

Kansas Department of Revenue  
**Promoting Employment Across Kansas (PEAK)**  
**Alternative to Retention Filing**

As per PEAK legislation, companies participating in the program are required to retain 95% of Withholding for all PEAK eligible employees while remitting 100% Withholding for all other employees. This has created considerable problems for companies unable to remit two types of payment for a single company.

Through an agreement with the Kansas Department of Revenue (KDOR) and the Department of Commerce, an alternative payment method has been established allowing companies that cannot separate payments between PEAK and non-PEAK employees to submit 100% of the Withholding then be refunded the retention amount on a quarterly basis. Department administrative fees may apply to companies choosing to use this method to cover additional processing costs. To file and pay in this format, the PEAK company will make this election on the PEAK application filed with the Department of Commerce.

Companies electing to file and pay using the alternative method must still complete all required filings as outlined in the "PEAK End-of-Year Electronic Reporting Requirements" document.

Like all other businesses participating in the PEAK program, two tax accounts will be established to reconcile Withholding payments. For businesses opting for the alternative filing method, 100% of the withholding retained and all reports and returns will be filed through the non-PEAK account. This account typically ends and an "F01" or "F02" suffix. Using the quarterly reports submitted to the Department of Commerce, KDOR will manually create returns and payments for the PEAK account ending in "F50". After this reconciliation, the PEAK overpayment will be refunded to the business.

#### **KW-5 Withholding Payments**

Withholding payments may be remitted either through the Department's online business tax center, [www.webtax.org](http://www.webtax.org), or through the taxpayer's bank in the form of an ACH Credit. Payments are made at the designated payment frequency and should total 100% of the amount withheld.

#### **KW-3 Annual Withholding Tax Return**

The KW-3 return is due the last day of February following the applicable tax year. A KW-3 is required for each Withholding tax account. Alternative filers will be required to file one tax return reporting 100% of the amount withheld and payments made. This return must be filed electronically either through a payroll processing company or the Department's online business center, WebTax.

#### **W-2/1099 Withholding Reports**

All businesses must submit W-2 and 1099 Withholding reports by the end of February following the tax year. W-2 wage reports should reflect the actual wages and amounts withheld. W-2 and 1099 reports can be input or uploaded through the Department's WebTax application. If a company uses a payroll provider, the payroll provider may provide the data to the Department electronically.

#### **PEAK Summary Data**

The PEAK Summary Data is essential to determine how much should have been retained by the employer for all PEAK eligible employees. The summary requires that information be reported for all employees. The report is due the last day of February following the tax year. Please see the "PEAK End-of-Year Electronic Reporting Requirements" document for additional information about the PEAK Summary Data Layout.