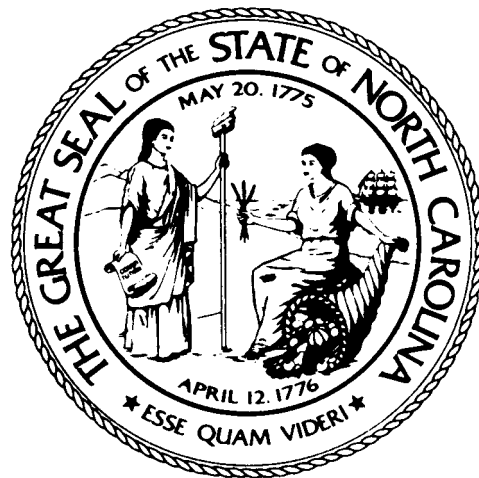


N C DEPARTMENT OF REVENUE
P.O. BOX 25000
RALEIGH, NC 27640-0001



North Carolina Withholding Forms and Instructions for Tax Year 2012 (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.

Annual Withholding Reconciliation, Form NC-3 must be filed by the last day of February. The form is available on this website.

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 questions1-877-252-3052 (Toll-free)
Electronic Funds Transfer Helpline1-877-308-9103 (Local callers dial 733-7307)
Online Payment Assistance1-877-308-9103 (Local callers dial 754-2444)

You may also go to the **DOR website:** 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. **Quarterly Income Tax Withholding Return, Form NC-5Q** is available on this website and must be filed by the required due dates. **Change of Address/Out of Business Notification**, form is also available on this website. The **Annual Withholding Reconciliation, Form NC-3** and the **Amended Annual Withholding Reconciliation, Form NC-3X** are also available on this website. Form NC-3 must be filed by the last day of February. Form NC-3X is used to amend 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: 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

New mailing address (if different from street address):

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

All employers must file **Form NC-3, Annual Withholding Reconciliation**. Form NC-3 along with copies of the W-2 and 1099 statements are due to be filed by the last day of February. **Amended Annual Withholding Reconciliation, Form NC-3X:** You can amend a previously filed Form NC-3 by filing Form NC-3X. If you file Form NC-3X, include with the form only the corrected W-2 and 1099 statements for verification. These forms may be obtained from this website.

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.

.....

____-____-____
(MM-DD-YY)

Business Name and Address

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

Street Address

.....

.....

City

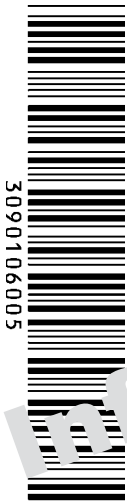
State

Zip Code (5 Digit)

.....

.....

.....



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 quarter00
3. If Line 1 is more than Line 2, subtract and enter underpayment00
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.

I. Tax Withheld - First Month of Quarter									
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								I.	.00
II. Tax Withheld - Second Month of Quarter									
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								II.	.00
III. Tax Withheld - Third Month of Quarter									
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								III.	.00
IV. Total for Quarter (Add Lines I, II, and III; enter here and on Line 1 on page 1 of this form)								IV.	.00

This Form is for Informational Purposes Only

**Instructions - Form NC-3 - Annual Withholding Reconciliation
Form NC-3X - Amended Annual Withholding Reconciliation**

Form NC-3

- Purpose:** Form NC-3 serves two purposes - to balance the total North Carolina income tax withheld as listed on the W-2 and 1099 statements with the amount of tax required to be withheld for the year, and to act as a transmittal form for the NC copies of the W-2 and 1099 statements.
- Due Date:** This form with the copies of the W-2 and 1099 statements for the preceding calendar year must be filed on or before the last day of February. If your business terminates during the year, the form should be filed within thirty days of the last payment of compensation.
- How To Prepare Form NC-3:**

Lines 1 - 4: Enter on these lines the total tax required to be withheld each quarter.

Line 6a: Enter on this line the N.C. income tax withheld from wages as reported on W-2 statements.

Line 6b: Enter on this line the N.C. income tax withheld as reported on 1099 statements. This includes amounts withheld from personal services compensation paid to nonresidents and amounts withheld from pensions, annuities, and deferred compensation.

Line 7: Enter the total North Carolina income tax withheld as reported on lines 6a and 6b. If the total tax required to be withheld (Line 5) does not agree with the total tax withheld (Line 7), complete an amended withholding voucher, Form NC-5PX, and send it along with any payment due. **Do not mail the payment with Form NC-3.**

Form NC-3X - Use Form NC-3X ONLY to amend a previously filed Form NC-3, Annual Withholding Reconciliation. Include with the form only the corrected North Carolina W-2 or 1099 statements for verification.

See the following page for information on reporting W-2 and 1099 withholding information on magnetic media or computer printout.

Amended Annual Withholding Reconciliation

North Carolina Department of Revenue

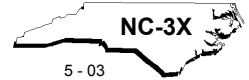
Account ID	Tax Year

- | | | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----|
| 1. Total Annual Tax Withheld as Corrected (Attach only the corrected W-2, W-2C, or 1099 statements for verification) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |
| 2. Tax Withheld as Originally Reported or Previously Adjusted (Per original statements) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |
| 3. Refund Due
(If Line 2 is more than Line 1, subtract and enter Refund Due) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |
| 4. Additional Tax Due
(If Line 1 is more than Line 2, subtract and enter Tax Due) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |
| 5. Interest | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |
| 6. Total Amount Due
(Add Lines 4 and 5) | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | .00 |

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

Title: _____ Phone: () _____

MAIL TO: P.O. Box 25000, Raleigh, NC 27640-0001



Annual Withholding Reconciliation

North Carolina Department of Revenue

File By: February 28

Account ID	Tax Year

	Quarter Ending	N.C. Income Tax Withheld
1.	March 31	<input type="text"/>
2.	June 30	<input type="text"/>
3.	September 30	<input type="text"/>
4.	December 31	<input type="text"/>
5.	Total Tax Withheld	<input type="text"/>
6a.	Tax Withheld Per W-2 Statements	<input type="text"/>
6b.	Tax Withheld Per 1099 Statements	<input type="text"/>
7.	Total Tax Withheld Per Statements	<input type="text"/>

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

Title: _____ Phone: () _____

MAIL TO: P.O. Box 25000, Raleigh, NC 27640-0001

NOTE: If the amount on Line 5 differs from the amount on Line 7, see the instructions for Line 7.



Reporting W-2 and 1099 Withholding Information on CD-ROM or Computer Printout

If you have **fewer than 250 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. The information should be produced in the manner required by **Form NC-57, Filing a Computer Printout of North Carolina Withholding Information**. If you provide **W-2 information for 250 or more individuals**, you must send the information on CD-ROM according to the requirements of **Form DP-43, NC CD-ROM Media Specifications for W-2 Reporting**. If you provide **1099 information for 250 or more individuals**, you must send the information according to the requirements of **Form DP-40, NC CD-ROM Media Specifications for 1099 Reporting**. Payers who report withholding information on fewer than 250 individuals may also report on CD-ROM according to the requirements in Forms DP-40 and DP-43. Forms DP-40, DP-43, and NC-57 are available on this website.

CD-ROM media must be labeled with the following information: **company name, State withholding ID number, tax year, and an indicator that the CD contains withholding information. CD-ROM media should be sent to:**

**North Carolina Department of Revenue
Withholding Tax Support Section
P.O. Box 25000
Raleigh, North Carolina 27640-0001**

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**. The form is available on this website and must be filed by the required due dates.

Annual Withholding Reconciliation, Form NC-3 must be filed by the last day of February. The form is available on this website.

Please refer to the section entitled "Making Payments of North Carolina Income Tax Withheld" for information concerning payment due dates, penalty and interest, and adjustments.

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 and tax forms may be obtained from the Department's website at www.dornc.com. Taxpayers may also call the Taxpayer Assistance and Collection Center at 1-877-252-3052 (toll free) to obtain the information and to request forms.

Taxpayers may receive other important notices about law changes and related tax matters by subscribing to the Department's Tax Update Email List, which can be located by choosing the "E-Alerts" option on the Department's home page.