

Date: January 7, 2019  
To: Bookkeepers & Pastors  
From: Diocesan Parish Accounting Office  
RE: **Electronically Filing 2018 State W-2s/1099s & Federal W-2s/W-3**



As you know, the Iowa Department of Revenue has implemented tax filing requirements for IRS W-2 and 1099 forms to the state effective with the 2018 tax year for all locations. Previously this was only required for locations with 50 or more W-2 employees and/or 1099 contractors.

First, you must have access to the Iowa Department of Revenue website. If you are remitting state withholding payments electronically via the eFile & pay tab on the <https://tax.iowa.gov/> website, you have this access. **If for any reason your location is still remitting via a check or phone call, it's imperative you get an account set up with the state now.** To do this, go to <https://tax.iowa.gov/efile-pay>. Under the "Access eFile & Pay" arrow (below) select "setting up your account here" and follow the instruction provided. The Business eFile Number (BEN) will be mailed to you which is another reason for taking action right away.



If you are new to eFile & Pay, you can find more information about [setting up your account here](#).

If your location has **one or more W-2s with Iowa tax withholding**, you must electronically file the W-2s to the state by 1/31/19. All W-2s must be filed, not solely those with withholding. Refer to Attachment A for the detailed instructions for creating the file in QuickBooks to submit your state W-2s and for submitting them electronically.

If your location has **one or more 1099s with Iowa tax withholding**, you must electronically file the 1099s to the state by 1/31/19. We do not anticipate that any locations have withheld state taxes from independent contractor payments. Given this, we have not provided instructions for this filing. If your location has withheld state taxes, please call us for assistance.

The federal IRS Forms W-2 and W-3 can also be electronically filed to the Social Security Administration (SSA). The quarterly 941s can be filed electronically as well. This is not new, it has been built into QuickBooks for several years. Whether to file these federal forms electronically or manually via the mail is optional and completely up to the location. Refer to Attachment B for instructions for setting up these forms to E-file in QuickBooks.

Feel free to call one of us for assistance:

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## Attachment A – Filing State W-2s Electronically

Complete if your location has **one or more W-2s with Iowa tax withholding**.

### To create a file to submit to your state W-2:

Follow these steps for creating the file you'll send to the state.

1. In QuickBooks go to **Employees, Payroll Tax Forms & W-2's, Process Payroll Forms**.
2. On the File **Forms** page, under **Other Activities** (bottom of screen), Click **E-File State W-2**.
3. This will open **QuickBooks Payroll State W-2 Electronic Filing tax year 2018** along with an excel spreadsheet. Click **Continue**; then at the bottom of **What QuickBooks will do**, click **Continue**.
4. Enter the State IA, Click **Get QuickBooks Data**. A window will appear that says W-2 data has been retrieved from QB, Click **OK**. This will put info on an excel spreadsheet.
5. Select the **Add-Ins** tab on top of excel spreadsheet to locate the **QuickBooks Payroll State W-2** drop-down menu in the left top corner of the spreadsheet. Choose **Start Interview**.
6. Put a check mark in “**I understand that I must review my data and answer the following questions**”, then select **Next**.
7. Fill in the Company information in QuickBooks. Make sure State agency ID is your Federal ID number plus -001. Enter the State BEN Number you use when paying withholding taxes to Iowa, then click **Next**.
8. **File Information** will show you where your file is being saved.
9. Note the file name and location. Select **Next**.
10. Answer all the questions in the interview and verify all information that auto-populated. Select **Next** until you reach the end of questions. Be sure to enter **YOUR name and contact information**, click **Next**.
11. Choose **Create W-2 File in the State W-2 File Created** window, select **OK**.
12. Print the **File Info page** from QuickBooks.
13. When the **Save Workbook** window opens, select **Yes** to save the Excel workbook for your records.

### To submit your state W-2 forms electronically:

- Go to the Iowa Department of Revenue website, **E-File & Pay**
- Enter your log in information.
- Select the Option, W-2 Wage statement.
- Click Upload New File (Ok to change location, however, make sure you do not change the name of the file and that it remains a txt file.)
- After file has uploaded Click the Refresh button.
- Ensure everything is correct **Status=Complete: Details= File processed with no errors.**
- **To print a copy of the confirmation, click the Download Result link in the Results column.**

### If your state W-2 forms are rejected:

- If you receive notice that the forms rejected, you will need to re-do the process for creating the file and figure out what was done wrong.
  - Possible reasons for rejection: incorrect state ID, question answered incorrectly...
- If the file continues to reject and you cannot determine the reason, please call us for help.
- If your confirmation states “Completed with Errors”, the state accepted this in spite of the errors. Keep a copy of this for your file.

## **Attachment B – Filing Federal W-2s & 941s Electronically**

### **To set up your QuickBooks to file W-2s and 941s electronically:**

In QuickBooks, select:

1. In QuickBooks go to Employees, Payroll Tax Forms & W-2's, Process Payroll Forms.
2. On the File Forms page, under Other Activities (bottom of screen), Click Change Filing Method.
3. Under Taxes on the left, put a checkmark in the box "Filing Methods". Select Continue.
4. On the "Review your filing methods" screen, click the forms you want to e-file (i.e., 941, W-2/W-3) and select Edit. Select Next.
5. Ensure the Company Information is correct and select Next.
6. Complete a final verification before submitting the information.
7. When identifying contact information, include your info as opposed to the priest so you can talk to the IRS if needed.

When you file the tax forms, there will be an option to E-file. Select that. In doing so, still:

- Print the W-3 and ensure it agrees with the four quarterly 941s.
- Print the W-2s to give to the employees.
- Reconcile the 941 to the payroll summary and federal tax payments to ensure accuracy.
- Make a copy of all tax forms for your file.

Once E-filed, you will get an email to confirm. Keep a copy of this in your records as well.