

PLEASE DO NOT WRITE IN THIS SPACE

Tax Cat. | Nebr. I.D. Number | Reporting Period | Due Date

NAME AND LOCATION ADDRESS

NAME AND MAILING ADDRESS

If you are not licensed to report withholding or are changing name and/or address, see instructions on back.

Check this box if you no longer make payments subject to withholding in Nebraska. Do not check this box if you are only changing payroll services.

1 Nebraska wages, tips, other compensation, gambling winnings, pensions and annuities, nonresident personal services, and contractor services subject to Nebraska withholding **1** **00**

2 Nebraska income tax withheld for the reporting period identified above..... **2**

Annual filers. Skip lines 3, 7, and 8. Enter the amount from line 2 on line 4.

3 Adjustments of income tax withheld for preceding quarters of calendar year, if applicable. Do not adjust withholding for any previous year or report deposits on this line..... **3**

4 Adjusted total (line 2 plus or minus line 3) (annual filers enter line 2 amount)..... **4**

5 Nebraska incentive withholding credit(s) (see instructions – if none, enter -0-)..... **5**

6 Net total (line 4 minus line 5)..... **6**

7 First monthly deposit, Form 501N filers **7**

8 Second monthly deposit, Form 501N filers **8**

9 Total tax due (line 6 minus lines 7 and 8) (annual filers, enter line 2 amount) **9**

10 Penalty (see instructions)..... **10**

11 Interest (% per year of line 9 amount if filed after due date) **11**

12 Previous balance with payments received through **12**

Check this box if your payment is being made by Electronic Funds Transfer (EFT).

13 BALANCE DUE (total of lines 9 through 12). Pay in full with return **13**

Under penalties of perjury, I declare that, as taxpayer or preparer, I have examined this return and, to the best of my knowledge and belief, it is correct and complete.

sign here Authorized Signature _____ Date _____ Signature of Preparer Other than Taxpayer _____ Date _____
Title _____ Daytime Phone _____ Address _____ Daytime Phone _____

Mail this return and remit payment. If required, payment must be made by electronic funds transfer (EFT).
NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98915, LINCOLN, NE 68509-8915
www.revenue.ne.gov, (800) 742-7474 (toll free in NE and IA), (402) 471-5729
PLEASE MAKE A COPY OF THIS RETURN FOR YOUR RECORDS.

INSTRUCTIONS

WHO MUST FILE. If you have an office or conduct business in Nebraska, and pay wages, gambling winnings, pensions and annuities, or if you make payments to nonresidents performing personal services in Nebraska or have contractor withholding, then **prior to filing any deposits or returns, you must:**

1. Apply for a withholding number on a Nebraska Tax Application, Form 20. You will be issued a withholding certificate by the state, and
2. You will be mailed a Nebraska Withholding Return, Form 941N.

If you temporarily discontinue making payments, Form 941N must still be filed for each period. If you expect to no longer make payments subject to Nebraska withholding, please check the box below your name and location address. A “final” Nebraska Reconciliation of Income Tax Withheld, Form W-3N, will be sent to you later in the year to reconcile your account. The W-3N must be filed even if you did not make payments subject to withholding.

ANNUAL FILERS. If the Nebraska income tax withheld by you is less than \$500 a year, you may be licensed to file on an annual basis. Those employers licensed to file one Form 941N to report all withheld amounts for an entire year must file the Form 941N preidentified to them on which they report the wages paid and income tax withheld for the year. In addition, Form W-3N, which is sent separately, must also be filed along with the state copies of Forms W-2 issued to employees.

WITHHOLDING TAX BASE. Nebraska requires withholding on several types of payments. These include wages, gambling winnings, and pension and annuity payments subject to federal withholding. State withholding on pensions and annuities only applies when federal withholding is made for the annuitant. Effective January 1, 2009, certain contractor payments for construction services performed in Nebraska are subject to 5 percent withholding under Neb. Rev. Stat. § 77-2753(3) and are also part of the tax base. See www.revenue.ne.gov/contractor_database.html for more information on what payments are subject to these mandatory withholding requirements. Withholding is also required on payments made to nonresidents who perform personal services in Nebraska but are not employees. See Form W-4NA which is included in Circular EN, or request the Department’s information guides for these programs for more information on Nebraska income tax withholding.

WHEN AND WHERE TO FILE. File starting with the first calendar quarter or year in which you are required to withhold state income tax.

If you are licensed as an annual filer by the Nebraska Department of Revenue, your return is due by January 31 of the following year. Caution: You cannot file on an annual basis unless you have been licensed as an annual filer. You must also separately file Form W-3N.

A return is required even if there have been no payments subject to withholding. **Mail this return and payment to the Nebraska Department of Revenue, P.O. Box 98915, Lincoln, Nebraska 68509-8915.** Checks written to the Department of Revenue may be presented for payment electronically. If required, payment must be made by electronic funds transfer (EFT). In this case, do not file Form 501N.

PREIDENTIFIED RETURN. This return is to be used only by the employer or payor whose name is printed on it. If you have not received a return from the Department for the reporting period, please request a duplicate. Do not file returns which are photocopies, or which are for another tax period. If you use an approved software form, the name and state I.D. number must match the name and number as they appear on the preidentified form sent to you.

NAME AND/OR ADDRESS CHANGES. If the business name, location, or mailing address is not correct, mark through the incorrect information and plainly print the correct information. If you have moved to a new location, please indicate this. Note, if you are licensed for sales tax under this same number, the location address must be the one used for the sales tax permit. The location address **cannot** be a P.O. box number.

If this is a name change only, and the ownership or FEIN number hasn’t changed, indicate, “**Name change only**”. If this is an ownership transfer or change, or a change in legal form, or your federal

identification number has changed, the new owner, partnership, LLC, or corporation must complete and return a **Nebraska Tax Application, Form 20**. The former owner, partnership, LLC, or corporation must cancel all permits, licenses, and certificates by filing **Nebraska Change Request, Form 22**.

PENALTY AND INTEREST. There are penalties and interest for failure to timely remit income tax withheld. The penalty is 5 percent per month, up to 25 percent, of the line 9 amount. A \$25 penalty can also be levied for failure to timely file Form 941N. Interest is at the rate shown on line 11, calculated from the due date to the date payment is received.

ANNUAL RECONCILIATION. A Nebraska Reconciliation of Income Tax Withheld, Form W-3N, will be mailed to you in early January separate from the Form 941N. A Form W-3N also will be mailed when you indicate you are no longer making payments subject to Nebraska withholding.

MONTHLY DEPOSITS, FORM 501N. If the Nebraska tax withheld is more than \$500 for the first or second month in a quarter, you must make monthly deposits. File Nebraska Monthly Withholding Deposit, Form 501N, with the Department. **Do not file Form 501N if you make your payments via EFT.** If a Form 501N is required for the first month of a quarter, one must also be filed for the second month, even if the amount withheld is not more than \$500. If you expect your monthly Nebraska income tax withheld to be more than \$500, attach a statement to your return requesting that Forms 501N be sent to you. If you are not currently receiving a Form 501N, but need to make a monthly deposit, you can make the deposit by mailing the payment along with your business name as it appears on your Nebraska Withholding Return, Form 941N, your Nebraska identification number, and the month for which the payment is made. If monthly deposits are required for more than one quarter per year, you should request that Form 501N be sent to you.

LINE 2. ANNUAL FILERS enter the amount withheld for the year on lines 2, 4, and 9. **Annual filers skip lines 3, 7, and 8.**

LINE 3. ADJUSTMENT OF WITHHELD INCOME TAX. (QUARTERLY FILERS) Use line 3 to correct errors in tax withheld from wages paid in earlier quarters of the same calendar year. Explain by attaching a statement that shows:

1. What the error was;
2. The quarter in which the error was made;
3. The amount of the error for each quarter;
4. The quarter in which you found the error; and
5. How you and your payees have settled any overcollection or undercollection.

Do not use this line to adjust income tax withholding for earlier years. Contact the Department if the Nebraska tax withheld and remitted in a prior year was incorrect.

If you have requested that an overpayment from a previous year’s Form W-3N be transferred to this year, do not use the resulting credit until it appears on line 12 of your preidentified Form 941N.

LINE 5. This credit is only available to taxpayers under the Nebraska Advantage Act or the Invest Nebraska Act who have completed their qualification audit and have earned compensation or wage benefit credits. The amount of credits used against income tax withholding shall not exceed the lesser of withholding attributable to new employees at the qualified project or the amount of credit reported on the taxpayer’s income tax return and carried forward into the quarter. Attach the Incentive Withholding Worksheet which is available at www.revenue.ne.gov.

LINE 12. A balance due or credit resulting from a partial payment, math or clerical errors, penalty, or interest on prior returns is entered in this space by the Department. The interest shown includes interest on the unpaid withholding through the due date of this return. If the amount owed is paid before the due date, interest will be recomputed and credit will be given on your next return. If the amount entered has been satisfied by a prior payment, it should be disregarded when calculating line 13.

Contact the Department if you have questions regarding a credit or balance due.