

Form 967 — Instructions Annual Withholding Report

General Instructions

Use Form 967, *Idaho Annual Withholding Report*, to:

- Report the total taxable wages and Idaho income tax withheld during the calendar year.
- Reconcile the total amount you withheld to the amount you sent to the Tax Commission for the same calendar year.
- Submit to the Tax Commission the state copy of the Forms W-2, *Wage and Tax Statements*, and any Forms 1099 with Idaho income tax withheld.

Who Must File. You must file Form 967 if you withheld Idaho income taxes during the year or had an Idaho withholding account for any part of the year.

When to File Form 967. Form 967 and W-2s are due on or before the **last day of January**, whether you're filing electronically or by paper.

Filing your 1099:

- 1099s with Idaho withholding - Complete and submit them with Form 967 and W-2s by the **last day of January**. For reconciliation purposes, this is the easiest option.
- Wait and file your 1099s no later than the last day of February. However, you must still complete and submit Form 967 and any W-2s by the **last day of January**. You must also include in the Form 967 totals, the amounts from any 1099s with Idaho withholding.

Ways to File. You can file electronically at tax.idaho.gov/efile or send the signed and completed Form 967 with W-2s and/or 1099s to:

Idaho State Tax Commission
PO Box 76
Boise ID 83707-0076

Online

Idaho requires you to file W-2s and 1099s electronically if the IRS requires you to file electronically. IRS requires electronic filing for ten or more information returns. If you're required to file electronically but don't, the report will be rejected and you'll be considered a non-filer.

You can file the following online through our website at tax.idaho.gov/efile:

W-2s with Form 967. You can file your W-2s electronically by either entering the Form 967 and W-2 details online or uploading a file. If you choose a file upload, see the specifications for filing 1099s electronically at tax.idaho.gov/taxpros.

1099s and Information Returns. You can file your 1099 and information returns electronically by uploading a file in TAP or by participating in the Combined Federal/State Filing Program. See the specifications for filing 1099s electronically at tax.idaho.gov/taxpros. Only report the

withholding amounts from the 1099s included in the file on the Form 967 (RV Record- see link in your TAP account).

If you choose to file your 1099s by the last day of February, you must still file a Form 967 by the last day of January.

If you e-file, don't send paper returns, W-2s, or 1099s.

Paper

When you file your Form 967 by paper, you must include paper W-2s and any 1099s with Idaho income tax withheld with the form. No more than ten information returns can be sent in by paper.

If you choose to wait until **February** to file your 1099s with Idaho withholding, include a copy of the Form 967 filed in January. Send it along with your paper 1099s to the Tax Commission.

Combined Federal/State Filing Program for 1099s and Information Returns

Idaho participates in and encourages the use of the 1099 Combined Federal/State Filing Program. You must complete Form 967 if your information returns have Idaho income tax withheld, or you have an active withholding account. Include all Idaho wages and withholding information from 1099s, and any W-2s. Check the combined federal/state filing box on line 9. Send the Form 967 and any W-2s to the Tax Commission by the **last day of January**.

If you file your 1099s and other information returns through the Combined Federal/State Filing Program, don't file them electronically through our website, and don't submit paper copies with your Form 967.

Rounding Amounts. Round the amounts on Form 967 to the nearest whole dollar. Round down if 49 cents or less, round up if 50 cents or more.

Records and Forms Needed to Complete the Reconciliation Process:

- Payroll records.
- Form W-2s and any 1099s with Idaho income tax withheld.
- Record of Idaho withholding payments.
- Form 967, *Idaho Annual Withholding Report*.

Required Information for State W-2s and 1099s:

- Employer's name and address.
- Employer's EIN (federal Employer Identification Number that the IRS assigns you).
- Employer's 9-digit Idaho withholding account number from the top of Form 967. Don't include the "-W" or "-09" at the end of the number and don't enter "applied for".
- Employee's name and address or ITIN.
- Employee's Social Security number.
- State abbreviation (ID).

- Federal and state taxable wages.
- Idaho income tax withheld.
- Tax year.

All copies of W-2s and 1099s must be legible and unaltered.

Specific Instructions

Wages and Withholding

Complete the *Record of Idaho Withholding Payments Worksheet* before completing Form 967. You don't need to mail it to the Tax Commission. You can find the worksheet at tax.idaho.gov (under **Forms and Guides** at the top of the page, click Withholding Forms).

Form 967 Instructions

Line 1. Enter the total Idaho taxable wages shown on the W-2s.

Line 2. Enter the total Idaho tax withheld included on your W-2s (Box 17) and 1099s.

Line 3. Enter the total of Idaho income tax withholding payments you made during the calendar year.

Line 4. Subtract line 3 from line 2. This is your remaining tax due (or overpayment).

If line 2 is larger than line 3, you have underpaid your Idaho withholding and will owe additional tax. If line 3 is larger than line 2, you have overpaid your withholding and might be entitled to a refund.

Line 5. Enter the penalty on the balance due. If line 4 is zero or a credit, enter 0.

If you file your Form 967 late, a penalty will be calculated on any unpaid withholding tax due at five percent (5%) per month after the due date of the return.

If you file your Form 967 on time, but don't pay all withholding tax due, a penalty of one-half percent (0.5% or .005) per month will be charged until paid in full.

The minimum penalty is \$10. The maximum penalty is 25% of the tax due.

Line 6. Enter the interest on the balance due. If line 4 is zero or a credit, enter 0.

Interest accrues on the unpaid tax balance from the due date of the Form 967 to the date paid. Interest rates are:

01/01/2026 – 12/31/2026, 6% per year; .00016438 daily
 01/01/2025 – 12/31/2025, 6% per year; .00016438 daily
 01/01/2024 – 12/31/2024, 6% per year; .00016393 daily
 01/01/2023 – 12/31/2023, 5% per year; .00013699 daily

If the tax payment is received after the due date of the Form 967, interest will be computed on the balance due at

the appropriate rate. For the calculation, multiply the *tax due x the daily rate x the number of days late*.

Example: Additional tax due of \$250 is paid 100 days late for tax year 2025.

$\$250 \times .00016438$ (2025 rate) \times 100 days = \$4.11 interest

Line 7. Enter the total of lines 4, 5, and 6.

Statements Submitted

Line 8. Enter the number of W-2s submitted with the Form 967.

Line 9. Enter the number of 1099s with Idaho income tax withheld submitted with the Form 967 or the Combined Federal/State Filing Program.

Check the box if you filed 1099s using the Combined Federal/State Filing Program.

Line 10. Add lines 8 and 9. Enter the total number of statements submitted.

Line 11. The penalty for late filing of W-2s and 1099s is \$2 per month (or part of a month) for each W-2 and 1099 (minimum \$10 – maximum \$2,000). Penalty is due if W-2s aren't received by the **last day of January** and if the 1099s aren't received by the last day of February.

Line 12. Add lines 7 and 11. Enter the tax due on line 12a or the refund amount on line 12b. Don't enter information on both lines.

You must sign your return to make it valid. Unsigned returns might result in the delay or denial of credits or refunds.

If you had an active withholding account for any part of the year, you must file Form 967 even if you had no employees, paid zero wages, or withheld no tax.

Amending the Form 967 and Correcting W-2s

Amended Form 967s and Form W-2Cs can't be filed electronically.

Amending the Form 967:

- Complete a new Form 967 using the correct amounts. If you don't have a copy of your Form 967, call the Tax Commission to request one.
- Check the "Amended" box.

Correcting Form W-2s:

If you issued an incorrect W-2, you must issue a corrected W-2 using the federal Form W-2c, and send all copies to all required government agencies.

Send the amended Form 967 and Form W-2Cs to:

Idaho State Tax Commission
 PO Box 76
 Boise, ID 83707-0076

Contact us:

In the Boise area: (208) 334-7660 | Toll free: (800) 972-7660

Hearing impaired (TDD) (800) 377-3529

tax.idaho.gov/contact