

Fact Sheet

Effective January 1

ANNUAL PAYMENT ELECTION

What is Annual Payment Election?

In accordance with **220 NAC (001) (B)**, an employer eligible for experience rating may elect to pay taxes due for the following tax (calendar) year on an annual basis provided they have a positive experience account balance on October 31 and they have no delinquent tax payments. In order to be eligible for this election, the employer must report hours worked by its employees on each quarterly wage report for the following tax year, in addition to the wages paid to each employee.

How do I sign up?

Election **Form 10e** must be completed and submitted by February 15 of each year. Election Form 10e will be reviewed and the employer will be notified of the approval.

What if I don't file combined tax reports timely or don't include hours worked?

Failure to submit timely Combined Tax Reports or failure to provide hours worked may result in revocation of the annual payment option. (**See interest and penalty in Guidance Document**)

What if I don't respond to "Show Cause request"?

If there is no response to the Show Cause request, the employer will be required to pay the Combined Tax due plus penalty and interest applicable. (**See interest and penalty in Guidance Document**).

Does the election have to be renewed?

Yes, every year. See Annual Renewal section of **Form 10e**.

What are the advantages of this election option?

You would only have to pay your Combined Tax once a year.

What if I change my mind?

An employer can opt out and revert back to quarterly payments at any time with proper notification (**see election process of Guidance Document**). It should be noted that the Combined Tax accumulated at the time of reverting back to quarterly filing would be due at that time.

Questions?

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