



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

AN 2003(10)

25 Sigourney Street
Hartford CT 06106-5032

ANNOUNCEMENT

**New Forms and Instructions Adopted for Filing
and Reconciling Payments of Nonpayroll Amounts**

Purpose: This Announcement alerts payers of nonpayroll amounts that certain new forms have been developed for reporting and remitting Connecticut income tax withholding to the Connecticut Department of Revenue Services (DRS). These new forms are contained in the Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts that will be mailed to each payer of nonpayroll amounts in mid-December 2003. Payers must use these new forms in reporting and remitting Connecticut income tax withheld from nonpayroll amounts during calendar year 2004. Connecticut income tax withheld from nonpayroll amounts during calendar year 2003 should be reported and paid over using the forms contained in the Employer's Withholding Remittance Coupon Book mailed to each payer during December 2002.

Effective Date: For calendar years beginning on or after January 1, 2004.

Definitions: As used in this Announcement:

- **Payer** means a payer of nonpayroll amounts;
- **Nonpayroll amounts** mean and include:
 - Gambling winnings, other than Connecticut Lottery winnings, paid to a resident, or to someone receiving payment on behalf of a resident, and subject to federal income tax withholding;
 - Connecticut Lottery winnings required to be reported by the Connecticut Lottery Corporation to the Internal Revenue Service, whether or not subject to federal income tax withholding, whether paid to a resident, nonresident, or a part-year resident, and whether paid to an individual, trust, or estate;
 - Pension and annuity distributions, where the recipient is a resident individual and has

requested Connecticut income tax be deducted and withheld;

- Military retired pay, where the payee is a resident individual and has requested Connecticut income tax be deducted and withheld;
- Unemployment compensation, where the recipient has requested Connecticut income tax be deducted and withheld; and
- Payments made by a designated withholding agent to an athlete or entertainer, where the payments are not wages for federal income tax withholding purposes and where the designated withholding agent is required to deduct and withhold Connecticut income tax under **Policy Statement 2003(5)**, *Income Tax Withholding for Athletes or Entertainers*.

Payers to Use Form CT-8109 Instead of Form CT-WH: Where payers were required to use **Form CT-WH**, *Connecticut Withholding Tax Payment Form*, they will now use **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*, in remitting Connecticut income tax withheld during calendar year 2004 from nonpayroll amounts.

Payers to Use Form CT-945 and, if Applicable, Schedule CT-945-A Instead of Form CT-941: Where payers were required to use **Form CT-941**, *Connecticut Quarterly Reconciliation of Withholding*, they will now use **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, to report nonpayroll amounts paid during calendar year 2004. Payers who are semi-weekly schedule depositors for federal income tax withholding purposes will be required to complete and attach **Schedule CT-945-A**, *Annual*

Record of Withheld Connecticut Income Tax, to their Form CT-945.

Payers of Nonpayroll Amounts Will Continue to Use Form CT-1096: Payers of nonpayroll amounts who are required to file federal Form 1096 will continue to use **Form CT-1096**, *Connecticut Annual Summary and Transmittal of Information Returns*, to report the following:

- The total Connecticut income tax withheld from nonpayroll amounts;
 - The total of nonpayroll amounts reported; **and**
 - The number of federal Forms 1098, 1099, and W-2G being submitted.
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Payers of Nonpayroll Amounts Will Continue to Use Form CT-941X: Payers of nonpayroll amounts will continue to use **Form CT-941X**, *Amended Reconciliation of Withholding*, to correct errors made on Form CT-945.

Effect on Other Documents: None affected.

Effect of This Document: Announcements alert taxpayers to new developments (other than newly enacted or amended Connecticut or federal laws or newly released judicial decisions), including new administrative positions, policies, or practices.

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Withholding Tax
New Forms and Instructions for Nonpayroll Amounts
Issued: 12/01/2003

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (in-state), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Forms and publications are available anytime by:

- **Internet:** Preview and download forms and publications from the DRS Web site at: **www.ct.gov/DRS**
 - **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
 - **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (in-state) and select **Option 2** from a touch-tone phone.
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Paperless Filing Methods (fast, easy, free, and confidential):

- **For business returns:** Use *Fast-File* to file sales and use taxes, business use tax, room occupancy tax, or withholding tax returns over the Internet or telephone. Visit the DRS Web site at **www.ct.gov/DRS** and click on *File Returns On-Line* or call **860-947-1988**.
 - **For resident income tax returns:** Use *WebFile* to file personal income tax returns over the Internet. Visit the DRS Web site at **www.ct.gov/DRS** and click on *File Returns On-Line*.
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