

K-3 INSTRUCTIONS

Who Must File—Every employer making payment of wages subject to Kentucky income tax is required to file withholding reports. A return must be filed for each reporting period even if no Kentucky income tax was withheld or the employer had no employees during the period.

When and Where to File—Revenue Form K-3 together with payment of the total amount due (line 6) must be mailed to the Department of Revenue, Frankfort, Kentucky 40620-0004 on or before January 31 or next business day if the due date falls on a weekend or legal holiday. **Do not submit photocopies.** Make check or money order payable to the **Kentucky State Treasurer.**

Ownership Changes—If the entity has had a change in ownership that required a new federal identification number, a new application (Form 10A100) must be filed. This form can be obtained online at www.revenue.ky.gov, by contacting Taxpayer Registration at (502) 564-3306, or a taxpayer service center.

Amended Returns and Requests for Refunds —An amended return is available online at www.revenue.ky.gov, by contacting Taxpayer Assistance at (502) 564-7287, or by contacting a taxpayer service center. In many cases a phone call may eliminate the need to file an amended return.

Line 4—This line is to be used only if there has been an error in tax paid on a prior return that needs to be adjusted on this return. To correct these errors enter the amount of the underpayment or overpayment on this line. Explain the adjustment on the back of the return. You must include your phone number in the box on the back of the return.

Line 5, Penalty—Any employer who fails to withhold and remit taxes as required by Kentucky Revised Statutes Chapter 141 may be subject to penalties. The penalties are for (1) filing a return late and (2) late payment of the tax due and failure to withhold tax. Both of these penalties are computed on the amount of the tax due on the return. Each is 2 percent of the tax due on the return for each 30 days or fraction thereof that the return or payment is late. The minimum amount of each penalty is \$10. The percentage of each penalty will not exceed 20 percent of the total amount of tax due. Both penalties can apply to a return.

In addition to the above civil penalties, criminal penalties for willful violations are provided by KRS 141.990.

Example: The December return is due January 31 but the return was filed on March 15. Tax due on the return was \$1,000.

Computation of late filing penalty:

Tax Due	\$1,000.00
The return was 43 days late so the penalty is 4% (2% x two 30-day periods)	<u> x .04</u>
Late filing penalty (Computed penalty is greater than the \$10 minimum)	\$ 40.00

Computation of late payment penalty:

Tax Due	\$1,000.00
The return was 43 days late so the penalty is 4% (2% x two 30-day periods)	<u> x .04</u>
Late payment penalty (Computed penalty is greater than the \$10 minimum)	\$ 40.00
Total penalties for the return are \$80.	

Note: For any jeopardy assessment or estimated assessment issued for periods after January 1, 2003, the minimum late file penalty will be \$100. This includes zero tax due returns that are filed late when a jeopardy or estimated assessment has been issued.

Line 5, Interest—Interest shall apply to the tax withheld or required to be withheld at the interest rate established under KRS 131.010(6) from the due date until the date the tax is paid to the Department of Revenue.

Line 6—The total amount due on returns that have no adjustments and are postmarked by the due date is the amount entered on line 3. If there are prior period adjustments they will be added to or subtracted from line 3 depending on whether the adjustment is for an underpayment or an overpayment.

Any penalty and interest reported on line 5 must be added to the taxes reported on line 3.

Payment for the amount shown on this line should be made to **Kentucky State Treasurer.** Include the withholding account number and the period shown on the return on the check.

Annual Reconciliation—Complete this section. K-2s must be transmitted separately with Transmitter Report for Filing Kentucky Wage Statements, Form 42A806.

ANNUAL RECONCILIATION (Must be Completed)

Total number of employees for the year

Total wages paid for the year

Payments Made for Each Period

Jan. _____	Apr. _____	July _____	Oct. _____
Feb. _____	May _____	Aug. _____	Nov. _____
Mar. _____	June _____	Sept. _____	Dec. _____

Total Kentucky income tax withheld as shown on K-2s

42A8039923



Statement of adjustments or credits entered on line 4 and account changes.

Please check this box if you wish to credit overpayment to the next return filed.