GENERAL INSTRUCTIONS
Employers withholding city income tax are required to annually reconcile the city income tax withheld to the city income tax withholding paid. Form GR-W-3, Employer’s Annual Reconciliation of Income Tax Withheld, is the form used to make this reconciliation. A copy of each Form W-2 issued by the employer is required to be filed with Form GR-W-3. Electronic filing of Forms W-2 via CD-ROM or DVD is allowed by some cities. Refer to the city’s website for information about acceptance of electronic filing of Forms W-2 and the Form W-2 file formats accepted by the city. Forms W-2 cannot be submitted in PDF format.

IRC Sec. 3405 Agent
An employer’s withholding agent under Internal Revenue Code (IRC) Sec. 3405 must also become the employer’s withholding agent for the city. This is accomplished by the Employer and the IRC Sec. 3405 withholding agent filing Form GR-2678, Employer/Payor Appointment of Agent with the city. This type of withholding agent files city income tax Form GR-W-3 and the associated Forms W-2 under the withholding agent’s federal employer identification number (FEIN). When filing Form GR-W-3 with the city, the reporting agent shall report the employer’s name and FEIN on Form GR-W-3. A non-certified professional employer organization (PEO) may be an IRC Sec. 3405 reporting agent.

Certified Professional Employer Organization (CPEO)
Starting in year 2016, a PEO may be certified under IRC Sec. 3511(a)(1). A CPEO becomes the co-employer of record responsible for city income tax withholding and must register with the city by filing Form GR-SS-4, Employer’s Withholding Registration. The CPEO must file Form GR-W-3 and associated Forms W-2 under their FEIN. When filing Form GR-W-3 with the city, the CPEO shall report the employer’s name and FEIN on Form GR-W-3.

Common Paymaster
A common paymaster must file Form GR-W-3 and associated Forms W-2 under the same FEIN as the one used on the federal Forms W-3 and W-2.

Filing Form GR-W-3
Withholding Payments Made Under More Than One FEIN.
When withholding tax paid was reported to the city under more than one FEIN, Form GR-W-3S, Employer’s Annual Reconciliation of Income Tax Withheld, must be filed with Form GR-W-3. Form GR-W-3S, Summary of Withholding Tax Paid section identifies all FEIN’s under which withholding tax payments were made and the month or quarter of each payment. The form totals the withholding tax payments made under each FEIN and the totals all of the withholding tax payments made on line 9. The total of all withholding tax payments are also entered on Form GR-W-3, line 9.

Tax Withheld on Forms W-2, Box 19, Reported under More Than One FEIN (Form W-2, box b)
When the Forms W-2 filed with Form GR-W-3 report more than one employer FEIN in Form W-2, box b, Form GR-W-3S must be filed with Form GR-W-3. Form GR-W-3S identifies all FEINs under which Forms W-2 were filed, the number of Forms W-2 filed under each FEIN and the locality name reported, Forms W-2, box 20.

SPECIFIC INSTRUCTIONS FOR FORM GR-W-3
Line 1. Enter the name of the employer, IRC Sec. 3504 agent or CPEO.
Line 2. Enter the street address including suite or room number of the person named on line 1.
Lines 3, 4 and 5. Enter the city, state and zip code under the respective line number.
Line 6. Enter FEIN of the person named on line 1.
Line 7. Enter the due date if not already preprinted.
Line 8. If the entry on line 1 is an IRS Sec. 3504 agent or a CPEO, enter the employer’s or co-employer’s FEIN

Summary of withholding tax paid section. Under this section report the actual tax withheld each month and the withholding tax deposits and payment made each month or quarter. If withholding tax payments were made under FEIN’s in addition to the one reported on line 6, write across this section “SEE FORM GR-W-3S and complete the Summary of Withholding Tax Paid section of Form GR-W-3.

Line 9. Enter the total withholding tax paid from the lines above or if withholding tax was paid under more than one number, the total from form GR-W-3S, line 9.
Line 10. Enter the number of Forms W-2 attached to this form or if Forms W-2 were filed under more than one FEIN, enter the total from Form GR-W-3S, line 11.
Line 11. Enter the total tax withheld as reported on the attached Forms W-2 or if Forms W-2 were filed under FEINs other than the one reported on line 6, enter the total from Form GR-W-3S, line 11.

Forms W-2 must be submitted with Form GR-W-3. The preferred format is the federal EFW2 format. The city tax proprietary (CTP) format may also be used. Electronic format Form W-2 data must be submitted on CD-ROM or DVD. See Appendix K for specifications. Forms W-2 cannot be submitted in PDF format. Paper copies of the actual Forms W-2 are acceptable. A listing, summary or printout of Form W-2 data will not be accepted.
Submit only Forms W-2 for employees subject to the city’s income tax and Forms W-2 reporting city tax withheld for the city. Form W-2, box 20, data should only be an authorized locality name abbreviation. See Appendix D for a listing of authorized locality name abbreviations.

Line 12. Enter the balance due, line 9 less line 11. If no balance due enter a zero (0). The balance due must be paid full with Form GR-W-3.

Line 13. Enter any overpayment, line 11 less line 9. If no overpayment, enter a zero (0). A refund of any overpayment will not be made unless a letter explaining the overpayment and requesting the refund is submitted with Form GR-W-3.

Line 14. Have the individual responsible for preparing Form GR-W-3 sign the return on line 14.

Line 15. Type or print the name and title of the individual signing the return on line 14.

Line 16. Enter the date the reconciliation was signed.

Line 17. Enter the phone number of the individual signing the return.

After Form GR-W-3 is completed, please double check the entries on lines 1 through 6. Also, if Form GR-W-3 is submitted by a Sec 3504 agent or a CPEO, check the employer’s name and FEIN reported for the employer on lines 8a and 8b.

Filing Form GR-W-3
Mail the completed Form GR-W-3 along with the Forms W-2, payment of any tax due, a letter explaining any overpayment and requesting a refund if necessary and Form GR-W-3S if necessary to:
   Grand Rapids Income Tax Department
   PO Box 347, Grand Rapids, MI 49501-0347

SPECIFIC INSTRUCTIONS FOR FORM GR-W-3S
Line 1. On line one, enter the name as stated on Form GR-W-3 line 1.

Line 6. Enter the FEIN of the person named on line 1.

Summary of Withholding Tax Paid
Complete this section only when withholding tax was paid to the city under more than one FEIN. Use a separate column to report withholding tax paid under each FEIN by listing the FEIN of the payor and the payments on the line for the corresponding month or quarter. Enter the total withholding tax paid under each FEIN on the totals line of the column. On line 9 enter the grand total of withholding tax paid under all FEINs. Also enter the total tax withheld on Form GR-W-3, line 9.

Summary of Forms W-2 submitted
Complete this section only when Forms W-2, filed with Form GR-W-3, report more than one FEIN in box b. Use a separate line for each FEIN reported on Form W-2, box b. In the related column for each line enter the FEIN, the number of Forms W-2 filed under the FEIN, the total tax withheld under the FEIN and the abbreviation for the locality name of the city which for Grand Rapids is MIGRR. The abbreviation of MI-GRR is also acceptable for printed paper W-2 forms only.

Line 10. Total the number of forms W-2 listed in this column and enter the total on line 10. Also enter this total on Form GR-W-3, line 10.

Line 11. Total the amount of tax withheld listed in this column and enter the total on line 11. Also enter this total on Form GR-W-3, line 11.

Complete the reconciliation process by completing Form GR-W-3, lines 12 through 17. Submit this Form GR-W-3 along with Form GR-W-3 and the related forms W-2.

DISCLAIMER NOTICE
These instructions are interpretations of the Uniform City Income Tax Ordinance, MCLA 141.601 et seq. The Grand Rapids Income Tax Ordinance will prevail in any disagreement between these instructions and the ordinance.