Commonwealth of Kentucky

**Kentucky Department of Revenue**

**Employer’s Report of Withholding Tax Statements (42A801, 42A803)**

**Software Developer Guidelines**



**Tax Year 2020**

**Processing Year 2021**

**Version 1.0**

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# **General Specifications for Scannable Withholding Forms**

## Filing Tips

* Request for cancellation has been removed from all Withholding Forms. Please contact the Division of Registration and Data Integrity for assistance with cancelling an account at (502)-564-3306.
* Do not file return data with Kentucky until a State EIN has been assigned.
  + “Applied For” is not a valid account number.
  + If taxpayers are unsure if they have a State EIN, they should call the Division of Registration and Data Integrity to verify. Taxpayers should be prepared to answer verification questions from DOR staff.
  + If the taxpayer does not have a State EIN, then he or she should apply for one at <https://onestop.ky.gov>.
* K-1, K-3 and K-1E, K-3E forms must be filed for all active withholding accounts, regardless of whether tax was withheld during a filing period.
* The account number is six digits long. Do not print account numbers with three leading zeroes on these forms. For example, if the account number is 123456, then it should **not** be printed as 000123456. This can lead to processing errors.

## Equipment Make and Model Information

* Scan Optics SO Series 300

## Forms Available for Reproduction

* 42A801 Employer’s Return of Income Tax Withheld (K-1)
* 42A803 Employer’s Return of Income Tax Withheld & Annual Reconciliation (K-3)
* 42A801E Employer’s Return of Income Tax Withheld Electronic Funds Transfer (K-1E)
* 42A803E Employer’s Return of Income Tax Withheld & Annual Reconciliation (K-3E)

## Paper Specifications

All paper should be white (24lb.), with no fluorescent additives. It should have no watermarks, and zero rag content. Recycled paper can be used if it is free of dirt and other impurities.

|  |  |
| --- | --- |
| **Quality** | **Description** |
| **Opacity** | Not less than 80 Percent |
| **Reflectivity** | Not less than 80 Percent |
| **Thickness** | 0.0046” |
| **Porosity** | Gurley reading between 10 and 95 |
| **Dirt** | Material less than 0.007 in diameter, with reflectance of more than 50 percent |
| **Smoothness** | Sheffield measurement between 100 and 200 |
| **Gloss** | Only low gloss |

## Ink Specifications

Read ink is used for characters that must be read. This ink must be black, with a reflectivity of not more than 50 percent.

Reflective ink is used for handprint boxes, mark target boxes and other characters which designate areas to use and which cannot be read by the scanner. The reflectivity must be less than 85%. If boxes cannot be produced in reflective ink, they should be omitted and handprint or machine print characters properly aligned.

## Reference Mark

The reference mark is the first item scanned: all other data is measured in relationship to the reference mark. It must be identical in size, thickness and position as the official form produced by KDOR.

## Form ID Numbers

Failure to read the Form ID number will cause the entire document to be rejected. This number must be printed in OCR-A font.

The Form ID is composed of:

* The document identifying number (42A801 for K-1)
* Two digit year of main revision
* Page number (1 = front, 2 = back)
* Source code
  + 1 = KRC generated with account data
  + 2 = Substitute (machine print)
  + 3 = KDOR printed flat (handprint)

## Data Line on Back of the Form

The position of the data string is critical to the scanning equipment. The position is measured from the reference mark. It should be printed using OCR B font or courier.

The data line is the six-digit account number, a space, four-digit period end date (MMYY), a space and the check digit, if applicable.

KDOR uses a Luhns Modulus 10 routine for calculating check digits. The check digit is computed on the account number and four-digit date.

## Test Samples

KDOR requires a minimum of 5 samples for testing purposes. Samples must be produced in accordance with the minimum specifications outlined and must contain unique taxpayer data for each sample form, IE name, address, account number and due date. The taxpayer information on the test returns should be realistic dummy data. For example, no letters should be present in numeric fields.

KDOR requires that, when testing a duplex form, a front and back duplex form is provided for approval. If it is not a duplex form, then it will not be tested.

# **Testing Contacts**

## K-1 & K-3 (Scannable Forms)

**Primary Contact: Secondary Contact:**

**Anna Gray Judy Tipton**

Kentucky Department of Revenue Kentucky Department of Revenue

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## K-1E & K-3E (Non-Scannable Forms)

**Primary Contact: Secondary Contact:**

**Melissa Perry Debbie Travis**

Kentucky Department of Revenue Kentucky Department of Revenue

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Frankfort, KY 40601 Frankfort, KY 40601

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# **Withholding Returns 42A801, 42A803, 42A801E & 42A803E**

## Paper Size

8 x 11 inches (including worksheet)

## Return Size

8 x 3 inches

## Print Specifications

The starting position is the top of the form. Vertical print spacing on both front and back is 6 lines per inch. Starting position is the left edge of the paper. Horizontal measurement is at 10 characters per inch.

Print is OCR B or courier except as noted.

|  |  |  |
| --- | --- | --- |
| **Data Placement** | | |
| **Field Name** | **Line Number** | **Position** |
| Front | | |
| Name and Address | 50-54 | 8-32 |
| Period Begin (MM/DD/YY) | 56 | 16-23 |
| Period End (MM/DD/YY) | 57 | 16-23 |
| Due Date (MM/DD/YY) | 58 | 16-23 |
| Account Number | 59 | 16-21 |
| Form ID (OCR A) | 61 | 8-18 |
| Reference Mark | 63-65 | 12-16 |
| Back | | |
| Data Line\*\* | 47 | 68-81 |
| Form ID (OCR A) | 61 | 9-18 |
| Reference Mark | 63-65 | 11-16 |

\*\*Account number [space] Period Ending (MM/YY) [space] Check Digit\*

\*Modulus 10 Self-Check Digit based on Account Number from the Data Entry Line. There is no check digit on the K-3 or K-3E.

|  |  |  |
| --- | --- | --- |
| **Reported Tax Data for K-1** | | |
| **Field Name** | **Line Number** | **Position** |
| Front | | |
| Total number of employees for the period | 48 | 68-81 |
| Total wages paid for the period | 50 | 56-81 |
| Income tax withheld this period | 52 | 56-81 |
| Adjustments or credits | 54 | 56-81 |
| Penalty and Interest | 56 | 56-81 |
| Total Amount Due | 58 | 56-81 |
| Back | | |
| Area to enter statement of adjustment or credit | 48-55 | 8-83 |

|  |  |  |
| --- | --- | --- |
| **Reported Tax Data for K-3** | | |
| **Field Name** | **Line Number** | **Position** |
| Front | | |
| Total number of employees for the period | 48 | 68-81 |
| Total wages paid for the period | 50 | 56-81 |
| Income tax withheld this period | 52 | 56-81 |
| Adjustments or credits | 54 | 56-81 |
| Penalty and Interest | 56 | 56-81 |
| Total Amount Due | 58 | 56-81 |
| Back | | |
| Total number of employees for the year | 49 | 22-35 |
| Total wages paid for the year | 49 | 58-83 |
| Payments made for each period | | |
| Jan | 53 | 12-24 |
| Apr | 53 | 31-43 |
| July | 53 | 51-63 |
| Oct | 53 | 70-82 |
| Feb | 54 | 12-24 |
| May | 54 | 31-43 |
| Aug | 54 | 51-63 |
| Nov | 54 | 70-82 |
| Mar | 55 | 12-24 |
| June | 55 | 31-43 |
| Sept | 55 | 51-63 |
| Dec | 55 | 70-82 |
| Area to enter statement of adjustment or credit | 61-65 | 30-83 |
| Total Kentucky Income tax withheld per K-2s | 58 | 57-82 |
| **Reported Tax Data for K-1E** | | |
| **Field Name** | **Line Number** | **Position** |
| Front | | |
| Income tax withheld this period | 49 | 56-81 |
| Adjustments or credits | 51 | 56-81 |
| Penalty and interest | 53 | 56-81 |
| Payment made during period | 55 | 56-81 |
| Total amount due | 57 | 56-81 |
| Back | | |
| First | 52 | 15-40 |
| Second | 54 | 15-40 |
| Third | 56 | 15-40 |
| Total number of employees for the period | 52 | 69-82 |
| Total wages paid for the period | 54 | 57-82 |
| Area to enter statement of adjustment or credit | 60-65 | 39-82 |

|  |  |  |
| --- | --- | --- |
| **Reported Tax Data for K-3E** | | |
| **Field Name** | **Line Number** | **Position** |
| Front | | |
| Income tax withheld this period | 49 | 56-81 |
| Adjustments or credits | 51 | 56-81 |
| Penalty and interest | 53 | 56-81 |
| Payment made during period | 55 | 56-81 |
| Total amount due | 57 | 56-81 |
| Back | | |
| First | 52 | 15-40 |
| Second | 54 | 15-40 |
| Third | 56 | 15-40 |
| Total number of employees for the period | 52 | 69-82 |
| Total wages paid for the period | 54 | 57-82 |
| Total number of employees for the year | 52 | 69-82 |
| Total wages paid for the year | 54 | 57-82 |
| Total Kentucky income tax withheld per K-2s | 56 | 57-82 |
| Area to enter statement of adjustment or credit | 60-65 | 39-82 |