



PLEASE NOTE

The Alabama Department of Revenue requires employers submitting 25 or more W-2's or who have filed and paid electronically during the year, to electronically submit both the Form A-3 and W-2's on-line.

To electronically file your Form A-3 and W-2's on-line, go to myalabamataxes.alabama.gov.

INSTRUCTIONS FOR PREPARING FORM A-3

DUE DATE – Form A-3, Annual Reconciliation of Income Tax Withheld, is due on or before the last day of January following the end of the year being filed. Forms W-2 and 1099 with Alabama income tax withheld must be submitted with Form A-3. Employers submitting 25 or more W-2's or who have filed and paid electronically during the year are required to file these electronically.

STEP 1 – Enter the amounts of Alabama income tax withheld in the appropriate spaces in Column 1 on the right side of Form A-3. You must list monthly amounts if (a) you withheld \$1000 or more during any single month of the year, or (b) you filed on a monthly basis during the year. Otherwise, you may list only quarterly amounts.

STEP 2 – Enter in the appropriate spaces in Column 2 the amounts of Alabama withholding tax actually remitted. Include in these amounts credits claimed on Line 5 of Form A-1 or Form A-6 for overpayment of withholding tax for any prior year. (Caution: Amounts listed in Columns 1 and 2 should include only Alabama withholding tax. Do not include delinquent penalty and/or interest charges.)

STEP 3 – Add amounts listed in Step 2 (Column 2). Show total in Block 1.

STEP 4 – Enter in Block 2 the total Alabama income tax withheld on employee W-2's (or 1099's if applicable) to be transmitted with Form A-3. Note: Employers submitting 25 or more statements or who have filed and paid electronically during the year are required to file electronically. Please visit our website at: www.revenue.alabama.gov for more information.

STEP 5 – Compare the amounts in Blocks 1 and 2. If the amount in Block 1 is larger, your account is overpaid. Show amount of overpayment in Block 4 and indicate whether you want a refund or will claim credit on a future return. Overpayments of less than \$100.00 will be issued as a credit unless written request for a refund is submitted with Form A-3 and W-2 Forms. If the amount in Block 2 is larger, your account is underpaid. Show amount of underpayment in Block 3 and enclose a check or money order for such amount with Form A-3 when filed. Mail Form A-3 and wage and tax information to: Alabama Department of Revenue, Withholding Tax Section, P.O. Box 327480, Montgomery, AL 36132-7480 (telephone 334-242-1300).