Wage Withholding (Refund Claims)

How does an employer claim a refund or a credit on wage withholding?

There are several ways in which you may claim a withholding refund or a credit.

A refund may be claimed on Form DR 0137 "Claim for Refund." In particular, if you are no longer in business, you *must* file a DR 0137 to claim the refund.

You may also use the <u>DR 1093 Annual Transmittal of State W-2 and 1099 Forms</u>, (annual reconciliation) to claim a refund. Enter the withholding refund amount due for the calendar year on line 3B of this particular form.

If you remit your wage withholding payments with Form DR 1094 Income Withholding Tax Return, you may claim a withholding overpayment as a **credit** on subsequent DR 1094's. If the overpayment you can claim is larger than the tax due for a period, you may spread the credit over several filing periods.

If you make your wage withholding payments by EFT, you may adjust the next EFT payment by the amount of the overpayment. If the overpayment you claim is larger than the tax due for a period, you may spread the credit over several filing periods within the current calendar year.