

**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 1.1**  
**November 17, 2020**

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## General Specifications for Scannable Withholding Forms

### **Upcoming Regulation Requirement**

Kentucky has a regulation change that will require twice-monthly and monthly filers to file and pay electronically at the correct state assigned filing frequency for periods that begin on or after January 1, 2021 and all filing frequencies will be required to file and pay electronically at the correct state assigned filing frequency for periods beginning on or after January 1, 2022. More information regarding 103 KAR 18:150 Section 2.6 can be located at <https://apps.legislature.ky.gov/law/kar/103/018/150.pdf>.

### **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.

<b>Quality</b>	<b>Description</b>
<b>Opacity</b>	Not less than 80 Percent
<b>Reflectivity</b>	Not less than 80 Percent
<b>Thickness</b>	0.0046"
<b>Porosity</b>	Gurley reading between 10 and 95
<b>Dirt</b>	Material less than 0.007 in diameter, with reflectance of more than 50 percent
<b>Smoothness</b>	Sheffield measurement between 100 and 200
<b>Gloss</b>	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:**

**Anna Gray**

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501 High Street STA 26  
Frankfort, KY 40601  
Phone: 502-564-8777  
Fax: 502-564-6842  
Email: [anna.gray@ky.gov](mailto:anna.gray@ky.gov)

#### **Secondary Contact:**

**Judy Tipton**

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Frankfort, KY 40601  
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Email: [JudyATipton@ky.gov](mailto:JudyATipton@ky.gov)

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

#### **Primary Contact:**

**Melissa Perry**

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Frankfort, KY 40601  
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## Withholding Returns 42A801, 42A803, 42A801E & 42A803E

### **Paper Size**

8  $\frac{1}{2}$  x 11 inches (including worksheet)

### **Return Size**

8  $\frac{1}{2}$  x 3  $\frac{9}{16}$  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.

<b>Data Placement</b>		
<b>Field Name</b>	<b>Line Number</b>	<b>Position</b>
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.

<b>Reported Tax Data for K-1</b>		
<b>Field Name</b>	<b>Line Number</b>	<b>Position</b>
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

<b>Reported Tax Data for K-3</b>		
<b>Field Name</b>	<b>Line Number</b>	<b>Position</b>
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

<b>Reported Tax Data for K-1E</b>		
<b>Field Name</b>	<b>Line Number</b>	<b>Position</b>
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

<b>Reported Tax Data for K-3E</b>		
<b>Field Name</b>	<b>Line Number</b>	<b>Position</b>
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