

Upcoming Changes for Employers to Report Tax Year 2021 W-2/1099-R information

This tax alert is to advise employers that the Ohio Department of Taxation (Department) is lowering the threshold for the electronic filing of W-2 and 1099-R information for calendar year 2021 information (submitted in 2022). Ohio law requires all employers and retirement system payers to electronically file returns and submit income statements (W-2s & 1099-Rs) to the Department. R.C. 5747.07, 5747.071 and Ohio Administrative Rule 5703-7-19. The Department applauds the efforts of the over 99.5% of Ohio employers who currently file their Ohio employer withholding tax returns electronically.

Going forward, all employers and retirement system payers that issue 10 or more W-2/1099-Rs will be required to upload their W-2/1099-R information electronically through the Ohio Business Gateway. To aid in this new requirement for 2021 (filed in 2022) the Department will also grant a filing extension from the traditional January 31, 2022 due date to March 2, 2022 for the W-2s, 1099-Rs, Employer Withholding reconciliation returns (IT 941 and IT 942 4th Quarter/Annual), and the School District Withholding reconciliation return (SD 141).

As part of this new threshold, the Department has created an alternative W-2 filing approach to the EFW2 format utilized over the last two years. This alternative approach is called the Simplified W-2 Upload format, which utilizes a CSV (comma-separated values) file type that can be used to create a W-2 file to submit to the Department using the W-2/1099 Upload feature on the Ohio Business Gateway. Another tax alert will be sent by the Department when the Simplified W-2 Upload format specifications and helpful content are posted to the W-2/1099 Information page at tax.ohio.gov/W2upload later in 2021.

Note: Those employers who issue less than 10 W-2s that choose **not** to file their W-2 information using one of the two electronic approaches will be required to file a paper version of the IT 3 **AND** attach a copy of the W-2s that were issued to their employees.

If you have any questions regarding this tax alert, please contact us at IncomeStatementsEWT@tax.state.oh.us.