

Diocese of Madison – Office of Finance
Updated Notice of Year-End Tax Reporting Requirements
Issued: December 6, 2019

Filing Forms W-2, Wage and Tax Statement and W-3, Transmittal of Income and Tax Statement – Form W-2 is due to employees by January 31, 2020 for the previous calendar year. The due date for filing Form W-2 and Form W-3 with the Social Security Administration is January 31, 2020 whether you file paper forms or electronically. Paper Form W-2's are transmitted to the SSA using Form W-3, Transmittal of Income and Tax Statements. See the instructions for Forms W-2 and W-3 for more information.

Filing Form 941, Employer's Quarterly Federal Tax Return – Every employer liable for withheld income and FICA taxes must report their liability. The report is ordinarily made quarterly on Form 941, which must be filed by the last day of the month following the close of the calendar quarter. If, by that date, you have made timely deposits (see below) in full payment of your taxes for the quarter, you can take an additional ten days to file Form 941. If you discover an underpayment or overpayment error on a previously filed Form 941, use Form 941-X, Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund, to make the correction.

Filing Form 944, Employer's Annual Federal Tax Return – If, based on your Form 941 reporting history, the IRS estimated that your liability for FICA tax and withheld income tax for the year will be \$1,000 or less, or you inform the IRS that you expect your annual tax liability to be \$1,000 or less, you may be notified to file an annual return on Form 944 instead of the quarterly Form 941. Form 944 is due by January 31 following the end of the calendar year of the return. If, by that date you have made timely deposits in full payment of your taxes for the calendar year, you can take an additional ten days to file Form 944. If you discover an underpayment or overpayment error on a previously filed Form 944, use Form 944-X, *Adjusted Employer's Annual Federal Tax Return or Claim for Refund*, to make the correction.

Filing Wisconsin Withholding - Wisconsin Form WT-7 Employer's Annual Reconciliation of Wisconsin Income Tax Withholding from Wages

Wisconsin's Form WT-7 is an annual report filed with the Wisconsin Department of Revenue. This report summarizes Wisconsin withholding for the year on a quarterly basis. Form WT-7 should be filed online via Wisconsin My Tax Account at <https://tap.revenue.wi.gov/mta/>. If Form WT-7 is filed via My Tax, W-2s may then be filed with the state either electronically or by mail; however, **employers with 50 or more employees must file Forms W-2 to the State of Wisconsin electronically**. Form WT-7 is due January 31 with the state copy of Form W-2 attached or filed via Wisconsin My Tax Account. The Wisconsin withholding tax is paid via Form WT-6. Employers must submit their withholding deposits online via Wisconsin My Tax Account. The state assigns a reporting period based on the amount being withheld.

Your Organization’s Reporting Responsibilities for Independent Contractors

If your organization pays independent contractors – *i.e.*, a compensated worker who is not your organization’s employee – it does not have to withhold or pay FICA taxes. However, you may be required to withhold 24% of any reportable payments for federal income tax. This is referred to as backup withholding, and applies when a payee refuses or neglects to provide a Taxpayer Identification Number (TIN) or the IRS notifies the organization that the reported TIN is incorrect.

Soliciting a TIN - Your organization should solicit an independent contractor’s TIN before the independent contractor provides services, and before you pay the person. You can use Form W-9, *Request for Taxpayer Identification Number and Certification*.

Filing and Furnishing Form 1099-MISC, Miscellaneous Income – Use Form 1099-MISC to report payments to independent contractors of \$600 or more. Include fees, salaries, commissions, prizes, and awards for services performed as a nonemployee. Generally, payments to a corporation are not required to be reported on Form 1099-MISC. Forms 1099-MISC must be furnished to payees by January 31 and filed with the IRS by January 31. Paper Forms 1099-MISC are transmitted to the IRS using Form 1096, *Annual Summary and Transmittal of U.S. Information Returns*.

Reporting Winnings – Form W2-G

Each time you pay reportable winnings, you must complete a Form W-2G, *Certain Gambling Winnings*, to report those winnings to the IRS and to the person receiving the winnings (the “payee”). The payee should provide you with his or her name, address, and taxpayer identification number (*e.g.*, social security number), and you should verify the information from the person’s driver’s license, social security card, voter registration card, or other proper identification.

If you use a paper form, you must file copy A of Form W-2G with the IRS by February 28 following the calendar year in which you paid the winnings. Use Form 1096 to transmit paper Forms W-2G to the IRS. If you file electronically, you must file Form W-2G by March 31 following the calendar year in which you paid the winnings.

In addition to filing of Form W-2G with the IRS, you must give the winner copies B and C of Form W-2G by January 31 following the calendar year in which you paid the winnings.

Summary of Withholding Requirements		
Type of Gaming	Regular Withholding At 24% If Winnings Are:	Backup Withholding At 24% If Winner Does Not Provide TIN and Winnings are:
Bingo	N/A	≥ \$1,200
Slot machines	N/A	≥ \$1,200
Keno	N/A	≥ \$1,500
Sweepstakes, wagering pools, lotteries, and raffles	> \$5,000	\$600 to \$5,000
Wagering transactions when winnings are at least 300 times the amount wagered	> \$5,000	\$600 to \$5,000
Poker tournaments	N/A if winnings are reported on Form W-2G	> \$5,000

Parishioner Contribution Statements

It is the donor's responsibility to obtain written acknowledgement of tax deductible contributions. However, we recommend that our parishes assist the donor in providing timely statements which contain the following: parish name, date of contribution, amount of any cash contribution, description of non-cash contributions and a statement that no goods or services were provided by the church or religious organization in return for the contribution. ParishSoft has a template in which these statements are easily printable for your convenience.

Property Tax Exemption Reporting (Required to be filed by 3/31 in even numbered tax years)

Parishes will receive from your local tax assessor the State of Wisconsin property tax exemption report. The State requires that bi-annually every tax exempt property owner submit a report to their local Clerk (City, Village or Township) indicating the value of said exempt property. The next filing deadline is - March 31, 2020. There are two types of reports. The first report is PC-220 (R. 9-16) – **Tax Exemption Report** – and is to be used by parishes that own only one piece of property. The second report is PC-220A (R. 9-16) – **Multi-Parcel Tax Exemption Report** – and is to be used by parishes that own *more* than one piece of property. The reports are located on the Finance Office's section of the diocesan website www.madisondiocese.org. The forms are in PDF fillable format and are also reusable from subsequent reporting periods, provided the form is not changed by the State. The main information required on report is Purpose of Property (Section 10) and the Estimated Fair Market Value of the Parcel (Section 11). To arrive at the Fair Market Value, we offer these recommendations, as follows: Value the buildings and the land they are situated on at 15% of the replacement value located on the CMG or Catholic Mutual Group insurance ledger page(s). Market value is different from replacement value (typically market value is quite lower).

Worker's Compensation Insurance – Payroll Audit Questionnaire (Due to the Finance Office 2/28)

The purpose of this form is to assure adequate coverage and premium charges based on actual payroll/census for the calendar year. With this questionnaire, please submit *gross payroll amounts* for the calendar year from QuickBooks for verification of the payroll. Gross payroll amounts for all employees can be verified in QuickBooks with the Payroll Summary report under Reports, Employees & Payroll, and Payroll Summary.