

Business Process for State Tax Reporting & Compliance

Objective

- What is State Income Tax?
- How do we stay in compliance?
- Criteria
- Workday's Data Repository

What is State Income Tax?

- State Income Tax is a direct tax levied by a state on income earned.
- State laws vary and each state defines the taxability of income.
- State income tax can be based on the employee's state of residency or based on an employee's physical work location, or both.

Why must we Comply?

Texas A&M University is a registered employer with other states and their local taxing jurisdictions. Most states have unique tax laws with which Texas A&M University must comply. To that measure, Texas A&M withholds from employees, including student workers, all applicable state and local income tax, even if they preform services outside of that state.

Criteria

- All employees who claim residency or physically work in a state that levies an income tax will have state and possibly local income taxes withheld from their wages as required by law.
- These employees W2s will reflect the appropriate state tax deductions paid to the state and wages reported.

The Role of Workday

It is vital to have up-to-date information in Workday.

- Workday is configured to look at the primary work location and primary home residential address to calculate state taxes.
- Workday also stores State and Local tax elections and any tax forms that are applicable to the state.
- Once an employee completes State and Local Tax Elections in Workday, the tax department may contact them to verify their state of residency and their physical work location. Please encourage the employee to fill out the State Income Tax Verification form if requested to do so by the tax department.

Review SIT Verification Form

Employee Name		Employee UIN	
<input type="text"/>		<input type="text"/>	
Please select your campus location:			
TAMU College Station – M <input type="radio"/>		TAMU Central – K <input type="radio"/>	
TAMU San Antonio – O <input type="radio"/>		TAMU System – S <input type="radio"/>	
TAMU Corpus Christi – I <input type="radio"/>		TAMU Tarleton – T <input type="radio"/>	
TAMU Galveston – G <input type="radio"/>		TDEM – B <input type="radio"/>	
TAMU HSC – H <input type="radio"/>		TAMU Texarkana – N <input type="radio"/>	
West Texas – W <input type="radio"/>			
Physical Work Location		Date you began at Physical Work Location	
Where you physically work for TAMU, or any of the TAMU System Parts? (City and State)		If you physically work in a state other than Texas, please list the date you began working in that state for TAMU or any of the TAMU System Parts.	
City: <input type="text"/> State: <input type="text"/>		MM <input type="text"/> DD <input type="text"/> YY <input type="text"/>	
Residency Certification			
The payroll records show you claim residency in a state other than Texas, is that correct?			
<input type="checkbox"/>	No , I certify that I am a bona fide resident of the State of Texas and not subject to state income tax withholding of any other state. <i>(If this option is chosen, enter the date your Texas residency began, sign, date and return to tax@tamu.edu. Also, please update your Primary home and work addresses in Workday)</i> Date Texas residency began: MM <input type="text"/> DD <input type="text"/> YY <input type="text"/>		
<input type="checkbox"/>	Yes , I certify that I am a resident of the state indicated below and subject to the state income tax withholding of that state. <i>(If this option is chosen, complete the next two lines, sign, date and return to tax@tamu.edu.)</i>		
City and State you claim residency in:		City: <input type="text"/>	State: <input type="text"/>
Employee Mailing Address (City and State only):		City: <input type="text"/>	State: <input type="text"/>
<input type="checkbox"/>	No , an out-of-state residence is listed for me because I am/will be moving to that residence due to my TAMU employment ending on <input type="text"/> or going on LWOP effective <input type="text"/> <i>(Enter the dates associated with each option).</i> By selecting this option, I am certifying that I will not be working for TAMU while residing out-of-state. <i>(If this option is chosen, you may skip the remainder of this form, sign, date and return to tax@tamu.edu.)</i>		

Questions? Email me!

Texas A&M University

Tax Compliance and Reporting

More information, including resources, forms and instructions, can be found on our website:

<https://uas.tamu.edu/tax/>

- Stephanie Cunningham
- Email: tax@tamu.edu