

2002 Withholding Reconciliation Tax Return

Obtain additional information or assistance, and tax forms and instructions, by contacting one of the numbers listed below:

Phoenix	(602) 255-2060
From area codes 520 and 928, toll-free	(800) 843-7196
Form Orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 and 928, toll-free	(800) 397-0256
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 and 928, toll-free	(800) 845-8192

Visit our Web site at: www.revenue.state.az.us

General Instructions

Who May File Form A1-R

Employers that file the Form A1-QRT or Form A1-QRT(EZ) must file the Form A1-R, the annual withholding reconciliation tax 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-2G, W-2c, and/or 1099-R (if the Forms W-2G and 1099-R include Arizona withholding). These 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, the annual payment withholding tax return, will not file the Form A1-R. The 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, 2002, through December 31, 2002. The return is due by February 28 of the year following the calendar year for which payments were made. If the employer has an Arizona extension, file the return by the extended due date. Attach a copy of the extension 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 (Form A1-R EXT) as soon as the employer knows that an extension of time to file is necessary. The extension request must be mailed on or before the due date of the Form A1-R. An extension cannot be granted if the extension request is filed after the due date of the Form A1-R.

The Form A1-R requires the employer to file the federal Forms W-2, W-2c, W-2G, and 1099-R (if the Forms W-2G and 1099-R include Arizona withholding) to the Department of Revenue as an integral part of the reconciliation required by ARS § 43-412. Therefore, an extension of time to file the

Form A1-R is also an extension of time to file the federal Forms W-2, W-2c, W-2G, and/or 1099-R associated with that return.

Filing Amended Returns

If this is an amended Form A1-R, check the amended return check box on page 1 of the form. Enter the amended amounts on lines 1 through 5 on page 1 of the form. Complete line 6 or line 7 on page 1 of the form. Complete the amended federal form transmittal information for an amended Form A1-R section and the amended return explanation section on page 2 of the form.

Penalties

This form is an information return. An information return that is incomplete or filed after its due date (including extensions) is subject to a \$500 penalty.

Submitting 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 (if the Forms W-2G and 1099-R include Arizona withholding) submitted by either method listed below:

- A paper copy of each federal Form W-2, W-2c, W-2G, and 1099-R can be submitted with the Form A1-R.
- A tape cartridge or diskette with the required information can be sent to:

Arizona Department of Revenue
Information Technology Division
Tape Librarian
1600 W Monroe
Phoenix AZ 85007

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

Specific Instructions

Type or print the required information in the name and address boxes on the top of page 1. Indicate whether this return is an original or an amended return.

Enter the Arizona withholding tax number. This number should include all eight numerical digits and the alphabetical letter. Enter the federal employer identification number, which is the taxpayer identification number (TIN).

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 preparer identification number or the federal employer identification number of the business. Paid tax return preparers that fail to include their TIN may be subject to a penalty.

Quarterly Reconciliation for 2002

Lines 1 through 5 -

Complete these lines. Answer questions 1 and 2 if the amounts in columns (a), (b) and (c) of line 5 are NOT identical. If this is an amended return, enter the amended amounts on lines 1 through 5.

Underpayment of Tax for 2002

Line 6 -

If you have an underpayment of tax for 2002 on line 6, submit an amended Form A1-QRT or an amended Form A1-QRT(EZ) for each underpaid quarter. Remit a separate payment with each amended Form A1-QRT or amended Form A1-QRT(EZ) for each underpaid quarter. Enter your state withholding 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 2002

Line 7 -

If you have an overpayment of tax for 2002 on line 7, submit an amended Form A1-QRT or an amended Form A1-QRT(EZ) for each overpaid quarter. After the amended return is processed and payments are confirmed, a credit notice will be generated. The department will apply the credit to any existing liabilities. **Do not use a credit until a credit notice has been received.**

A refund will not be issued unless a written request detailing the justification is submitted to the department. The top portion of the credit notice, or a copy, should be attached to the written request. No refund will be issued once the credit is applied to a liability.

Federal Form Transmittal Information for an Original Form A1-R

Line 8 -

Enter the total number of Arizona employees for the calendar year.

Line 9 -

Enter the total amount of wages paid to Arizona employees for 2002 (as shown on federal Forms W-2, W-2c, W-2G, and 1099-R).

Line 10 -

Enter the total number of federal Forms W-2, W-2c, W-2G, and 1099-R submitted with this return.

Amended Federal Form Transmittal Information for an Amended Form A1-R

Line 11 -

Enter the total number of federal Forms W-2, W-2c, W-2G, and 1099-R submitted with the amended Arizona Form A1-R.

Line 12 -

Enter the gross change in the amount of wages (as shown on the federal Forms W-2, W-2c, W-2G, and 1099-R submitted with the amended Arizona Form A1-R). If the gross change is a decrease, enter the amount as a bracketed number.

Line 13 -

Enter the gross change in the amount of Arizona income tax withheld (as shown on the federal Forms W-2, W-2c, W-2G, and 1099-R submitted with the amended Arizona Form A1-R). If the gross change is a decrease, enter the amount as a bracketed number.

NOTE: *File amended Forms A1-QRT or amended Forms A1-QRT(EZ) for the affected calendar quarters in 2002 to report the correct liability after the amended Form A1-R is filed to report any changes in the amount of Arizona income tax withheld.*