

CONNECTICUT TAX GUIDE FOR PAYERS OF NONPAYROLL AMOUNTS

Connecticut Income Tax Withholding Requirements With Forms

The following forms, publications, and information are included in this booklet:

- Calendar of Duties
- Important Information for Connecticut Payers of Nonpayroll Amounts
- Withholding Requirements
- Sample Remittance Forms

Effective January 1, 2010

Keep and use this booklet until a new edition of the
Connecticut Tax Guide for Payers of Nonpayroll Amounts is issued.

IP 2010(8)
Withholding tax
Issued: 05/27/2010
Replaces: IP 2009(8)

Tax information is available on our website at www.ct.gov/DRS.

Frequently Used Telephone Numbers

Connecticut Department of Revenue Services

Connecticut calls outside the Greater Hartford calling area	1-800-382-9463
From anywhere	860-297-5962
Accounts Receivable/Billing	860-297-4771
Collection & Enforcement	860-297-5909
Electronic Funds Transfer	860-297-4973
Forms Unit	860-297-4753
TTY, TDD, and Text Telephone users only	860-297-4911

Internal Revenue Service

Tax Assistance	1-800-829-1040
Tax Forms and Publications	1-800-829-3676

Related Web Sites

Connecticut Department of Revenue Services (DRS)	www.ct.gov/DRS
Internal Revenue Service (IRS)	www.irs.gov

Connecticut Forms Referenced in This Booklet

Form CT-8109	<i>Connecticut Withholding Tax Payment Form for Nonpayroll Amounts</i>
Form CT-945	<i>Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts</i>
Form CT-1096	<i>Connecticut Annual Summary and Transmittal of Informational Returns</i>
Form CTC	<i>Withholding Correction/Reorder Form</i>
Form REG-1	<i>Application for Tax Registration Number</i>
Form CT-W4P	<i>Withholding Certificate for Pension or Annuity Payments</i>
Form CT-941X	<i>Amended Connecticut Reconciliation of Withholding</i>
Form CT-8809	<i>Request for Extension of Time to File Informational Returns</i>

Table of Contents

What's New	4	How to Report and Remit Taxes Withheld	10
Calendar of Duties	4	Annual Reconciliation	11
Frequently-Asked Questions	5	Electronic Filing of Forms 1099 and W-2G	
Important Information for Connecticut Payers	6	Request for Extended Due Date	
Rules for Payers	6	Amended Annual Reconciliation	
Private Delivery Services	6	Correction/Reorder Form (Form CTC)	
Electronic Filing Through the		Payment by Electronic Funds Transfer (EFT)	12
Taxpayer Service Center (TSC)	6	Liability for Taxes Withheld	12
Electronic Filing of Informational Returns	6	Penalties and Interest	12
Third Party Bulk Filing	7	What Records to Keep	12
Instructions	8	How to Cancel Registration for Withholding	
Who Is Required to Withhold Connecticut		Connecticut Income Tax	13
Income Tax	8	Related Publications	13
How to Register for Withholding Tax	8	Comparison of Federal and Connecticut	
Professional Athletes and Entertainers	8	Filing Rules	14
Voluntary Registration by Persons Other Than		Samples of Remittance Forms (CT-8109,	
Employers to Withhold Tax	8	CT-945, CT-1096, and CTC)	15
Income Subject to Connecticut		Form CT-W4P, Employee's Withholding	
Income Tax Withholding	8	Certificate	18
Payments Not Subject to Connecticut Income		Connecticut Tax Assistance	Back Cover
Tax Withholding	10		
Withholding for Military Retirees			

What's New

Employers: Refer to **Informational Publication 2010(1)**, *Connecticut Employer's Tax Guide - Circular CT*, and **Informational Publication 2009(18)**, *Form W-2 Electronic Filing Requirements for Tax Year 2009*.

Payers: Refer to **Informational Publication 2010(8)**, *Connecticut Tax Guide for Payers of Nonpayroll Amounts*, and **Informational Publication 2009(17)**, *Forms 1099-R, 1099-MISC, and W-2G Electronic Filing Requirements for Tax Year 2009*.

Calendar of Duties

If the due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

Payer's Classification Determines When Payments Are Required to Be Made

Weekly remitters must pay over Connecticut income tax withholding with **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*, on or before the Wednesday following the weekly period during which the nonpayroll amounts were paid.

Monthly remitters must pay over Connecticut income tax withholding with Form CT-8109 on or before the fifteenth day of the month following the month during which the nonpayroll amounts were paid.

Quarterly remitters must pay over Connecticut income tax withholding with Form CT-8109 on or before the last day of the month following the quarterly period during which the nonpayroll amounts were paid.

See *How to Report and Remit Taxes Withheld* on Page 10.

On or Before January 31

Payers of nonpayroll amounts must file **Form CT-945**, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, even if no tax is due or has been withheld for the year.

Payers of nonpayroll amounts must provide payees with federal Form 1099-MISC, Miscellaneous Income; 1099-R, Distributions From Pensions, Annuities, Retirement, or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.; or W-2G, Certain Gambling Winnings, for each payment, distribution, or transaction made during the preceding calendar year.

On or Before the Last Day of February

Payers of nonpayroll amounts who file 24 or fewer Forms 1099-R, 1099-MISC, or W-2G showing Connecticut nonpayroll amounts and use paper forms must file **Form CT-1096**, *Connecticut Annual Summary and Transmittal of Informational Returns*, together with every state copy of federal Form 1099-MISC, 1099-R, or W-2G reporting Connecticut nonpayroll amounts paid to payees during the prior calendar year.

On or Before March 31

Payers of nonpayroll amounts who file 25 or more Forms 1099-MISC, 1099-R, or W-2G must file Form CT-1096 and Forms 1099-MISC, 1099-R, and W-2G electronically. See *Electronic Filing Through the Taxpayer Service Center (TSC)* on Page 6.

Frequently-Asked Questions

1. Which nonpayroll informational returns must be filed with DRS?

DRS requires every state copy of the following:

- Federal Form W-2G for winnings paid to a Connecticut resident even if no Connecticut income tax was withheld;
- Federal Form 1099-MISC for payments made to a Connecticut resident even if no income tax was withheld or to a nonresident of Connecticut if the payments relate to services performed wholly or partly in Connecticut even if no Connecticut income tax was withheld; **and**
- Federal Form 1099-R but only if Connecticut income tax was withheld.

Multi-state filers must comply with these requirements.

2. Does DRS participate in the Federal/State E-File Program?

Yes. DRS does participate in the Federal/State E-File Program for federal Forms 1099-MISC and 1099-R.

3. Who is required to file electronically with DRS?

Payers who file 25 or more Forms 1099-MISC, 1099-R, or W-2G, per form type, are required to file Form CT-1096 and Forms 1099-MISC, 1099-R, or W-2G electronically.

4. Where can I get information on filing electronically with DRS?

Payers should refer to **Informational Publication 2009(17), Forms 1099-R, 1099-MISC, and W-2G Electronic Filing Requirements for Tax Year 2009**.

5. How does a payer request a waiver from filing informational returns electronically?

DRS may waive the electronic filing requirement if the payer can show hardship. To request a waiver, a payer must complete and submit a paper **Form CT-8508, Request for Waiver From Filing Informational Returns Electronically**, on or before January 15. DRS will only notify payers whose request for a waiver has been denied.

Payers who have requested and received a waiver from filing electronically are encouraged to submit files to DRS on CD following the instructions on **Form CT-4804, Transmittal of Informational Returns Reported on CD**.

6. How does a payer request an extension of time to file informational returns electronically?

To request an extension, a payer must complete and submit **Form CT-8809, Request for Extension of Time to File Informational Returns**, on or before March 31 if filing electronically or the last day of February if not filing electronically. DRS will only notify payers whose extension requests have been denied. Form CT-8809 cannot be filed electronically for 2009.

7. Is a payer of nonpayroll amounts who files federal Form 1096, but who is not required to be registered with DRS for Connecticut income tax withholding purposes, required to file Form CT-1096, Connecticut Annual Summary and Transmittal of Information Returns?

Yes, but only if the payer files any of the forms as described in the answer to Question 1. Taxpayers can use the *TSC* by completing an application and being issued a separate third party bulk filer (TPBF) identification number. See *Third Party Bulk Filing* on Page 7.

8. How does Form CT-1096 get filed?

For the individual taxpayer, once the Forms 1099 and W-2G have been successfully uploaded, the *TSC* will automatically populate Form CT-1096 for you. You must verify all the figures and complete the quarterly breakout for the Connecticut taxes withheld. If you are a registered third party bulk filer filing for multiple businesses, you will have the option to return to the third party bulk filer menu. Select the Form CT-1096 link from the menu options in the file import section, then upload and complete the filing process using the *TSC* dynamic web import process. Visit the DRS website at www.ct.gov/electronicfileW2and1099 for more information on filing Form CT-1096.

9. What paper forms should accompany the electronic filing?

None. You do not submit paper copies of any electronically filed forms. If there are any attachments or schedules that cannot be electronically filed, keep this information with your records to be provided to DRS upon request.

10. How does a payer report changes on a previously-filed electronic submission?

Any changes to files submitted electronically must be done using the paper method. Once a file is successfully transmitted, you no longer have the option to return to a file and correct Forms 1099-MISC, 1099-R, W-2G, and CT-1096. If a particular form is omitted from a filing, the form must be sent in on paper in addition to a corrected paper Form CT-1096.

11. Does this booklet contain all the information I need to withhold Connecticut income tax from my payees?

Yes. All the instructions are included in this **Informational Publication 2010(8), Connecticut Tax Guide for Payers of Nonpayroll Amounts**.

Important Information for Connecticut Payers

All withholding forms effective January 1, 2010, are included in this publication.

Rules for Payers

Each payer is required to withhold Connecticut income tax from nonpayroll amounts at the time those amounts are paid and is required to pay over the Connecticut income tax withholding to the Department of Revenue Services (DRS) according to the payer's remitter classification. DRS will notify most payers of their new filing frequency before mailing them their *2010 Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts*. Most new payers will be classified as monthly remitters.

Each calendar year DRS will classify a payer either as a weekly remitter, monthly remitter, or quarterly remitter. A payer's classification has nothing to do with how often the payer pays its payees or how often the payer is required to pay over Connecticut income tax withholding to DRS. The classification relates to how much time a payer has to pay over Connecticut income tax withholding to DRS after nonpayroll amounts are paid to payees and Connecticut income tax is deducted and withheld from those nonpayroll amounts. A payer's classification is based on the payer's reported liability for Connecticut income tax withholding during the look-back calendar year. The look-back calendar year for calendar year 2010 is calendar year 2008.

See **Special Notice 2004(10)**, *2004 Legislation Affecting Connecticut Income Tax Withholding by Payers From Nonpayroll Amounts Paid On or After January 1, 2005*.

Private Delivery Services

When sending forms, returns, or payments to DRS, payers may use certain private delivery services in addition to the U.S. Postal Service and satisfy the timely filed and timely payment rules.

See **Policy Statement 2008(3)**, *Designated Private Delivery Services and Designated Types of Service*.

Electronic Filing Through the Taxpayer Service Center (TSC)



File withholding information through the *TSC*. The *TSC* is a free, fast, easy, and secure way to conduct business with DRS. Go to www.ct.gov/TSC.

Use the *TSC* to view current account balances, make and schedule payments, and amend certain tax returns. Transmit the following informational returns through the *TSC*:

- Federal Forms 1099-R;
- Federal Forms 1099-MISC;
- Federal Forms W-2G; **and**
- **Form CT-1096**, *Connecticut Annual Summary and Transmittal of Informational Returns*.

Do not file paper forms if you filed through the *TSC*.

A penalty may apply if you file paper federal Forms W-2G, 1099-R, or 1099-MISC when you are required to file these forms electronically.

Electronic Filing of Informational Returns

The implementation of the *TSC* has made filing informational returns easier while ensuring the security of the data being filed. Taxpayers or payers can use the *TSC* to *key and enter* or *upload* forms either by having bulk filing capabilities assigned to their current Connecticut tax registration number or, for tax preparers who are filing for their clients and are not registered with DRS, by completing an application and being issued a separate third party bulk filer (TPBF) identification number.

With bulk filing capabilities, you may then select and begin to file your informational returns online. After you have entered all informational returns, you must transmit Form CT-1096 to complete the filing process. The informational returns are not accepted until Form CT-1096 is filed. You will receive a unique confirmation number for each Form CT-1096 submitted. The confirmation number is your proof of filing.

Options for Filing Forms 1099-R, 1099-MISC, W-2G, and CT-1096 Through the TSC

Key and Send

The key and send method is used to submit a maximum of 50 informational returns per form type. This option allows you to enter up to 50 Forms 1099-R, 1099-MISC, or W-2G in a single login process. Once all Forms 1099-R, 1099-MISC, or W-2G are entered, select *Next*. You will be brought to Form CT-1096 where the *TSC* has populated many of the fields based on the information you just entered. Verify the Form CT-1096 information and then complete the quarterly breakout. Your Forms 1099-R, 1099-MISC, or W-2G are not successfully transmitted until the *TSC* issues a confirmation number for Form CT-1096.

Dynamic Web Import (DWI)

DWI is a file import process that allows you to define and upload your informational returns. The agency's DWI tool does **not** support the standard electronic file formats used by the Internal Revenue Service (IRS). Each field in the file represents an item from a return you are reporting. You can arrange the fields in any order by defining your own customized layout.

If an error or errors are found during the upload process, DRS will identify and explain each error. You must correct all errors on your file and then upload the file again. Once all Forms 1099-R, 1099-MISC, or W-2G are successfully uploaded, you will be brought to Form CT-1096 where the *TSC* has populated many of the fields based on the information you just entered. Verify the Form CT-1096 information and then complete the quarterly breakout.

Your Forms 1099-R, 1099-MISC, or W-2G are not successfully transmitted until the *TSC* issues a confirmation number for Form CT-W3.

Batch File Upload Using DRS Standard File Layout

Batch file upload allows you to submit a file using the standard file layouts defined in IP 2009(17). Once the file upload is completed, a results file will acknowledge the success or failure of your file upload. If an error or errors are found during the upload process, the results file will identify and explain each error. You will need to correct and resubmit the entire file.

Once you have successfully uploaded all your returns, you must return to the withholding main menu. Select Form CT-1096, choose the period end, and proceed to Form CT-1096. Verify the Form CT-1096 information and then complete the quarterly breakout.

Your Forms 1099-R, 1099-MISC, or W-2G are not successfully transmitted until the *TSC* issues a confirmation number for Form CT-1096.

Third Party Bulk Filing

Third party bulk filers (TPBF) are tax preparers who prepare returns for multiple clients or multiple locations for the same client. A registered TPBF can key in information for one client at a time or upload a file for multiple taxpayers with a single login.

To register as a TPBF:

- Go to **www.ct.gov/TSC**;
- Select *Tax Preparer*;
- Scroll down and select *Third Party Bulk Filing requires preregistration. Please click here to register*;
- Select *Application to Become a Bulk Filer (Fillable Version)*;
- Complete and print the form; **and**
- Fax it to: 860-297-4761; **or**
- Mail it to:

Department of Revenue Services
Electronic Commerce Unit
25 Sigourney Street Ste 2
Hartford CT 06106

Once the application has been processed, a bulk filing identification number, password, and instructions will be mailed to you.

Visit **www.ct.gov/electronicfileW2and1099** for detailed bulk filing information.

Instructions

Who Is Required to Withhold Connecticut Income Tax

Anyone who maintains an office or transacts business in Connecticut must withhold Connecticut income tax whether or not the payroll or accounts receivable department is located in Connecticut. Special rules apply to payers of compensation to professional athletes and entertainers and payers of nonpayroll amounts; see below and Page 9.

Any payer who is required to withhold Connecticut income tax must register for withholding tax with DRS.

How to Register for Withholding Tax

A new payer required to deduct and withhold Connecticut income tax from nonpayroll amounts must register with DRS. Visit www.ct.gov/DRS to register online or complete **Form REG-1, Business Taxes Registration Application**. See *Income Subject to Connecticut Income Tax Withholding* on this page for the requirements to withhold Connecticut tax. Form REG-1 is also used to register a business for most other state taxes, including sales and use taxes and corporation business tax.

A payer of nonpayroll amounts not already registered with DRS, including a payer starting a new business, must register to withhold Connecticut income tax.

A payer of nonpayroll amounts already registered with DRS for other state taxes is still required to register to withhold Connecticut income tax.

A payer of nonpayroll amounts who acquires an existing business must also register with DRS to obtain a Connecticut tax registration number. The new owner cannot use the previous owner's tax registration number or withholding tax coupons.

The DRS tax registration number and federal employer identification number must appear on all Connecticut withholding forms and on all correspondence with DRS. Do not use the registration number issued by the Department of Labor (DOL) on DRS forms.

Professional Athletes and Entertainers

Certain payers of compensation to professional athletes and entertainers are registered by DRS to withhold Connecticut income tax from non-wage payments for personal services performed in Connecticut. See *Payments Made to Athletes or Entertainers* on Page 9.

Voluntary Registration by Persons Other Than Employers to Withhold Tax

Any person (other than an employer) not required to register to withhold Connecticut income tax may register solely for the purpose of withholding Connecticut income tax if both the payer and the payee voluntarily agree Connecticut income tax will be withheld. Once registered, the payer will be treated as an employer required to withhold Connecticut income tax while the agreement remains in effect.

Income Subject to Connecticut Income Tax Withholding

In general, Connecticut law follows federal law in determining what income is subject to withholding. Certain nonpayroll income (also known as nonpayroll amounts) is subject to withholding.

Pension and annuity distributions if the recipient is a Connecticut resident and has requested Connecticut income tax withholding.

Payers of pensions and annuities, both public and private, maintaining an office or transacting business in Connecticut are required to notify Connecticut resident recipients of the availability of Connecticut income tax withholding and withhold Connecticut income tax from payments if the Connecticut resident recipient submits a request in writing. This requirement applies to all pension and annuity payments from qualified or nonqualified plans, including lump sum distributions, whether or not payments are made from a Connecticut location.

Payers must provide recipients with **Form CT-W4P, Withholding Certificate for Pension or Annuity Payments**, or a reasonable facsimile. Form CT-W4P or a written request providing the same information must be on file with the payer before withholding begins. The request to deduct and withhold Connecticut income tax must be made in specific whole dollar amounts. The minimum amount a recipient can request to be withheld is \$10 per payment. No maximum limit is placed on the amount that can be withheld, but it must be a whole dollar amount.

The written request for withholding or a request for a change in the amount to be withheld takes effect with the first payment made on or after the date which occurs:

1. In a case in which no previous request is in effect, three calendar months after the date the request is furnished to the payer; **or**
2. In a case in which a previous request is in effect, the first status determination date (January 1, May 1, July 1, and October 1 of each year) which occurs at least 30 days after the date the request is furnished to the payer.

Form CT-W4P remains in effect until terminated by the payee. The payee may terminate the request by furnishing the payer with a signed written notice of termination.

Any payer who receives a request to withhold Connecticut income tax must register by filing Form REG-1.

See *How to Register for Withholding Tax* on Page 8.

In general, the payer follows the instructions in the section entitled *How to Report and Remit Taxes Withheld* on Page 10 except:

1. **Informational Return:** Federal Form 1099-R, showing the amount of Connecticut income tax withheld in the prior year, must be given by payers of pension and annuity plans to their recipients on or before the succeeding January 31.
2. **Annual Reconciliation:** Form CT-1096 is due from all payers who are required to be registered for Connecticut income tax withholding on March 31 if the payer files electronically (the last day of February if filing a paper return) even if no Connecticut income tax was withheld. No payment is made with this form. Payers must file the state copy of federal Form 1099-R only if Connecticut income tax was withheld.

Military retirement pay if the recipient is a Connecticut resident and has requested Connecticut income tax withholding.

Unemployment compensation payments if the recipient has requested Connecticut income tax withholding.

Gambling winnings other than Connecticut lottery winnings if the payment is subject to federal income tax withholding and the payment is made to a resident or to someone receiving the payment on behalf of a resident.

A payer of gambling winnings maintaining an office or transacting business in Connecticut must withhold Connecticut income tax from winnings if the winnings are paid to a Connecticut resident, or to someone receiving them on behalf of a Connecticut resident, and the winnings are subject to federal income tax withholding.

See **Informational Publication 2009(36)**, *Connecticut Income Tax Treatment of Gambling Winnings Other Than State Lottery Winnings*.

Connecticut lottery winnings if reportable for federal income tax withholding purposes, whether or not federal income tax withholding is required.

The Connecticut Lottery Corporation withholds Connecticut income tax at the rate of 5% from all payments of reportable Connecticut Lottery winnings made to a resident or a nonresident, whether or not federal income tax is withheld. However, if a winner's gambling winnings clearly exceed

the high income thresholds (single or filing separately: \$500,000; head of household: \$800,000; filing jointly or qualifying widow(er): \$1,000,000), the payer must withhold Connecticut income tax at the highest marginal rate of 6.5%.

See **Informational Publication 2009(38)**, *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*.

Gambling winnings include both cash and noncash winnings. The value of noncash winnings is fair market value.

Any payer of gambling winnings who is subject to Connecticut withholding and who is not otherwise required to register with DRS must register by filing Form REG-1.

See *How to Register for Withholding Tax* on Page 8.

Connecticut income tax must be deducted and withheld at a flat rate of 5%, without allowance for exemption, and is computed on the same amount subject to withholding for federal income tax purposes. However, if a winner's gambling winnings clearly exceed the high income thresholds (single or filing separately: \$500,000; head of household: \$800,000; filing jointly or qualifying widow(er): \$1,000,000), the payer must withhold Connecticut income tax at the highest marginal rate of 6.5%. If the winnings are a noncash prize, the payer of the prize must collect the required withholding in cash from the winner before awarding the noncash prize.

In general, payers follow the instructions in the section entitled *How to Report and Remit Taxes Withheld* on Page 10 except:

1. **Statement for Gambling Winnings:** Federal Form W-2G showing the gambling winnings paid and any Connecticut income tax withheld during the preceding year must be given by payers of gambling winnings to recipients who are resident individuals on or before the succeeding January 31.
2. **Annual Reconciliation:** Form CT-1096 is due from all payers of gambling winnings on or before March 31 if the payer files electronically or the last day of February if filing paper returns. No payment is to be made with this form. Payers must file every state copy of federal Form W-2G for winnings paid to resident individuals even if no Connecticut income tax was withheld.

Payments Made to Athletes or Entertainers if the payments are not wages for federal income tax withholding purposes but Connecticut income tax withholding is required.

Compensation for personal services performed in Connecticut by a professional athlete or entertainer, paid in cash or otherwise, in connection with sporting events

or with the preparation or presentation of entertainment, whether as a participant, performer, or otherwise, is subject to Connecticut income tax withholding if the payer is a designated withholding agent.

See **Policy Statement 2009(1)**, *Income Tax Withholding for Athletes or Entertainers*.

Payments Not Subject to Connecticut Income Tax Withholding

In general, income not subject to federal withholding is not subject to Connecticut income tax withholding.

Withholding for Military Retirees

Connecticut residents who are retired from the regular and reserve components of the uniformed services are allowed to request, in writing, Connecticut withholding from their monthly retired pay. The term *uniformed services* refers to the Army, Navy, Air Force, Marine Corps, Coast Guard, commissioned corps of the Public Health Service, and commissioned corps of the National Oceanic and Atmospheric Administration.

A member may request withholding by completing Form CT-W4P and submitting it to the retirement pay office of his or her uniformed service. The amount withheld from each payment must be an even dollar amount, but not less than \$10.

How to Report and Remit Taxes Withheld

Payers of nonpayroll amounts who are registered with DRS for Connecticut income tax withholding purposes will receive the *Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts*. Each of the forms included in the coupon book is a machine readable document which is personalized with the payer's name, address, Connecticut Tax Registration Number, and Federal Employer Identification Number. Only the original coupon should be submitted. Forms, payments, or other documents are timely filed if received on or before the due date or if the date shown by the U.S. Postal Service cancellation mark is on or before the due date.

Send **Form CT-8109**, *Connecticut Withholding Tax Payment Form for Nonpayroll Amounts*, to DRS with each Connecticut withholding payment. Each payer is required to withhold Connecticut income tax from nonpayroll amounts at the time those amounts are paid and is required to pay over Connecticut income tax withholding to DRS on or before the due dates described below.

Each calendar year a payer will be classified by DRS either as a weekly remitter, monthly remitter, or quarterly remitter. A payer's classification has nothing to do with how often the payer pays its payees or how often the payer is required to pay over Connecticut income tax withholding to DRS.

The classification relates to how much time a payer has to pay over Connecticut income tax withholding to DRS **after** nonpayroll amounts are paid to payees and Connecticut income tax is deducted and withheld from those nonpayroll amounts. A payer's classification is based on the payer's reported liability for Connecticut income tax withholding during the look-back calendar year. The look-back calendar year for calendar year 2010 is calendar year 2008. Payers do not need to file Form CT-8109 if no payment is due.

If the tax liability was deducted and withheld during one quarter and paid over in another quarter, the payer must enter the number for the quarter in which the tax liability was deducted and withheld. For example, if the tax liability was deducted and withheld in March and paid over in April, enter "1" on Line 1 of Form CT-8109.

DRS will notify most payers of their classification before mailing them their 2010 *Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts*.

Weekly Remitter

A *weekly remitter* is a payer whose reported liability for Connecticut income tax withholding during the look-back calendar year was more than \$10,000. A weekly remitter is required to pay over Connecticut income tax withholding on or before the Wednesday following the weekly period during which the nonpayroll amounts were paid. *Weekly period* is the seven-day period beginning on a Saturday and ending on the following Friday.

Schedule for Weekly Remitters

If nonpayroll amounts are paid on Saturday, Sunday, Monday, or Tuesday	Pay over Connecticut income tax withholding on or before the second Wednesday following the date the nonpayroll amounts were paid.
If nonpayroll amounts are paid on Wednesday, Thursday, or Friday	Pay over Connecticut income tax withholding on or before the Wednesday following the date the nonpayroll amounts were paid.

DRS may require weekly remitters to pay over Connecticut income tax withholding by electronic funds transfer instead of by mailing a check and to file electronically instead of by filing a paper Form CT-8109 and a paper Form CT-945. However, no weekly remitter is required to pay over Connecticut income tax withholding by electronic funds transfer and to file electronically before being notified in writing by DRS.

Weekly Period Spanning Two Quarterly Periods

If a weekly remitter has two or more paydays during a weekly period, the weekly remitter is generally required to make only one payment for the weekly period to DRS and should enter the date of the last payday when making the payment. However, if the paydays fall in different quarterly

periods, the weekly remitter must make separate payments with separate Forms CT-8109 for the separate Connecticut income tax withholding liabilities.

Monthly Remitter

A *monthly remitter* is a payer whose reported liability for Connecticut income tax withholding during the look-back calendar year was more than \$2,000 but not more than \$10,000. A monthly remitter is required to pay over Connecticut income tax withholding with Form CT-8109 on or before the fifteenth day of the month following the month during which the nonpayroll amounts were paid.

Quarterly Remitter

A *quarterly remitter* is a payer whose reported liability for Connecticut income tax withholding during the look-back calendar year was \$2,000 or less. A quarterly remitter is required to pay over Connecticut income tax withholding with Form CT-8109 on or before the last day of the month following the quarterly period during which the nonpayroll amounts were paid. *Quarterly period* means a period of three calendar months that ends on the last day of March, June, September, or December.

See **Special Notice 2004(10)**, *2004 Legislation Affecting Connecticut Income Tax Withholding by Payers From Nonpayroll Amounts Paid On or After January 1, 2005*.

New Payer

Most new payers are classified by DRS as monthly remitters. A payer is a new payer for the calendar year during which the payer is first registered with DRS for Connecticut income tax withholding purposes and for the following calendar year. For the calendar year following those two calendar years, a new payer will be classified either as a weekly remitter, monthly remitter, or quarterly remitter based on the payer's annualized reported liability for Connecticut income tax withholding during the look-back calendar year.

If the tax liability was deducted and withheld during one quarter and paid over in another quarter, the employer must enter the number for the quarter in which the tax liability was deducted and withheld. For example, if the tax liability was deducted and withheld in March and paid over in April, enter "1" on Line 1 of Form CT-8109.

Annual Reconciliation

Form CT-945, *Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts*, is due from all payers of nonpayroll amounts on or before January 31. Payers of nonpayroll amounts subject to Connecticut income tax withholding are required to file Form CT-945 as long as they have an active withholding account with DRS. This is true even if no tax is due or required to be withheld for that year or even if federal Form 945 is not required to be

filed. A payer that has paid the Connecticut withholding tax in full for calendar year 2010 through timely deposits may file Form CT-945 on or before February 10, 2011.

Form CT-1096 is due on or before the last day of February following the end of the calendar year if filed using paper forms or March 31 if filed electronically. No payment is made with this form.

A payer of nonpayroll amounts who is required to file federal Form 1096 must file Form CT-1096 with every state copy of the following:

- a. Federal Form W-2G for winnings paid to Connecticut resident even if no Connecticut income tax was withheld;
- b. Federal Form 1099-MISC for payments to a Connecticut resident even if no income tax was withheld or to nonresident of Connecticut if the payments relate to services performed wholly or partly in Connecticut even if no Connecticut income tax was withheld; **and**
- c. Federal Form 1099-R but only if Connecticut income tax was withheld.

Group the forms by form number and send each group with a separate Form CT-1096. Do not make payments with Form CT-1096. All payments must be made using Forms CT-8109 and CT-945.

Electronic Filing of Forms 1099 and W-2G

A payer who files 25 or more Forms 1099-MISC, 1099-R, or W-2G must file these forms electronically with DRS. You may request a waiver of the electronic filing requirements by completing Form CT-8508 no later than January 15. Taxpayers who file 24 or fewer Forms 1099-MISC, 1099-R, or W-2G are encouraged to file electronically, but may file using paper forms and do not need to file a waiver request. See *Electronic Filing of Informational Returns* on Page 6 and the DRS website at www.ct.gov/DRS for the latest electronic filing publication for Forms 1099-MISC, 1099-R, or W-2G.

Request for Extended Due Date

Taxpayers may request an extension to file Form CT-1096 by filing **Form CT-8809**, *Request for Extension of Time to File Informational Returns*, on or before the last day of February if filing paper forms or March 31 if filing electronically.

Amended Annual Reconciliation

If an error was made on a previously-filed Form CT-945, an amended return must be filed. A payer must use **Form CT-941X**, *Amended Connecticut Reconciliation of Withholding*, to amend Form CT-945. If an error was made on a previously-filed Form CT-1096, an amended return must be filed. Payers should write "Amended" at the top of Form CT-1096 for the appropriate year and attach the corrected federal Forms 1099-MISC, 1099-R, or W-2G.

Correction/Reorder Form

Form CTC, *Withholding Correction/Reorder Form*, allows payers of nonpayroll amounts to make corrections to taxpayer identification information preprinted in the coupon book or to order an additional coupon book for the current calendar year. A payer should allow a minimum of four weeks when ordering additional coupon books.

Payment by Electronic Funds Transfer (EFT)

Payers of nonpayroll amounts whose Connecticut withholding tax liability for the 12-month period ending the preceding June 30 exceeded \$10,000 and who are notified by DRS to pay Connecticut withholding tax by EFT must pay that tax by EFT.

Each year DRS reviews each payer's Connecticut withholding tax liability. DRS notifies a payer if the requirement to pay Connecticut withholding tax by EFT no longer applies. Payers must continue to pay by EFT until notified by DRS that they are no longer required to do so.

See **Informational Publication 2009(19)**, *Paying Connecticut Taxes by Electronic Funds Transfer*.

For more information on EFT payments, call 860-297-4973.

Liability for Taxes Withheld

A payer of nonpayroll amounts is liable for the amount of the Connecticut income tax required to be withheld. For purposes of assessment and collection, amounts required to be withheld and paid over to DRS (and any penalties and interest) are the liability of the payer (as withholding agent) under the law. The payer remains liable for the tax even if a third party is withholding on the payer's behalf.

Penalties and Interest

Payers of nonpayroll amounts who fail to comply with the requirements to withhold Connecticut income tax are subject to penalties, including the following.

Late Payment Penalty

The penalty for late payment or underpayment of tax due is 10% of the amount due on all returns including Form CT-8109.

Late Filing Penalty

In the event no tax is due, the Commissioner of Revenue Services may impose a \$50 penalty for failure to file any return or report that is required by law to be filed. This late filing penalty does not apply to Form CT-8109.

Interest

If you are filing a late or amended return, interest is computed on the underpayment at the rate of 1% per month or fraction of a month from the due date until the date of payment.

Required Informational Returns

A penalty of \$5 per statement up to a total of \$2,000 per calendar year is imposed for failure to provide required federal Forms 1099-MISC, 1099-R, and W-2G to each payee and a copy to DRS unless due to reasonable cause.

Willful Evasion

A penalty equal to the total amount of the tax evaded, not collected, or not paid over is imposed on any responsible person for the willful failure of a payer of nonpayroll amounts to collect or truthfully account for income tax or for willfully attempting to evade the tax.

Fraud

In addition to any other penalty that may be imposed, a civil penalty of not more than \$1,000 is imposed where, with fraudulent intent, a payer of nonpayroll amounts fails to pay, deduct, or withhold and pay tax or to make or sign any return or supply information.

Criminal Penalties

Any person who willfully fails to pay tax, file a return, keep records, or supply information is guilty of a misdemeanor. A person who willfully files with DRS any document known to be fraudulent or false in any material manner is guilty of a felony.

What Records to Keep

A payer must maintain a current accurate record for whom there is a nonpayroll payment reporting requirement. DRS has the authority to inspect a payer's records at any time. Records should contain all of the following applicable information:

- Amounts and dates of all nonpayroll payments subject to reporting requirements;
- Names, addresses, occupations, and Social Security Numbers of persons receiving payments;
- For services performed within Connecticut by nonresident contractors, documentation identifying the type, location and date of performance of all services including contracts, agreements, and change orders;
- Financial statements, chart of accounts, general ledger, general journal, cash disbursement journals, and check registers;
- Copies of payment coupons, annual returns, and statements filed with DRS and IRS; **and**
- **Form CT-W4P**, *Withholding Certificate for Pension or Annuity Payments*.

A payer should keep records for at least four years after the date the tax becomes due or the date the tax is paid, whichever is later. However, a current, accurate copy of Form CT-W4P must be on file at all times.

How to Cancel Registration for Withholding Connecticut Income Tax

If a payer of nonpayroll amounts goes out of business or permanently stops making payments of nonpayroll amounts, the payer should notify DRS immediately by filing Form CT-945 for the current calendar year. The payer must check the box indicating that the payer no longer is making payments of nonpayroll amounts subject to Connecticut income tax withholding and must enter the last payment date on the line provided on Form CT-945.

Payers of nonpayroll amounts may send written notification to:

Department of Revenue Services
Registration Unit
PO Box 2937
Hartford CT 06104-2937

Payers of nonpayroll amounts must comply with all filing requirements for the calendar year as explained in *How to Report and Remit Taxes Withheld* on Page 10.

Related Publications

- IP 2010(1)** *Connecticut Employer's Tax Guide — Circular CT*
- IP 2009(19)** *Paying Connecticut Taxes by Electronic Funds Transfer*
- IP 2009(20)** *Federal/State Electronic Filing Handbook*
- IP 2009(17)** *Forms 1099-R, 1099-MISC, and W-2G Electronic Filing Requirements for Tax Year 2008*
- IP 2009(21)** *Connecticut Income Tax Information for Armed Forces Personnel and Veterans*
- IP 2009(35)** *Estimated Connecticut Income Taxes*
- IP 2009(36)** *Connecticut Income Tax Treatment of Gambling Winnings Other Than State Lottery Winnings*
- IP 2009(38)** *Connecticut Income Tax Treatment of State Lottery Winnings Received by Residents and Nonresidents of Connecticut*
- PS 2009(1)** *Income Tax Withholding for Athletes and Entertainers*
- PS 2008(3)** *Designated Private Delivery Services and Designated Types of Service*
- SN 2004(10)** *2004 Legislation Affecting Connecticut Income Tax Withholding by Payers From Nonpayroll Amounts Paid on or After January 1, 2005*

Effective Date: Effective January 1, 2010.

Effect on Other Documents: Informational Publication 2009(8), *Connecticut Tax Guide for Payers of Nonpayroll Amounts*, is modified and superseded in part and may not be relied upon on or after the date of issuance of this Informational Publication.

Effect of This Document: An Informational Publication addresses frequently asked questions about a current position, policy, or practice, usually in a less technical question and answer format.

Forms and Publications: Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

Paperless Filing Methods (fast, easy, free, and confidential):

Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the **TSC** to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the **TSC**. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures. **DRS E-Alerts** provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *e-alerts* from the left navigation bar.

Comparison of Federal and Connecticut Filing Rules

(for most commonly filed withholding forms)

C o n n e c t i c u t		F e d e r a l
Nonpayroll Amounts		
Withholding Payments	<i>Fast-File</i> through the <i>TSC</i> or mail payment with Form CT-8109 on the due date that the withholding tax payment is required to be made. Do not use Form CT-8109 when no payment is due. No coupon is due.	Payments are deposited as required by payer's remitter classification for federal withholding tax purposes.
Annual Reconciliation	File Form CT-945 for the calendar year. File Form CT-1096 with every state copy of federal forms listed on Pages 11. Form CT-1096 is located in the back section of the <i>Withholding Remittance Coupon Book for Payers of Nonpayroll Amounts</i> .	File federal Form 945 and federal Form 1096.

Due Dates for Filing Informational Returns Required by DRS

Due Date for CT Informational Returns		Due Date for Federal Informational Returns	
For Paper Filing	If Informational Return Filed Electronically	For Paper Filing	If Informational Return Filed Electronically for Federal Purposes
Form CT-1096 Last day of February	Form CT-1096 Last day of March	Federal Form 1096 February 28	Federal Form 1096 March 31

If any due date falls on a Saturday, Sunday, or legal holiday, the next business day is the due date.

You may request an extension of time to file the informational returns listed in the above chart. See **Form CT-8809, Request for Extension of Time to File Informational Returns**, for additional information.

CT-8109 Connecticut Withholding Tax Payment Form for Nonpayroll Amounts 2010

Connecticut Tax Registration Number ▶	Federal Employer ID Number	Year ▶
--	----------------------------	-----------

Complete the return in blue or black ink only. If name, address, or identification number(s) are incorrect, please complete Form CTC located after the instructions of this book.

Weekly Remitters Only: Enter date nonpayroll amount was paid.
 ___ / ___ / **2010**

1. Enter quarter (1, 2, 3, or 4) See instructions.	▶	
2. Connecticut tax withheld	▶	

**SUBMIT ORIGINAL COUPON ONLY.
 THIS IS A MACHINE READABLE DOCUMENT
 PERSONALIZED TO YOUR BUSINESS.**

- File electronically at **www.ct.gov/TSC**.
- **Do not file Form CT-8109 if no payment is due.**
- Pay amount shown on Line 2.
- If filing by mail:
 Use the white preprinted mailing label for PO Box 5055;
 Make your check payable to: **Commissioner of Revenue Services; and**
 Write your Connecticut Tax Registration Number on your check.

CT-945 Connecticut Annual Reconciliation of Withholding for Nonpayroll Amounts
 File electronically at **www.ct.gov/TSC**.

Connecticut Tax Registration Number ▶	Federal Employer ID Number	Due date
--	----------------------------	----------

Complete the return in blue or black ink only. If name, address, or identification number(s) are incorrect, complete Form CTC located after the instructions of this book.

1. Gross nonpayroll amounts	▶ 1.		00
2. Gross Connecticut nonpayroll amounts	▶ 2.		00
3. Connecticut tax withheld	▶ 3.		00
4. Credit from prior year	▶ 4.		00
5. Payments made for this year	▶ 5.		00
6. Total payments: Add Line 4 and Line 5.	▶ 6.		00
7. Net tax due (or credit): Line 3 minus Line 6.	▶ 7.		00
8a. Penalty:▶ + 8b. Interest:▶ =	▶ 8.		00
9. Amount to be credited	▶ 9.		00
10. Amount to be refunded	▶ 10.		00
11. Total amount due: Add Line 7 and Line 8.	▶ 11.		00

If you are no longer making payments of nonpayroll amounts subject to withholding enter date of last payment: _____.

SUBMIT ORIGINAL MACHINE READABLE COUPON ONLY. THIS COUPON IS PERSONALIZED TO YOUR BUSINESS.

DRS, PO Box 2931, Hartford CT 06104-2931

I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct.

Signature _____
Title _____ **Date** _____
Telephone number () _____

Summary of Connecticut Tax Liability
 (See *Instructions for Back of Form CT-945, Instructions - Page 4.*)

January	February	March	April	May	June
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3
4	4	4	4	4	4
5	5	5	5	5	5
6	6	6	6	6	6
July	August	September	October	November	December
1	1	1	1	1	1
2	2	2	2	2	2
3	3	3	3	3	3
4	4	4	4	4	4
5	5	5	5	5	5
6	6	6	6	6	6
7 Total liability for the year					00

CT-945 Back (Rev. 12/09)

CT-1096 Connecticut Annual Summary and Transmittal of Information Returns ▶		
Connecticut Tax Registration Number ▶	Federal Employer ID Number	Due date
Complete the return in blue or black ink only. If name, address, or identification number(s) are incorrect, complete Form CTC located after the instructions of this book.		1. Connecticut income tax withheld from Connecticut nonpayroll amounts ▶ 1. 00
		2. Total nonpayroll amounts reported with Form CT-1096 ▶ 2. 00
		3. Number of 1099s or W-2Gs submitted ▶ 3. [] [] [] [] [] [] [] [] [] []

**SUBMIT ORIGINAL COUPON ONLY.
THIS IS A MACHINE READABLE DOCUMENT
PERSONALIZED TO YOUR BUSINESS.**

- File electronically at www.ct.gov/TSC.
- **Do not send a payment with this return.**
- If filing by mail, use the pink preprinted mailing label for PO Box 5081

I declare under penalty of law that I have examined this return (including any accompanying schedules and statements) and, to the best of my knowledge and belief, it is true, complete, and correct. I understand the penalty for willfully delivering a false return or document to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

Signature _____

Title _____

Date _____

Complete for Each Period

Period	Connecticut Income Tax Withheld From Nonpayroll Amounts
January 1 - March 31 1st Quarter	
April 1 - June 30 2nd Quarter	
July 1 - September 30 3rd Quarter	
October 1 - December 31 4th Quarter	
Total: This should equal Line 1 on the front of this return.	00

If you are required to file federal Form 1096, you must file Form CT-1096 and attach every Copy 1 of:

- Federal Form W-2G reporting Connecticut Lottery winnings paid to resident and nonresident individuals whether or not Connecticut income tax was withheld; or other gambling winnings paid to resident individuals whether or not Connecticut income tax was withheld; **or**
- Federal Form 1099-MISC reporting miscellaneous payments made to resident individuals, or, where the payments relate to services performed wholly or partly within Connecticut, to nonresident individuals whether or not Connecticut income tax was withheld; **or**
- Federal Form 1099-R reporting distributions from pensions, annuities, retirement or profit-sharing plans, but only if Connecticut income tax was withheld.

Taxpayers who file **25 or more** Forms 1099-MISC, 1099-R, or W-2G are **required** to file Form CT-1096 and Forms 1099-MISC, 1099-R, or W-2G **electronically**. You may request a waiver of the electronic filing requirements by completing **Form CT-8508, Request for Waiver From Filing Informational Returns Electronically**, on or before January 15, 2011. Taxpayers who file **24 or fewer** Forms 1099-MISC, 1099-R, or W-2G are encouraged to file electronically, but may use paper forms without requesting a waiver.

For electronic reporting requirements, visit the DRS website at www.ct.gov/DRS or call DRS at **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only) or **860-297-5962** (from anywhere). TTY, TDD, and Text Telephone users **only** may transmit inquiries by calling 860-297-4911.

CT-1096 Back (Rev.12/09)

CTC**Withholding Correction / Reorder Form**

Connecticut Tax Registration Number

Federal Employer ID Number

Complete in blue or black ink only. Enter name or address change below. See reorder information and instructions on Back.

Name		
Address		
City	State	ZIP code
Telephone ()		

If address change, check applicable box(es):

- Employer (Form CT-WH)
 Payer of Nonpayroll Amounts (Form CT-8109)

Do not send payment or enclose tax return(s) with Form CTC.

Mail to:

Department of Revenue Services
 PO Box 2937
 Hartford CT 06104-2937

Signature

Title

Date

Check the Applicable Boxes for Coupon Reorder:

Booklet type: Employer Payer of nonpayroll amounts

Employers only: Additional Form CT-WH coupons for current year.

Payers of nonpayroll amounts only: Additional Form CT-8109 coupons for current year.

- Incorrect Connecticut Tax Registration Number

Enter correct CT Tax Registration No. _____

Explain _____

- Incorrect Federal Employer ID Number (FEIN)

Enter correct FEIN _____

Explain _____

CTC Back (Rev. 12/09)

Instructions

Use Form CTC to make changes to your taxpayer identification information or to order additional coupon books for the current calendar year. **Do not** use this form to order coupon books for the next year.

If you are changing your address or correcting your Federal Employer Identification Number, continue to use the coupons in this book. All transactions are processed under your Connecticut Tax Registration Number.

If there has been a change in ownership, you must apply for a new Connecticut Tax Registration Number by completing **Form REG-1, Business Taxes Registration Application**. A new coupon book will be mailed once your registration application has been processed.

Do not send payment or enclose tax return(s) with Form CTC.

Form CT-W4P Withholding Certificate for Pension or Annuity Payments

**2010
CT-W4P**

Complete this certificate in blue or black ink only.

Form CT-W4P allows Connecticut residents who receive pensions or annuities to instruct the payer of the pension or annuity to withhold Connecticut income tax.

General Instructions

You are **not required** to have Connecticut income tax withheld from your pension or annuity payments. However, you must make estimated Connecticut income tax payments if your Connecticut income tax (after tax credits) minus Connecticut income tax withheld is \$1,000 or more, and you expect your Connecticut income tax withheld to be less than your required annual payment.

Your required annual payment is the **lesser** of:

- **90%** of the income tax shown on your **2010 Connecticut income tax return**; **or**
- **100%** of the income tax shown on your **2009 Connecticut income tax return** if you filed a 2009 Connecticut income tax return that covered a 12-month period.

You do **not** have to make estimated income tax payments if:

- You were a Connecticut resident during the 2009 taxable year and you did not file a 2009 income tax return because you had no Connecticut income tax liability; **or**
- You were a nonresident or part-year resident with Connecticut source income during the 2009 taxable year and you did not file a 2009 income tax return because you had no Connecticut income tax liability.

If you were a nonresident or part-year resident and you did **not** have Connecticut source income during the 2009 taxable year, then you **must** use 90% of the income tax shown on your 2010 Connecticut income tax return as your required annual payment.

If you are a party to a civil union recognized under Connecticut law or a spouse in a marriage recognized under Public Act 2009-13, you must recalculate your federal adjusted gross income as if your filing status for federal income tax purposes were married filing jointly or married filing separately. Unless otherwise noted, any reference in these instructions to a spouse also refers to a party to a civil union.

If you wish to have Connecticut income tax withheld from your pension or annuity payments, you may either:

- Complete the worksheet on the back of this form to estimate how much income tax to have withheld, round to the nearest whole dollar, but not less than \$10, and enter this amount on Line 1. This option is for people who want to include all income in determining their withholding amount; **or**
- If you know how much you want your payer to withhold from each payment, you may fill in a **whole dollar amount**, but not less than \$10, on Line 1.

Where to File

Send this form to the payer of your pension or annuity. Do **not** send this form to the Department of Revenue Services (DRS).

If you do not want tax withheld from your pension or annuity payments do not complete or mail this form.

For More Information

Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone **users only** may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications

Visit the DRS website at www.ct.gov/DRS to download and print Connecticut tax forms and publications.

..... Separate here and mail to the payer of your pension.

Department of Revenue Services
State of Connecticut

Withholding Certificate for Pension or Annuity Payments

2010 Form CT-W4P

First name	Middle initial	Last name	Social Security Number ____ : ____ : ____
Home address	PO Box		Claim or Identification Number (if any) of your Pension or Annuity Contract
City or town	State	ZIP code	
1. Amount of Connecticut income tax you want withheld from each payment 1.			.00
Sign Here	Signature		Date

2010 Form CT-W4P Estimated Income Tax Worksheet

Use this worksheet if you wish to include all 2010 estimated income in determining withholding amount.

1. Federal adjusted gross income you expect in the 2010 taxable year: From 2010 federal Form 1040ES, 2010 Estimated Tax Worksheet, Line 1	1. _____
2. Allowable Connecticut modifications: See additions or subtractions instructions below.	2. _____
3. Connecticut adjusted gross income: Combine Line 1 and Line 2. Nonresidents and Part-Year Residents: Enter your Connecticut source income if greater than your Connecticut adjusted gross income.	3. _____
4. Connecticut income tax: Complete the <i>Tax Calculation Schedule</i> below.	4. _____
5. Apportionment factor: Connecticut residents enter 1.0000. Nonresidents and Part-Year Residents, see instructions on Page 3.	5. • _____
6. Multiply Line 5 by Line 4.	6. _____
7. Credit for income taxes paid to qualifying jurisdictions: See instructions on Page 3.	7. _____
8. Subtract Line 7 from Line 6.	8. _____
9. Estimated Connecticut alternative minimum tax: See instructions on Page 3.	9. _____
10. Add Line 8 and Line 9.	10. _____
11. Adjusted net Connecticut minimum tax credit: See instructions on Page 3.	11. _____
12. Total estimated income tax: Subtract Line 11 from Line 10.	12. _____
13. Connecticut income tax withheld or expected to be withheld during the 2010 taxable year on income other than this pension or annuity	13. _____
14. Subtract Line 13 from Line 12. If this amount is less than \$1,000, you are not required to prepay this amount.	14. _____
15. Amount to be withheld from each payment: Divide Line 14 by the number of payments you will receive in 2010. Round to the nearest whole dollar but not less than \$10.	15. _____

Tax Calculation Schedule

1. Enter the amount from Line 3 above.	1	
2. Enter personal exemption from Table A, Exemptions, Page 4.	2	
3. Connecticut taxable income: Subtract Line 2 from Line 1. If less than zero, enter "0."	3	
4. Connecticut income tax from Table B, Connecticut Income Tax, Page 4.	4	
5. Enter decimal amount from Table C, Personal Tax Credits, Page 4. If zero, enter "0."	5	•
6. Multiply the amount on Line 4 by the decimal amount on Line 5.	6	
7. Connecticut income tax: Subtract Line 6 from Line 4. Enter here and on 2010 Form CT-W4P Estimated Income Tax Worksheet, Line 4, above.	7	

Caution: If you expect to owe \$1,000 or more in Connecticut income tax after subtracting Connecticut income tax withheld, you may be required to make estimated payments. Generally, if you do not prepay (through **timely** estimated tax payments or withholding, or both) the lesser of 100% of the income tax shown on your 2009 Connecticut income tax return or 90% of the income tax shown on your 2010 Connecticut income tax return, you may owe interest at the rate of 1% per month or fraction of a month.

2010 Form CT-W4P Estimated Income Tax Worksheet Instructions

Any reference in these instructions to filing jointly includes **filing jointly for federal and Connecticut** and **filing jointly for Connecticut only**. Likewise, filing separately includes **filing separately for federal and Connecticut** and **filing separately for Connecticut only**.

Line 1: Your estimated federal **adjusted gross income**.

Adjusted gross income means wages, interest, dividends, alimony received, and all income minus certain adjustments to income such as alimony paid and qualified contributions to an IRA.

Line 2: Enter the total of your estimated allowable Connecticut modifications.

Subtractions include any items included in federal adjusted gross income that are not taxable under Connecticut law.

Additions include items taxable under Connecticut law but not included in federal adjusted gross income.

See **Form CT-1040**, *Connecticut Resident Income Tax Return*, or **Form CT-1040NR/PY**, *Connecticut Nonresident and Part-Year Resident Income Tax Return, Schedule 1 - Modifications to Federal Adjusted Gross Income* instructions.

Social Security Benefit Adjustment Worksheet

Enter the amount you expect to enter on Form CT-1040 or Form CT-1040NR/PY, Line 1.

If your filing status is **Single** or **Filing separately**, is the amount on Line 1 \$50,000 or more?

- Yes **Complete** this worksheet.
 No **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you expect to report on federal Form 1040, Line 20b, or federal Form 1040A, Line 14b, on the 2010 Form CT-W4P, Line 2.

If your filing status is **Filing jointly**, **Qualifying widow(er) with dependent child**, or **Head of household**, is the amount on Line 1 \$60,000 or more?

- Yes **Complete** this worksheet.
 No **Do not complete** this worksheet. Enter the amount of federally taxable Social Security benefits you expect to report on federal Form 1040, Line 20b or federal Form 1040A, Line 14b, on the 2010 Form CT-W4P, Line 2.

A. Enter the amount you reported on federal Publication 505, Tax Withholding and Estimated Tax, Worksheet 2-1, 2010 Estimated Tax Worksheet—Line 1, Expected Taxable Social Security and Railroad Retirement Benefits, Line 1. If Line A is zero or less, stop here. Otherwise, go to Line B.	A.	
B. Enter the amount you reported on federal Publication 505, Worksheet 2-1, Line 10. If Line B is zero or less, stop here. Otherwise, go to Line C.	B.	
C. Enter the lesser of Line A or Line B.	C.	
D. Multiply Line C by 25% (.25).	D.	
E. Expected taxable amount of Social Security benefits you reported on federal Publication 505*, Worksheet 2-1, Line 19	E.	
F. Social Security Benefit Adjustment: Subtract Line D from Line E. Enter the amount here and as a subtraction on the 2010 Form CT-W4P, Line 2. If Line D is greater than or equal to Line E, enter "0."	F.	

*You may obtain federal Publication 505 by visiting the IRS website at www.irs.gov or by calling the Internal Revenue Service (IRS) at **1-800-829-3676**.

Line 2 (continued)

Social Security Benefit Adjustment: If you file a federal income tax return as single or married filing separately and you expect your 2010 federal adjusted gross income will be **less than \$50,000**, enter as a subtraction the amount of federally taxable Social Security benefits you expect to report on your 2010 federal Form 1040, Line 20b or federal Form 1040A, Line 14b.

If you will file a federal income tax return as married filing jointly or head of household and you expect your federal adjusted gross income will be **less than \$60,000**, enter as a subtraction the amount of federally taxable Social Security benefits you expect to report on your 2010 federal Form 1040, Line 20b, or federal Form 1040A, Line 14b.

If you expect your federal adjusted gross income will be above the threshold for your filing status, complete the *Social Security Benefit Adjustment Worksheet* above. Enter the Line F amount as a subtraction on Line 2.

Military Pensions: If you are a retired member of the United States armed forces or the National Guard, enter as a subtraction 50% of the amount of federally taxable military retirement pay you expect to report on your 2010 federal income tax return.

Line 3 - Nonresidents and Part-Year Residents: If your Connecticut source income is **greater than** your Connecticut adjusted gross income, enter your Connecticut source income.

Line 5 - Nonresidents and Part-Year Residents: If your Connecticut sourced income is **greater than or equal** to your Connecticut adjusted gross income, enter 1.0000. If your Connecticut sourced income is **less than** your Connecticut

adjusted gross income, complete the following calculation and enter the result on Line 5.

$$\frac{\text{Connecticut-Sourced Income}}{\text{Connecticut Adjusted Gross Income (Line 3)}} = \text{Line 5}$$

Do not enter a number less than zero or greater than 1. If the result is less than zero, enter "0"; if greater than 1, enter 1.0000. Round to four decimal places.

Line 7 - Resident and Part-Year Residents: Enter estimated allowable credit for income taxes paid to qualifying jurisdictions. Enter "0" if not applicable. See instructions for *Schedule 2 - Credit for Income Taxes Paid to Qualifying Jurisdictions*, of Form CT-1040 or Form CT-1040NR/PY.

Line 9: If you expect to owe federal alternative minimum tax for the 2010 taxable year, you may also owe Connecticut alternative minimum tax. Enter your estimated Connecticut alternative minimum tax liability. See instructions for **Form CT-6251, Connecticut Alternative Minimum Tax Return - Individuals**.

Line 11: Enter estimated allowable adjusted net Connecticut minimum tax credit. Enter "0" if you are not entitled to a credit, or if you entered an amount on Line 9. See instructions for **Form CT-8801, Credit for Prior Year's Connecticut Minimum Tax for Individuals, Trusts, and Estates**.

Line 15: Divide the amount on Line 14 by the number of pension or annuity payments you will receive in 2010. Round to nearest whole dollar but not less than \$10. Enter this amount on Line 1 of the certificate on the front of this form.

Table A - Exemptions for 2010 Taxable Year

Use the filing status that you expect to report on your 2010 tax return and your Connecticut AGI* from *Tax Calculation Schedule*, Line 1, to determine your exemption.

Single			Filing Jointly or Qualified Widow(er)			Filing Separately			Head of Household		
Connecticut AGI*		Exemption	Connecticut AGI*		Exemption	Connecticut AGI*		Exemption	Connecticut AGI*		Exemption
More Than	Less Than or Equal To		More Than	Less Than or Equal To		More Than	Less Than or Equal To		More Than	Less Than or Equal To	
\$ 0	\$26,000	\$13,000	\$ 0	\$48,000	\$24,000	\$ 0	\$24,000	\$12,000	\$ 0	\$38,000	\$19,000
\$26,000	\$27,000	\$12,000	\$48,000	\$49,000	\$23,000	\$24,000	\$25,000	\$11,000	\$38,000	\$39,000	\$18,000
\$27,000	\$28,000	\$11,000	\$49,000	\$50,000	\$22,000	\$25,000	\$26,000	\$10,000	\$39,000	\$40,000	\$17,000
\$28,000	\$29,000	\$10,000	\$50,000	\$51,000	\$21,000	\$26,000	\$27,000	\$ 9,000	\$40,000	\$41,000	\$16,000
\$29,000	\$30,000	\$ 9,000	\$51,000	\$52,000	\$20,000	\$27,000	\$28,000	\$ 8,000	\$41,000	\$42,000	\$15,000
\$30,000	\$31,000	\$ 8,000	\$52,000	\$53,000	\$19,000	\$28,000	\$29,000	\$ 7,000	\$42,000	\$43,000	\$14,000
\$31,000	\$32,000	\$ 7,000	\$53,000	\$54,000	\$18,000	\$29,000	\$30,000	\$ 6,000	\$43,000	\$44,000	\$13,000
\$32,000	\$33,000	\$ 6,000	\$54,000	\$55,000	\$17,000	\$30,000	\$31,000	\$ 5,000	\$44,000	\$45,000	\$12,000
\$33,000	\$34,000	\$ 5,000	\$55,000	\$56,000	\$16,000	\$31,000	\$32,000	\$ 4,000	\$45,000	\$46,000	\$11,000
\$34,000	\$35,000	\$ 4,000	\$56,000	\$57,000	\$15,000	\$32,000	\$33,000	\$ 3,000	\$46,000	\$47,000	\$10,000
\$35,000	\$36,000	\$ 3,000	\$57,000	\$58,000	\$14,000	\$33,000	\$34,000	\$ 2,000	\$47,000	\$48,000	\$ 9,000
\$36,000	\$37,000	\$ 2,000	\$58,000	\$59,000	\$13,000	\$34,000	\$35,000	\$ 1,000	\$48,000	\$49,000	\$ 8,000
\$37,000	\$38,000	\$ 1,000	\$59,000	\$60,000	\$12,000	\$35,000	and up	\$ 0	\$49,000	\$50,000	\$ 7,000
\$38,000	and up	0	\$60,000	\$61,000	\$11,000				\$50,000	\$51,000	\$ 6,000
			\$61,000	\$62,000	\$10,000				\$51,000	\$52,000	\$ 5,000
			\$62,000	\$63,000	\$ 9,000				\$52,000	\$53,000	\$ 4,000
			\$63,000	\$64,000	\$ 8,000				\$53,000	\$54,000	\$ 3,000
			\$64,000	\$65,000	\$ 7,000				\$54,000	\$55,000	\$ 2,000
			\$65,000	\$66,000	\$ 6,000				\$55,000	\$56,000	\$ 1,000
			\$66,000	\$67,000	\$ 5,000				\$56,000	and up	\$ 0
			\$67,000	\$68,000	\$ 4,000						
			\$68,000	\$69,000	\$ 3,000						
			\$69,000	\$70,000	\$ 2,000						
			\$70,000	\$71,000	\$ 1,000						
			\$71,000	and up	\$ 0						

Table B - Connecticut Income Tax for 2010 Taxable Year

Single or Filing Separately	Filing Jointly or Qualifying Widow(er)	Head of Household
If the amount on Line 3 of the Tax Calculation Schedule is: Less than or equal to \$10,000, multiply by .03. More than \$10,000, but less than or equal to \$500,000, multiply the amount over \$10,000 by .05 and add \$300. More than \$500,000, multiply the amount over \$500,000 by .065 and add \$24,800.	If the amount on Line 3 of the Tax Calculation Schedule is: Less than or equal to \$20,000, multiply by .03. More than \$20,000, but less than or equal to \$1,000,000, multiply the excess over \$20,000 by .05 and add \$600. More than \$1,000,000, multiply the excess over \$1,000,000 by .065 and add \$49,600.	If the amount on Line 3 of the Tax Calculation Schedule is: Less than or equal to \$16,000, multiply by .03. More than \$16,000, but less than or equal to \$800,000, multiply the excess over \$16,000 by .05 and add \$480. More than \$800,000, multiply the excess over \$800,000 by .065 and add \$39,680.

Table C - Personal Tax Credits for 2010 Taxable Year

Use the filing status that you expect to report on your 2010 tax return and your Connecticut AGI*, from *Tax Calculation Schedule*, Line 1, to determine your decimal amount.

Single			Filing Jointly or Qualified Widow(er)			Filing Separately			Head of Household		
Connecticut AGI*		Decimal Amount	Connecticut AGI*		Decimal Amount	Connecticut AGI*		Decimal Amount	Connecticut AGI*		Decimal Amount
More Than	Less Than or Equal To		More Than	Less Than or Equal To		More Than	Less Than or Equal To		More Than	Less Than or Equal To	
\$13,000	\$16,300	.75	\$24,000	\$30,000	.75	\$12,000	\$15,000	.75	\$19,000	\$24,000	.75
\$16,300	\$16,800	.70	\$30,000	\$30,500	.70	\$15,000	\$15,500	.70	\$24,000	\$24,500	.70
\$16,800	\$17,300	.65	\$30,500	\$31,000	.65	\$15,500	\$16,000	.65	\$24,500	\$25,000	.65
\$17,300	\$17,800	.60	\$31,000	\$31,500	.60	\$16,000	\$16,500	.60	\$25,000	\$25,500	.60
\$17,800	\$18,300	.55	\$31,500	\$32,000	.55	\$16,500	\$17,000	.55	\$25,500	\$26,000	.55
\$18,300	\$18,800	.50	\$32,000	\$32,500	.50	\$17,000	\$17,500	.50	\$26,000	\$26,500	.50
\$18,800	\$19,300	.45	\$32,500	\$33,000	.45	\$17,500	\$18,000	.45	\$26,500	\$27,000	.45
\$19,300	\$19,800	.40	\$33,000	\$33,500	.40	\$18,000	\$18,500	.40	\$27,000	\$27,500	.40
\$19,800	\$21,700	.35	\$33,500	\$40,000	.35	\$18,500	\$20,000	.35	\$27,500	\$34,000	.35
\$21,700	\$22,200	.30	\$40,000	\$40,500	.30	\$20,000	\$20,500	.30	\$34,000	\$34,500	.30
\$22,200	\$22,700	.25	\$40,500	\$41,000	.25	\$20,500	\$21,000	.25	\$34,500	\$35,000	.25
\$22,700	\$23,200	.20	\$41,000	\$41,500	.20	\$21,000	\$21,500	.20	\$35,000	\$35,500	.20
\$23,200	\$27,100	.15	\$41,500	\$50,000	.15	\$21,500	\$25,000	.15	\$35,500	\$44,000	.15
\$27,100	\$27,600	.14	\$50,000	\$50,500	.14	\$25,000	\$25,500	.14	\$44,000	\$44,500	.14
\$27,600	\$28,100	.13	\$50,500	\$51,000	.13	\$25,500	\$26,000	.13	\$44,500	\$45,000	.13
\$28,100	\$28,600	.12	\$51,000	\$51,500	.12	\$26,000	\$26,500	.12	\$45,000	\$45,500	.12
\$28,600	\$29,100	.11	\$51,500	\$52,000	.11	\$26,500	\$27,000	.11	\$45,500	\$46,000	.11
\$29,100	\$52,000	.10	\$52,000	\$96,000	.10	\$27,000	\$48,000	.10	\$46,000	\$74,000	.10
\$52,000	\$52,500	.09	\$96,000	\$96,500	.09	\$48,000	\$48,500	.09	\$74,000	\$74,500	.09
\$52,500	\$53,000	.08	\$96,500	\$97,000	.08	\$48,500	\$49,000	.08	\$74,500	\$75,000	.08
\$53,000	\$53,500	.07	\$97,000	\$97,500	.07	\$49,000	\$49,500	.07	\$75,000	\$75,500	.07
\$53,500	\$54,000	.06	\$97,500	\$98,000	.06	\$49,500	\$50,000	.06	\$75,500	\$76,000	.06
\$54,000	\$54,500	.05	\$98,000	\$98,500	.05	\$50,000	\$50,500	.05	\$76,000	\$76,500	.05
\$54,500	\$55,000	.04	\$98,500	\$99,000	.04	\$50,500	\$51,000	.04	\$76,500	\$77,000	.04
\$55,000	\$55,500	.03	\$99,000	\$99,500	.03	\$51,000	\$51,500	.03	\$77,000	\$77,500	.03
\$55,500	\$56,000	.02	\$99,500	\$100,000	.02	\$51,500	\$52,000	.02	\$77,500	\$78,000	.02
\$56,000	\$56,500	.01	\$100,000	\$100,500	.01	\$52,000	\$52,500	.01	\$78,000	\$78,500	.01
\$56,500	and up	.00	\$100,500	and up	.00	\$52,500	and up	.00	\$78,500	and up	.00

* Form CT-1040NR/PY filers must use income from Connecticut sources if it exceeds Connecticut Adjusted Gross Income.

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Connecticut tax filers can file most tax returns, extensions, and estimates using the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC for free.

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Stop those paper checks and driving to the bank to deposit your Connecticut income tax refund by choosing direct deposit! **A direct deposit refund when filing through TSC is the fastest way to get your tax refund into your account!**

Green Means Stop...Receiving Paper Returns

If you file a paper return using commercial software or a tax practitioner, check the box to stop receiving a paper return. Mark your electronic calendar to remind you to purchase new software or contact your preparer.

Internet	Tax Information	Forms and Publications	Internet
	The <i>TSC</i> includes a comprehensive <i>FAQ</i> database with more than 600 searchable answers. Search by category, tax type, keyword, or phrase.	Connecticut forms and publications may be viewed, downloaded, or printed by visiting www.ct.gov/DRS the DRS website.	
Phone	For telephone assistance, call our Taxpayer Services Division at 1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only); or 860-297-5962 (from anywhere).	1-800-382-9463 (Connecticut calls outside the Greater Hartford calling area only) and select Option 2 ; or 860-297-4753 (from anywhere).	Phone
Email	Send routine tax questions to drs@po.state.ct.us (do not send account related inquiries). For account-related questions, including bill and refund inquiries, use the Secure Mailbox feature by logging into the DRS electronic <i>TSC</i> .	Email requests, including your name, address (street, city, state, and ZIP code), and the name or number of the tax product to ctforms.drs@po.state.ct.us	Email
Walk-In	Free personal taxpayer assistance and forms are available by visiting our Hartford office at 25 Sigourney Street, Hartford CT. Walk-in assistance is available Monday through Friday, 8:30 a.m. to 4:00 p.m. Directions to DRS Hartford office are available using our phone menu or visiting the DRS website. If you require special accommodations, please advise the DRS representative.		Walk-In
Federal Tax Information		Statewide Services	
For questions about federal taxes , visit www.irs.gov or call the Internal Revenue Service (IRS) at 1-800-829-1040. To order federal tax forms , call 1-800-829-3676.		Visit the <i>ConneCT</i> website at www.ct.gov for information on statewide services and programs.	