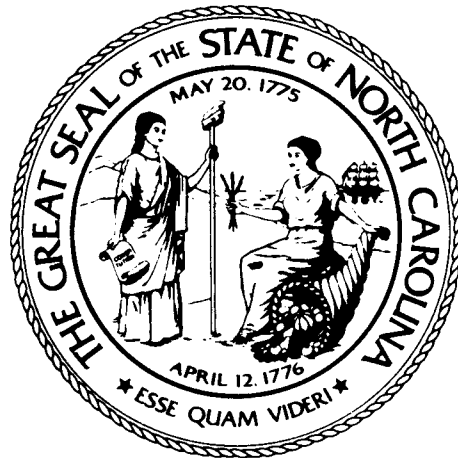


N C DEPARTMENT OF REVENUE  
P.O. BOX 25000  
RALEIGH, NC 27640-0001



## North Carolina Withholding Forms and Instructions for Tax Year 2010 (For Employers Who Electronically Pay Withholding Tax Semiweekly)

**EFT** - Our records show that you pay your North Carolina semiweekly withholding tax by the electronic funds transfer (EFT) method. General instructions for semiweekly payers is being provided in this document. The Quarterly Income Tax Withholding Return (Form NC-5Q) is available on this website and must be filed by the required due dates.

**Important:** Please see this website after January 1, 2011, for further information regarding the Department's new electronic submission process for filing the annual withholding reconciliation (Form NC-3).

**E-File** - In lieu of paying your withholding tax by the EFT method, you may choose to pay online by bank draft or credit or debit card using Visa or MasterCard. Go to this website and click on **Electronic Services**.

## Withholding Tax Telephone Numbers

**General withholding tax questions** .....1-877-252-3052 (Toll-free)  
**Electronic Funds Transfer Helpline** .....1-877-308-9103 (Local callers dial 733-7307)  
**Online Payment Assistance** .....1-877-308-9103 (Local callers dial 754-2444)

You may also go to the **DOR website**: [www.dornc.com](http://www.dornc.com)

or **write**: North Carolina Department of Revenue  
Tax Compliance - Withholding Tax Section  
P. O. Box 25000  
Raleigh, NC 27640-0001

## General Information

Employers who average withholding North Carolina income tax of \$2,000 or more each month are required to pay the tax withheld at the same times they are required to pay the tax withheld on the same wages for federal income tax purposes. **Form NC-5Q Quarterly Income Tax Withholding Return** is available on this website and must be filed by the required due dates. **Form NC-AC "Change of Address/Out of Business Notification"** form is also available on this website. **Important: Please see this website after January 1, 2011, for further information regarding the Department's new electronic submission process for filing the annual withholding reconciliation (Form NC-3).**

## Making Payments of North Carolina Income Tax Withheld

### Payment Due Dates

**Withholding from wages:** You are required to withhold North Carolina income tax from salaries and wages of all residents regardless of where earned and from wages of nonresidents for services performed in this State. However, North Carolina withholding is not required from wages paid to a resident for services performed in another state if that state requires the employer to withhold.

The due dates for reporting and paying North Carolina income tax withheld are determined by the due dates for depositing federal employment taxes (income tax withheld and FICA). Each time you are required to deposit federal employment taxes, you must remit the North Carolina income tax withheld on those same wages, regardless of the amount of State tax withheld. You must mail or deliver payment of North Carolina income tax withheld by the due date for depositing the federal taxes. For federal tax purposes, if you withhold \$100,000 or more, the deposit is required on the next banking day. North Carolina law did not adopt that provision of federal law, and the State income tax withholding is due on or before the normal federal semiweekly due date for those wages.

**Withholding from nonresidents for personal services performed in North Carolina:** You are required to withhold North Carolina income tax from personal services income (non-wage compensation) paid to nonresident individuals and nonresident entities for certain personal services performed in North Carolina. If you pay such compensation, you must file a report and pay the tax quarterly. However, if you withhold from both non-wage compensation and wages, you may choose to report and pay both on one report. If you choose this option, you must pay the withholding from non-wage compensation at the same time the wage withholding is due. You are subject to penalties and interest on both types of withholding based on the due date of the wage withholding. You may also be subject to a change in filing frequency by treating the withholding from non-wage compensation like wage withholding. See [Form NC-30, North Carolina Income Tax Withholding Tables and Instructions for Employers](#), for more information on withholding from nonresidents for personal services performed in North Carolina.

**Withholding on Contractors Identified by an ITIN:** Effective for taxable years beginning on or after January 1, 2010, North Carolina law requires withholding on contractors identified by an Individual Taxpayer Identification Number (ITIN) if the contractor performs services in North Carolina for compensation other than wages. An ITIN is issued to a person who is required to have a taxpayer identification number but does not have and is not eligible to obtain a social security number. If you pay compensation other than wages of more than \$1,500.00 during the calendar year to an ITIN holder, you are required to withhold 4% of the compensation paid. The due dates for filing North Carolina withholding returns and paying the tax withheld from ITIN holders are the same as the general due date for other North Carolina income tax withholdings. See [Form NC-30, North Carolina Income Tax Withholding Tables and Instructions for Employers](#), for more information on withholding on contractors identified by an ITIN.

**Withholding on pension payments:** A pension payer required to withhold federal income tax under Section 3405 of the Internal Revenue Code on a pension payment to a North Carolina resident must also withhold State income tax from the pension payment. A pension payer that fails to withhold or remit tax that is withheld is liable for the tax. In the case of a **periodic payment**, you must withhold as if the recipient were a married person with three allowances unless the recipient provides an exemption certificate (Form NC-4P) reflecting a different filing status or number of allowances. For a **nonperiodic distribution**, including an eligible rollover distribution, four percent (4%) of the distribution must be withheld. A recipient may elect not to have income tax withheld from a pension payment unless the pension payment is an eligible rollover distribution. A recipient of a pension payment that is an eligible rollover distribution does not have the option of electing not to have State tax withheld from the distribution. See [NC-30, North Carolina Income Tax Withholding Tables and Instructions for Employers](#), for more information on withholding from pension payments.

**Making Payments:** Electronic Funds Transfer payments are made by the ACH debit payment method or the ACH credit payment method as explained in the EFT Information Booklet. You can also pay your withholding tax online by bank draft or credit or debit card using Visa or MasterCard. For details, go to this website and click on **Electronic Services**.

**Late payments:** A penalty of 10% of the tax will be assessed for failure to make timely payment of the income tax withheld. Interest will be assessed at a daily rate from the due date until paid.

**Adjustments:** If you overpaid the tax withheld for a prior payday, you may reduce the payment of the tax withheld for a subsequent payday by that amount, if in the same quarter. Refunds will not be made electronically. If you do not make an adjustment for the overpayment during the quarter, the overpayment will reflect on the quarterly tax return. If the liability is underpaid, contact an EFT representative for instructions for the additional amount due. (Note: A late-payment penalty does not apply when additional tax due is paid upon discovery.) If your payment falls under the "shortfall" provisions of Federal Regulation 31.6302-1, you will not be subject to interest on the additional tax due.

# Change of Address / Out of Business Notification

North Carolina Department of Revenue

Withholding Tax

If the business is permanently closed, enter the date closed.  If business has moved to another N.C. county, enter new county.

Account ID:

New street address

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New mailing address (if different from street address):

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Mail to: NCDOR, Documents and Payments Processing Division, P.O. Box 25000, Raleigh NC 27640-0001

## Filing Your North Carolina Quarterly Income Tax Withholding Return, Form NC-5Q

**Filing Requirements/Due Dates:** The North Carolina **Quarterly Income Tax Withholding Return, Form NC-5Q**, reconciles the tax paid for the quarter with the tax withheld for the quarter. Form NC-5Q quarterly return is available on this website. The form must be filed each quarter on or before the last day of the month following the close of the quarter. Due dates for Form NC-5Q are the same as your federal quarterly returns (Federal Form 941). You have 10 additional days to file Form NC-5Q if you made all your required payments during the quarter and no additional tax is due.

**No Payroll:** If you did not have a payroll during the quarter, you must still file a quarterly tax return and enter "0" on lines 1 and 2. Sign Form NC-5Q and file by the due date.

**Final Payroll:** If you have stopped doing business or no longer have employees, you can close your North Carolina withholding tax account by completing and returning a "**Change of Address/Out of Business Notification**" form.

**Adjustments:** When completing Form NC-5Q, the total tax shown for each period should be the correct North Carolina tax required to be withheld, regardless of the amount paid. If the tax withheld exceeds the tax paid, the additional amount due must be submitted with Form NC-5PX. Form NC-5PX is available on the Department's website. Do not send payment with the quarterly return, Form NC-5Q. If you paid more than the correct amount for a quarter, the overpayment will be refunded to you.

**Amended Returns:** Blank copies of Form NC-5Q for filing amended returns are available from our website. Amended returns must be clearly marked "amended" at the top of Form NC-5Q.

## Filing the Annual Withholding Reconciliation, Form NC-3

**Important:** Please see this website after January 1, 2011, for further information regarding the Department's new electronic submission process for filing the annual withholding reconciliation (Form NC-3).

### Additional information

**Change of Address/Out of Business Notification:** Use the "**Change of Address/Out of Business Notification**" form located on this website to notify the Department of Revenue that you have moved, changed your address, or that you are no longer in business. Do not use Form NC-5Q to notify the Department of an address or trade name change since such information is not recorded during the automated processing of quarterly tax returns.

**For More Information on Income Tax Withheld:** These instructions do not contain complete information about North Carolina income tax withholding laws. Additional information is available in Form NC-30, North Carolina Income Tax Withholding Tables and Instructions for Employers. Form NC-30 is available on this website.

# Quarterly Income Tax Withholding Return

North Carolina Department of Revenue

This return is for semiweekly payers only. Monthly payers use Form NC-3M and quarterly payers use Form NC-3.

Account ID

Date Quarter Ended

**Do not send payment with this form.** Use Form NC-5PX to pay additional tax and interest.

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\_\_\_\_-\_\_\_\_-\_\_\_\_  
(MM-DD-YY)

Business Name and Address

Legal Name (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)

Street Address

.....

.....

City

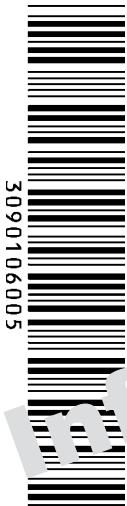
State

Zip Code (5 Digit)

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.....

.....



1. Total tax required to be withheld <i>(From Line IV on page 2 of this form.)</i>	.....	.00
2. Total payments to North Carolina for quarter	.....	.00
3. If Line 1 is more than Line 2, subtract and enter underpayment	.....	.00
4. If Line 1 is less than Line 2, subtract and enter overpayment <i>The overpayment will be refunded</i>	.....	.00

This form must be filed on or before the last day of the month following the close of the quarter.

**MAIL TO:** North Carolina Department of Revenue, Post Office Box 25000, Raleigh, North Carolina 27640-0605

Signature:

Date:

I certify that, to the best of my knowledge, this return is accurate and complete.

Title:

Phone: ( )

**Employer's Record of State Tax Liability**

See NC-30 for more information about withholding tax returns.

Complete this schedule by entering the N.C. income tax required to be withheld each payday, not payments.

<b>I. Tax Withheld - First Month of Quarter</b>									
1	.00	8	.00	15	.00	22	.00	29	.00
2	.00	9	.00	16	.00	23	.00	30	.00
3	.00	10	.00	17	.00	24	.00	31	.00
4	.00	11	.00	18	.00	25	.00		
5	.00	12	.00	19	.00	26	.00		
6	.00	13	.00	20	.00	27	.00		
7	.00	14	.00	21	.00	28	.00		
I. Total tax required to be withheld for first month of quarter								<b>I.</b>	.00
<b>II. Tax Withheld - Second Month of Quarter</b>									
1	.00	8	.00	15	.00	22	.00	29	.00
2	.00	9	.00	16	.00	23	.00	30	.00
3	.00	10	.00	17	.00	24	.00	31	.00
4	.00	11	.00	18	.00	25	.00		
5	.00	12	.00	19	.00	26	.00		
6	.00	13	.00	20	.00	27	.00		
7	.00	14	.00	21	.00	28	.00		
II. Total tax required to be withheld for second month of quarter								<b>II.</b>	.00
<b>III. Tax Withheld - Third Month of Quarter</b>									
1	.00	8	.00	15	.00	22	.00	29	.00
2	.00	9	.00	16	.00	23	.00	30	.00
3	.00	10	.00	17	.00	24	.00	31	.00
4	.00	11	.00	18	.00	25	.00		
5	.00	12	.00	19	.00	26	.00		
6	.00	13	.00	20	.00	27	.00		
7	.00	14	.00	21	.00	28	.00		
III. Total tax required to be withheld for third month of quarter								<b>III.</b>	.00
IV. Total for Quarter (Add Lines I, II, and III; enter here and on Line 1 on page 1 of this form)								<b>IV.</b>	.00

This Form is for Informational Purposes Only

## **IMPORTANT CHANGE**

### **Reporting W-2 and 1099 withholding information**

If you have **fewer than 10** (previously 250 or fewer) individuals for whom information must be reported, you may provide a computer printout of the information in lieu of providing each W-2 or 1099 statement provided you can produce the information in the manner required by **Form NC-57, Filing a Computer Printout of North Carolina Withholding Information**. Although you may provide a computer printout, you are encouraged to check this website or contact the Department at 1-877-252-3052 after January 1, 2011, for information regarding the Department's new electronic submission process.

If you provide W-2 information for **10 or more** individuals, (previously 250 or more) individuals, you should check this website or contact the Department at 1-877-252-3052 after January 1, 2011, for instructions regarding the Department's new electronic submission process.

## Withholding Tax Instructions For Employers Subject To The Electronic Funds Transfer (EFT) Requirement



Employers who remitted more than \$240,000.00 in North Carolina withholding taxes during a twelve month period will be notified of the requirement to remit payments by electronic funds transfer (EFT).

As an employer subject to the electronic funds transfer requirement, you will no longer file **Form NC-5P, Withholding Payment Voucher**. The payment information which accompanies the funds transfer constitutes the filing of the NC-5P.

You must continue to file the North Carolina **Quarterly Income Tax Withholding Return, Form NC-5Q**.

Form NC-5Q quarterly return is available on this website and must be filed by the required due dates. Please see this website after January, 1, 2011, for further information regarding the filing of Form NC-3 annual reconciliation.

Employers who are not required to remit payments by EFT may voluntarily participate in EFT. Call (toll-free) 1-877-308-9103 for more information. Local callers dial 733-7307. You may also go to this website and click on **Electronic Services**.

## Frequently Asked Questions

Call **1-877-252-3052 (toll-free)** and select option 4 at the first menu. After selecting option 3 for withholding, select option 2 to hear recorded information on many frequently asked withholding tax questions. This service is available 24 hours a day, seven days a week. Listed below are the categories and messages that are available to help you access the information more efficiently.

### Registration Requirements

- How to obtain a State withholding registration number
- Changes in ownership and structure
- Canceling your withholding number

### Filing Requirements

- Determining your filing frequency
- Filing and paying your tax due
- Online filing
- No tax due filing requirements
- Correcting withholding tax reports and payments
- Annual Withholding Reconciliation

### Withholding tax from salaries and wages

- Employee or employer
- Employee withholding certificate
- Providing W-2 statements to your employees
- Domestic employee
- Severance wages

### Withholding tax from nonwage compensation for personal services performed in North Carolina

### Withholding on contractors identified by an ITIN

### Withholding tax from pensions, annuities, and deferred compensation

### Withholding tables

## North Carolina Department of Revenue Contact Information

Additional information about withholding tax may be obtained from this website. Taxpayers can also call the Taxpayer Assistance and Collection Center at 1-877-252-3052 (toll free) to obtain information and to request forms or taxpayers may visit one of our regional service centers listed below.

<u>City</u>	<u>Address</u>	<u>City</u>	<u>Address</u>
<b>Asheville</b> .....	2800 Heart Drive Asheville, NC 28806	<b>Greenville</b> .....	2995 Radio Station Road Greenville, NC 27834
<b>Charlotte</b> .....	5111 Nations Crossing Road Building 8, Suite 100 Charlotte, NC 28217	<b>Hickory</b> .....	112 2nd Street Place SE Hickory, NC 28602
<b>Durham</b> .....	3518 Westgate Dr. , Suite 110 Durham, NC 27707	<b>Raleigh</b> .....	4701 Atlantic Avenue, Suite 118 Raleigh, NC 27604
<b>Elizabeth City</b> .....	401 S. Griffin Street, Suit 300 Elizabeth City, NC 27909	<b>Rocky Mount</b> .....	110 Fountain Park Drive, Suite F1 Battleboro, NC 27809
<b>Fayetteville</b> .....	225 Green Street, Suite 800 Fayetteville, NC 28301	<b>Wilmington</b> .....	3340 Jaeckle Drive, Suite 202 Wilmington, NC 28403
<b>Greensboro</b> .....	5 Centerview Drive Lenoir Building, Koger Center, Suite 100 Greensboro, NC 27407	<b>Winston-Salem</b> .....	8025 North Point Blvd., Suite 250 Winston-Salem, NC 27106