

N E W S R E L E A S E

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**California employers now report state payroll taxes
quarterly rather than annually**

Expanded online services offered for managing payroll taxes

SACRAMENTO – Starting with the first quarter of 2011, employers must begin filing their payroll taxes quarterly, according to the state Employment Development Department (EDD). This reporting change accompanies the implementation of a new automated system for administering California's payroll tax programs, the most significant change in the state's payroll tax process in the past 25 years.

This upgraded system includes enhanced online options for employers, providing more convenience and allowing employers to go almost completely paperless in meeting their filing and payment obligations. Quarterly reporting and the new payroll tax system will enable EDD to identify tax overpayments sooner and send refunds out to employers more quickly. In addition, identifying tax underpayments more quickly should lead to increased revenue for the state.

"This new system is a remarkable step forward, one that has enabled us to offer easier and faster ways for California's employers to handle a wide range of payroll tax responsibilities," said EDD Chief Deputy Director Pam Harris. "Employers can now go online, quickly register and use these new services, and be confident that their information is secure."

Employers will receive two new forms to implement the reporting change: the *Quarterly Contribution Return and Report of Wages* (DE 9) and the *Quarterly Contribution Return and Report of Wages (Continuation)* (DE 9C). The DE 9 form replaces the *Annual Reconciliation Statement* (DE 7), and the DE 9C form replaces the *Quarterly Wage and Withholding Report* (DE 6).

Employers should use the new DE 9 and DE 9C forms to file their payroll taxes beginning with the first quarter of 2011. For 2010 and earlier taxes, employers should continue to file the DE 6 and DE 7 forms.

(more)

As part of this overall effort to improve services for employers, EDD also launched a major upgrade of its online services. Employers can now use these newly-expanded “e-Services for Business” to manage their payroll tax accounts and responsibilities quickly and efficiently over the Internet at any time of the day, 7 days a week.

Using e-Services for Business, employers and their representatives can:

- Register online for an EDD account number.
- Access their account information 24 hours a day, 7 days a week.
- File more payroll tax forms and other reports online.
- Make payroll tax deposits and other payments online, using credit cards and electronic funds transfer.
- View their payment history, liability for each period, and any balance due.
- Pay additional liability types with a credit card.
- View payroll tax correspondence from EDD.
- View their Unemployment Insurance tax rate and rate history.

Employers can enroll for e-Services for Business quickly and easily on EDD’s website, with user-friendly prompts to guide them through the enrollment process. For more information on the new e-Services, go to EDD’s website at www.edd.ca.gov.

Further information concerning the change to quarterly reporting can be found at www.edd.ca.gov/Payroll_Taxes/Important_Payroll_Tax_Changes_in_2011.htm.

The new DE 9 and DE 9C forms, and their print specifications, are available online at www.edd.ca.gov/Payroll_Taxes/Forms_and_Publications.htm. The forms are also available in paper format at all local EDD offices.

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