type.

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.

NOTE: If you owe the information return penalty, please do not send your payment with Form A1-R. Instead, make your payment online or mail your payment with a completed Form A1-WP. Indicate that the payment is for the 4th quarter, 2011.

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

The department will accept federal Forms W-2, W-2c, W-2G, or 1099-R submitted by either method listed below:

- Optical media, including an external label to identify the filer and characteristics of the media, with the required information can be sent to:
Arizona Department of Revenue
Information Technology Division
Media Librarian
1600 W Monroe
Phoenix AZ 85007-2650

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 attachments to 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.*

- A paper copy of each federal Form W-2, W-2c, W-2G, and 1099-R can be submitted with Form A1-R. Mail Form A1-R and the paper copies of the federal forms 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. Check the boxes to indicate whether this return is an amended return, and whether your address is changed. If filing under extension, attach a copy of the extension request to 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, preparer tax identification 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. Write the employer's EIN on the front of the check or money order. Do not include the check or money order with the return. Instead, mail your payment with a completed Form A1-WP. Indicate that the payment is for the 4th quarter, 2011.

Internet Payments

Employers must be registered with the Department of Revenue before they can register to pay taxes online. Go to www.aztaxes.gov to begin the registration process 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 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 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 2011 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 2011

If you discover that you have an underpayment of tax for 2011, 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 2011

If you discover that you have an overpayment of tax for 2011, 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.