



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
WILMINGTON, DELAWARE 19801

DIVISION OF REVENUE

TECHNICAL INFORMATION MEMORANDUM 91-4

December 26, 1991

SUBJECT: State Information Returns on Magnetic Media.

The Delaware Division of Revenue has previously issued memoranda on the subject of magnetic media reporting. For purposes of reporting for tax years beginning in 1991, this Technical Information Memorandum is intended to supersede specifically the following: Tax Newsgram 74-9 (December 10, 1974), Tax Newsgram 75-22 (October 20, 1975), Tax Ruling 77-12 (October 23, 1977), Tax Ruling 78-11 (August 30, 1978), Technical Information Memorandum 83-1 (January 4, 1983), Technical Information Memorandum 85-4 (August 5, 1985), and Technical Information Memorandum 88-3 (December 22, 1988).

I. Reporting of Employees' Annual Wage Data and Taxes Withheld at Source.

All employers making annual reports of Delaware income taxes withheld at source (Form W-2) must make such report on magnetic media provided they are required to file at least 250 such returns with the Division of Revenue and are required to file the Federal Form W-2 on magnetic media. Employers not required to report on magnetic media are to continue reporting by means of paper filings.

As used in this Memorandum, the term "magnetic media" means magnetic tape reels and 5.25" diskettes.

The conditions for acceptance of reporting on magnetic media are as set forth in SSA Pub. No. 31-011, dated September 1990, and in its addendum, TIB-4, SSA Pub. No. 42-007, ICN 436680 pertaining to filing of magnetic media reporting of W-2 information to the federal government and additionally:

Magnetic Tape Specifications

Tape reels only (no cartridges)
Nine channel EBCDIC recording
Odd parity
1600 or 6250 BPI density

Floppy Diskette Specifications

5.25" diskettes only
All data from one filer must fit on one diskette
All other specifications are contained in publication 1220.

Record Specifications

Data for individual employees will be contained in "S" records. Positions 124-182 may be blank.

If you have any questions concerning withholding filing requirements, please contact the Withholding Tax Section at (302) 577-~~3384~~. Questions concerning tape specifications, test files and labeling should be made to the Bureau of Application Support and Development at (302) 577-~~2571~~, or ~~577-6281~~.

5800 EXT 7502
3300 EXT 7429, 7424

II. Magnetic Reporting of Form 1099 Series Information.

Any individual or firm doing business in Delaware and required to report Form 1099 series information to the Internal Revenue Service on magnetic media (See, Treas. Reg. §301.6011-2), whenever such filing contains over 250 returns for residents of the State of Delaware, must also report the return information to the Delaware Division of Revenue on magnetic media. The data submitted by the payers will be in the format described in the current IRS Revenue Procedure on Magnetic Tape Reporting for Information Returns, Publication 1220, Cat. No. 61275P, dated July 1990 and annual updates thereto.

If required to be reported on any of the Federal Form 1099 series returns and required to be filed on magnetic media, reporting firms and individuals must provide to Delaware information for the following payments:

- a) All payments to Delaware residents; and
- b) All payments to non-residents of salaries, fees or other compensation for services performed in Delaware,

when such payments result in the generation of 250 or more 1099 returns. The specific media requirements are:

Magnetic Tape Specifications

Tape reels only (no cartridges)
Nine channel EBCDIC recording
Odd parity
1600 or 6250 BPI density

Floppy Diskette Specifications

5.25" diskettes only

All data from one filer must fit on one diskette

All other specifications are contained in publication 1220.

Record Specifications

The record specifications are identical to those used for federal filing.

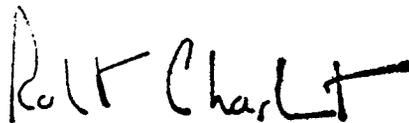
Payments not required to be reported on magnetic media are not required to be reported to the Division of Revenue, except for 1099's (1099P's, for example) reflecting taxes withheld at source which must be filed on paper if not required to be reported on magnetic media.

8170 ~~3341~~ Inquiries concerning reporting requirements should be directed to James Stewart or James Davis, Bureau of Office Audit, (302) 577-
Inquiries concerning magnetic media specifications should be directed to Bureau of Application Support and Development (302) 577-2571, or 577-6281.

III. Filing.

The magnetic tapes or diskettes described in this Technical Information Memorandum, accompanied by a covering letter containing the same information as required for federal purposes, plus, in the case of withholding returns, Delaware Form W-3 (Reconciliation of Delaware Income Tax Withheld) or Form W-3A/W-2 (Transmittal of Delaware Income Tax Withheld), should be addressed to the State of Delaware, Division of Revenue, 820 North French Street, Wilmington, Delaware 19801.

The due date for magnetic media withholding is the same as for paper returns -- February 28. The due date for magnetic media 1099's is the same as for the federal return, typically also February 28. The due dates for these returns may be extended upon request to the Director of Revenue and a showing that, unless extended, filing on magnetic media will represent an undue hardship to the reporting entity.



Robert W. Chastant
Director of Revenue