_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ELECTRONIC FILING OF ANNUAL WITHHOLDING STATEMENTS BY CERTAIN EMPLOYERS; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTION 15-30-2507, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-30-2507, MCA, is amended to read:

"**15-30-2507. Annual statement by employer.** (1) Every employer shall, on or before January 31 in each year, file with the department a wage and tax statement for each employee in the form and summarizing information as the department requires, including the total wages paid to the employee during the preceding calendar year or any part of the calendar year and showing the total amount of the federal income tax deducted and withheld from the wages and the total amount of the tax deducted and withheld from the wages under the provisions of 15-30-2501 through 15-30-2509.

(2) The annual statement filed by an employer with respect to the wage payments reported constitutes full compliance with the requirements of 15-30-2616 relating to the duties of information agents, and additional information return is not required with respect to the wage payments.

(3) For tax years beginning after December 31, 2026, an employer with 50 or more employees shall file, in an electronic format approved by the department, the annual statement required under this section, together with the annual withholding statement furnished to each employee for the preceding calendar year.

(4) For tax years beginning after December 31, 2027, an employer with 26 or more employees shall file, in an electronic format approved by the department, the annual statement required under this section, together with the annual withholding statement furnished to each employee for the preceding calendar year.

(5) For tax years beginning after December 31, 2028, an employer with 10 or more employees shall file, in an electronic format approved by the department, the annual statement required under this section,

together with the annual withholding statement furnished to each employee for the preceding calendar year.

(6) (a) The department may waive the electronic filing requirement under subsections (3) through (5) if the employer demonstrates that software that satisfies the conditions of this section is not readily available or that filing electronically would create a hardship.

(b) An employer requesting a waiver shall file a written request at least 30 days before the date the electronic filing is due, including extensions for filing the annual statement.

(c) A waiver granted under this subsection (6) applies only to the tax year for which it is granted unless otherwise specified by the department.

(7) If the annual statement required to be filed electronically is transmitted on or before the due date, including extensions, and the statement is rejected, the department shall allow the employer 10 calendar days from the date of the first transmission to correct the statement for electronic resubmission.

(8) The department may adopt rules to administer and enforce the provisions of this section."

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