



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
Cory Fong, Commissioner

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June 2, 2003

**Notice To Employers:  
2003 Withholding Tax Law Change**

Dear Employer:

The 2003 North Dakota Legislature recently passed House Bill 1108 amending North Dakota's income tax withholding law. A new provision was added to North Dakota Century Code § 57-38-60 relating to a payroll service provider's requirement to electronically file and pay North Dakota withholding taxes. For this purpose, a "payroll service provider" means a third-party business that (1) contracts with an employer to file and pay the federal and state withholding taxes on behalf of the employer and (2) files and pays the employer's *federal* withholding taxes *electronically*.

Beginning with the tax period ending September 30, 2003 (3rd quarter of 2003), a payroll service provider (as defined above) must file and pay North Dakota withholding taxes electronically. This includes the year-end filing of the wage information returns (Form W-2).

**If you are contracting with a payroll service provider** (as defined above), but your provider is not filing and paying your North Dakota withholding taxes electronically, you must register for North Dakota's withholding e-file program. If you are not sure whether your provider is electronically filing and paying your North Dakota withholding taxes, contact your provider.

To register, a Form 301-EF must be completed and filed with the Office of State Tax Commissioner. On the form, there are sections for both you and your provider to complete. Therefore, you must contact and work with your provider to ensure that the form is properly completed. The completed Form 301-EF (and voided check, if required) must be mailed or faxed to the North Dakota Office of State Tax Commissioner on or before September 15, 2003.

**If you do not contract with a payroll service provider**, this law change does not affect you, and you do not have to take any action with respect to this notice. If you are interested in learning more about North Dakota's electronic filing and payment programs, call our Withholding Tax Section at (701) 328-3125 and ask for the brochure entitled *North Dakota Withholding Taxes: Electronic Funds Transfer*.

If you have any questions, please contact our Withholding Tax Section as follows:

**Web site:** [www.nd.gov/tax](http://www.nd.gov/tax)  
**E-mail:** [withhold@state.nd.us](mailto:withhold@state.nd.us)  
**Telephone:** (701) 328-3125  
**Fax:** (701) 328-0146