Out-of-State Tax Authority Locator Report

Use this report to identify the tax area and tax authorities that may be applicable to an out-of-state employee based on where they are living and/or working. This information will be used to create the employee's Residence Tax Area (0207) and Work Tax Area (0208) infotype records.

Related Procedures:

Additional Steps for Out-of-State Employees

Residence Tax Area

Work Tax Area

Related Resources:

Payroll Out-Of-State Employee Tax Resources

Out-of-state Remote Work Guidance and Resources

Authorized Roles:

Payroll Analyst

Payroll Processor

Payroll Inquirer

Payroll Supervisor

Personnel Administration Processor

TIPS:

Washington, Oregon, and Idaho are the only states with tax areas configured in HRMS. For employees who reside and/or work outside of Washington, Oregon, or Idaho, the tax areas should remain as WA and any out-of-state taxes will need to be calculated and collected manually.

See Additional Steps for Out-of-State Employees for more information on setting up an out-of-state employee.

Work with your agency's personnel administration processor to verify that the employee's Permanent residence and Out-of-State Work Location records are accurate in the Addresses (0006) infotype.
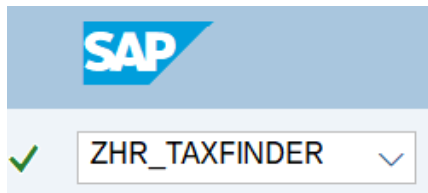
Agencies will not be able to save an Oregon or Idaho residence or work tax area unless they have completed the Additional Steps for Out-of-State Employees – Set-up Tax ID Number for Out-of-State Tax Processing procedure first. This report will identify whether the tax company is set up for the suggested tax area(s).

City of Canby Ltd (OR06) is currently unavailable in this report and will not return as a suggested tax area or tax authority. This affects employees who work in the Canby Area Transit District. You can work directly with the City of Canby to verify if a specific address is within their district boundaries.

The Out of State Tax Authority Locator Report will suggest tax areas or tax authorities based on the addresses used. It is the employer's responsibility to identify and assign the correct taxes to an employee based on the tax entities' rules. If you are not sure whether a particular tax applies to a particular employee, then work with your legal counsel.

Step 1

Enter transaction code ZHR_TAXFINDER in the command field and click the Enter button.

Step 2

Complete the Choose Employee or Entered Address section.

Select one of the following radio buttons:

- Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax
- Use OOS Work Location for both Residence and Work Tax
- Use Permanent Residence for both Residence and Work Tax
- Use Permanent Residence for Residence Tax and Washington for Work Tax
- Use Address entered below for both Residence and Work Tax

TIPS:

The Choose Employee or Entered Address section will determine the data that will display in the results.

The radio button will default to Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax but can be changed to a different selection.

Select one of the following radio buttons depending on which address(es) you would like to use for the employee's residence and work location:

- Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax to return tax authority information based off the employee's Permanent Residence and Out of State (OOS) Work location records within the Addresses (0006) infotype.

o Choose this selection if an employee's Permanent residence and Out-of-State Work Location are correct within the Addresses infotype and you want to use those addresses for the residence and work tax lookup.

- Use OOS Work Location for both Residence and Work Tax to return tax authority information based off the employee's Out of State Work Location record within the Addresses (0006) infotype.
    - o Choose this selection if you want to ignore the employee's current Permanent residence address and use their current Out of State Work Location address for both residence and work tax lookup.
- Use Permanent Residence for both Residence and Work Tax to return tax authority information based off the employee's Permanent Residence record within the Addresses (0006) infotype.
    - o Choose this selection if you want to ignore the OOS Work Location address and use their current Permanent residence address for both residence and work tax lookup.
    - o Note: When using this selection, the system may not be able to accurately identify the work tax area in Oregon transit districts that rely on the county, since the employee's Permanent residence address record doesn't include the actual Oregon county. Consider using one of the other selection options as appropriate.
- Use Permanent Residence for Residence Tax and Washington for Work Tax to return tax authority information based off the employee's Permanent residence record within the Addresses (0006) infotype and automatically uses Washington for work tax.
    - o Choose this selection if the employee's permanent residence is outside of the state of Washington and the employee's work location is in the state of Washington. Note: the employee will not have an OOS Work Location address record if they work exclusively in Washington.
- Use Address entered below for both Residence and Work Tax to return tax authority information based off the address you manually enter in the Address section below.
    - o Choose this selection if the personnel administration processor has not yet updated the employee's address records.

Step 3

Complete the Employee section.

The following field is conditional:

- Personnel Number

Employee	
Personnel Number	20156060

TIPS:

Enter the employee's Personnel Number if you selected one of the following radio buttons:

- Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax
- Use OOS Work Location for both Residence and Work Tax
- Use Permanent Residence for both Residence and Work Tax

- Use Permanent Residence for Residence Tax and Washington for Work Tax

Do not enter a Personnel Number if you selected Use Address entered below for both Residence and Work Tax.

Only one personnel number can be entered. If you have multiple employees, you will need to execute this report for each one individually.

Step 4

Complete the Tax Effective Date section.

The following field is conditional:

- Pay Date

Tax Effective Date	
Pay Date	06/13/2024

TIPS:

The Tax Effective Date section will determine the effective date of your report results.

The Pay Date will default to Today but can be changed to a different date.

Enter the check date for the out-of-state work or residence location if you selected one of the following radio buttons:

- Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax
- Use OOS Work Location for both Residence and Work Tax
- Use Permanent Residence for both Residence and Work Tax
- Use Permanent Residence for Residence Tax and Washington for Work Tax

If you are uncertain of the check date, refer to the Payroll Calendar.

If you selected Use Address entered below for both Residence and Work Tax, you do not need to adjust the Pay Date field.

Step 5

Complete the Address section only if you selected Use Address entered below for both Residence and Work Tax.

Address

Tax Company	1050
Address 1	1103 W Main St
Address 2	
City	Middleton
County	Canyon
State	ID
ZIP Code	83644

TIPS:

Use the Address section if the personnel administration processor has not yet updated the employee's address(es).

The Tax Company, Address, City, State and Zip Code fields are required.

The County field is recommended but not required. However, if a county is not entered, the system may not be able to accurately identify the work tax area in Oregon transit districts that rely on the county.

It is strongly recommended that you use the USPS Address Lookup Tool to ensure the address is entered correctly. Otherwise, the report will return an error message. For example, this error message presented because the county of Multnomah was misspelled.

```
Messages returned from TaxLocator

Message Code   Message Text

1119      NO MATCH FOUND FOR [ PORTLAND ] IN COUNTY [ MULTANOMAH ].
```

Step 6

Click the Execute button.

Sample report results:

```
Out-of-State Tax Authority Locator
```

```
Employee Number :  20156060
Employee Name   :  TURNER PAIGE
Effective Date  :  06/13/2024
```

Address Read from Employee Permanent Address

```
Address 1       :  722 MAIN ST
Address 2       :
City            :  MIDDLETON
County          :  Out of State
State           :  ID
Zip             :  83644
```

Address Read from OOS Work Location

```
Address 1 :  722 MAIN ST
Address 2 :
City      :  MIDDLETON
County    :  Canyon
State     :  ID
Zip       :  83644
```

Tax Authorities Based on Residence Tax Area

R/W	Tax Authority	Description	County	Tax Type	Wage Type	Description
R	FED	Federal		001	/401	Withholding Tax
R	FED	Federal		003	/403	Employee Social Security Tax
R	FED	Federal		005	/405	Employee Medicare Tax
R	ID	Idaho		001	/401	Withholding Tax

Tax Authorities Based on Work Tax Area

R/W	Tax Authority	Description	County	Tax Type	Wage Type	Description
R	FED	Federal		001	/401	Withholding Tax
R	FED	Federal		003	/403	Employee Social Security Tax
R	FED	Federal		004	/404	Employer Social Security Tax
R	FED	Federal		005	/405	Employee Medicare Tax
R	FED	Federal		006	/406	Employer Medicare Tax
W	ID	Idaho		001	/401	Withholding Tax
W	ID	Idaho		010	/410	Employer Unemployment Tax
W	ID	Idaho		018	/418	Employer Workforce Devlmt Tx
W	ID	Idaho		029	/429	Special Admin Reserve Fund Tax

Messages returned from TaxLocator

```
Message Code   Message Text
```

Tips for State:

```
Use ID (Idaho) as the tax area for infotype 0207
Effective date of the new IT0207 record is based on when paid, use the actual check date.
Use ID as the tax area for infotype 0208.
The effective date of infotype 0208 is based on when worked.
Infotype 0209 should be ID if employee is localized to Idaho
```

Validate Business Numbers for Tax Company: 1790

```
1790 ID    001 006060016          Registration Number Configured
1790 ID    010 006060016          Registration Number Configured
Tax Company 1790 Is fully configured for all tax authorities / tax types
```

TIPS:

 The report will return the following information:

Address Read from Employee Present Address section displays the employee's Permanent residence address. Address Read from OOS Work Location section displays the employee's Out-of-State Work Location address(es).

```
Address Read from Employee Permanent Address

Address 1        :   722 MAIN ST
Address 2        :
City             :   MIDDLETON
County           :   Out of State
State            :   ID
Zip              :   83644


Address Read from OOS Work Location

Address 1 :   722 MAIN ST
Address 2 :
City      :   MIDDLETON
County    :   Canyon
State     :   ID
Zip       :   83644
```

Tax Authorities Based on Residence Tax Area section displays tax authorities and tax types that might be applicable based on the employee's Permanent residence address. The last tax authority listed will typically align with the tax area that should be entered on the employee's Residence Tax Area (0207) record. One exception is if only Federal (FED) tax authorities are returned, then select the State of Washington (WA) as the residence tax area.

```
Tax Authorities Based on Residence Tax Area

R/W Tax Authority  Description      County          Tax Type  Wage Type  Description

R   FED            Federal                          001       /401       Withholding Tax
R   FED            Federal                          003       /403       Employee Social Security Tax
R   FED            Federal                          005       /405       Employee Medicare Tax
R   ID             Idaho                            001       /401       Withholding Tax
```

Tax Authorities Based on Work Tax Area section displays tax authorities and tax types that might be applicable based on the employee's Out-of-State Work Location address(es). This section will also include tax authorities that may apply if the work is localized to that address's state, however, localization is entered on Unemployment State (0209) and may be different than what's suggested here.

The last tax authority listed will typically align with the tax area that should be entered on the employee's Work Tax Area (0208) record. However, keep in mind that City of Canby Ltd (OR06) will not appear in this report.

```
Tax Authorities Based on Work Tax Area

R/W Tax Authority  Description      County          Tax Type  Wage Type  Description

R   FED            Federal                          001       /401       Withholding Tax
R   FED            Federal                          003       /403       Employee Social Security Tax
R   FED            Federal                          004       /404       Employer Social Security Tax
R   FED            Federal                          005       /405       Employee Medicare Tax
R   FED            Federal                          006       /406       Employer Medicare Tax
W   ID             Idaho                            001       /401       Withholding Tax
W   ID             Idaho                            010       /410       Employer Unemployment Tax
W   ID             Idaho                            018       /418       Employer Workforce Devlmt Tx
W   ID             Idaho                            029       /429       Special Admin Reserve Fund Tax
```

Messages returned from TaxLocator section will display an error message if the employee's address was not entered correctly. For example, this error message presented because the county of Multnomah was misspelled.

```
Messages returned from TaxLocator

Message Code   Message Text

1119      NO MATCH FOUND FOR [ PORTLAND ] IN COUNTY [ MULTANOMAH ].
```

This section will be blank if the address is correct and there are no messages.

```
Messages returned from TaxLocator

Message Code   Message Text
```

Tips for State section provides important information about what tax areas and tax authorities apply to an employee, as well as suggested effective date guidance. This information should be used to create the employee's Residence Tax Area (0207) and Work Tax Area (0208) infotype records.

```
Tips for State:

Use ID (Idaho) as the tax area for infotype 0207
Effective date of the new IT0207 record is based on when paid, use the actual check date.
Use ID as the tax area for infotype 0208.
The effective date of infotype 0208 is based on when worked.
Infotype 0209 should be ID if employee is localized to Idaho
```

Validate Business Numbers for Tax Company section information will be highlighted in green if the tax company is set up for the suggested tax authorities and tax types.

```
Validate Business Numbers for Tax Company: 1050

1050 ID    001 005433924          Registration Number Configured
1050 ID    010 005433924          Registration Number Configured
Tax Company 1050 Is fully configured for all tax authorities / tax types
```

The information will be highlighted in red if the tax company is not fully configured. See Additional Steps for Out-of-State Employees – Set-up Tax ID Number for Out-of-State Tax Processing for more information.

```
Validate Business Numbers for Tax Company: 0110

0110 ID    001 Registration Number for Tax Authority/Tax Type Not Configured
0110 ID    010 Registration Number for Tax Authority/Tax Type Not Configured

Tax Company 0110 Not fully configured for all tax authorities / tax types
```

Example Scenarios

Below are examples of running the Out-of-State Tax Authority Locator report. This is not a comprehensive list of every scenario.

Scenario 1: Look up employee residence and work address for suggested tax area(s)

An employee who lives in Oregon, but who previously was working in the state of Washington, was approved to work from home. Although my agency's personnel administration processor has not yet created an Out-of-State Work Location record, I want to validate the tax area(s) that will apply to this employee after they begin working from home. I can use the Permanent residence address to find both their residence and work tax areas.

On the report selection screen:

- Choose Employee or Entered Address section:
  - Select Use Permanent Residence for both Residence and Work Tax.

Choose Employee or Entered Address
○ Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax
○ Use OOS Work Location for both Residence and Work Tax
● Use Permanent Residence for both Residence and Work Tax
○ Use Permanent Residence for Residence Tax and Washington for Work Tax
○ Use Address entered below for both Residence and Work Tax

- Employee section:
  - Enter the employee's Personnel Number.

Employee	
Personnel Number	20007385

- Tax Effective Date
  - Enter the check date in the Pay Date field.

Tax Effective Date	
Pay Date	06/10/2024

- Execute the report.

```
Out-of-State Tax Authority Locator

Employee Name   :  TURNER PAIGE
Effective Date  :  06/10/2024

Address Read from Employee Permanent Address

Address 1       :  31360 NW COMMERCIAL ST
Address 2       :
City            :  NORTH PLAINS
County          :  Out of State
State           :  OR
Zip             :  97133

Tax Authorities Based on Residence Tax Area

R/W Tax Authority  Description        County        Tax Type  Wage Type Description

R   FED            Federal                          001       /401      Withholding Tax
R   FED            Federal                          003       /403      Employee Social Security Tax
R   FED            Federal                          005       /405      Employee Medicare Tax
R   OR             Oregon                           001       /401      Withholding Tax
R   OR             Oregon                           096       /496      Statewide Transit Tax

Tax Authorities Based on Work Tax Area

R/W Tax Authority  Description        County        Tax Type  Wage Type Description

R   FED            Federal                          001       /401      Withholding Tax
R   FED            Federal                          003       /403      Employee Social Security Tax
R   FED            Federal                          004       /404      Employer Social Security Tax
R   FED            Federal                          005       /405      Employee Medicare Tax
R   FED            Federal                          006       /406      Employer Medicare Tax
W   OR             Oregon                           001       /401      Withholding Tax
W   OR             Oregon                           010       /410      Employer Unemployment Tax
W   OR             Oregon                           030       /430      Employer Worker Compensation Tax
W   OR             Oregon                           040       /440      Employee Worker Compensation Tax
W   OR             Oregon                           096       /496      Statewide Transit Tax
W   OR             Oregon                           117       /4B7      EE PFML Tax State Plan
W   OR             Oregon                           118       /4B8      ER PFML Tax State Plan

Messages returned from TaxLocator

Message Code  Message Text

1119     NO MATCH FOUND FOR [ NORTH PLAINS ] IN COUNTY [ OUT OF STATE ].

Tips for State:

Use OR (Oregon) as the tax area for infotype 0207.
Effective date of the new IT0207 record is based on when paid, use the actual check date.
Use OR as the tax area for infotype 0208.
The effective date of infotype 0208 is based on when worked.
Infotype 0209 should be OR if employee is localized to Oregon.

Validate Business Numbers for Tax Company: 1050

1050 OR   001 01768717-5       Registration Number Configured
1050 OR   096 01768717-5       Registration Number Configured
1050 OR   010 01768717-5       Registration Number Configured
1050 OR   030 01768717-5       Registration Number Configured
1050 OR   040 01768717-5       Registration Number Configured
1050 OR   117 01768717-5       Registration Number Configured
1050 OR   118 01768717-5       Registration Number Configured
Tax Company 1050 Is fully configured for all tax authorities / tax types
```

- According to the report, the employee is likely subject to the OR (Oregon) tax area based on the employee living and working from their Permanent residence address.
- The information in the Validate Business Numbers for Tax Company field is highlighted in green. This result means the tax company is set up correctly in HRMS. I can now follow the Additional Steps for Out-of-State Employees – Set Up Out-of-State Employee procedure.
- Before setting up the employee with these tax areas, I will validate that the employee is in fact subject to all the suggested tax types in the tax area.
- I will also contact my personnel administration processor to verify that the employee's Permanent residence and Out-of-State Work Location records are reflected correctly in the Addresses (0006) infotype.

Example 2: Lookup employee residence address for suggested tax area

My agency just hired a new employee who lives in Oregon but commutes to Washington daily for work. I want to confirm the employee's residence tax area.

On the report selection screen:

- Choose Employee or Entered Address section:
  - Select Use Permanent Residence for Residence Tax and Washington for Work Tax.

Choose Employee or Entered Address

- ○ Use Permanent Residence for Residence Tax & OOS Work Location for Work Tax
- ○ Use OOS Work Location for both Residence and Work Tax
- ○ Use Permanent Residence for both Residence and Work Tax
- ⦿ Use Permanent Residence for Residence Tax and Washington for Work Tax
- ○ Use Address entered below for both Residence and Work Tax

- Employee:
  - Enter the employee's Personnel Number.

Employee

Personnel Number	20021299

- Tax Effective Date
  - Enter the check date in the Pay Date field.

Tax Effective Date

Pay Date	06/10/2024

- Execute the report.

```
Out-of-State Tax Authority Locator

Address Read from Employee Permanent Address for Residence

Address 1      :  722 S MAIN ST
Address 2      :
City           :  MILTON-FREEWATER
County         :  Out of State
State          :  OR
Zip            :  97862

Generic Washington Address for Work Location

Address 1 :  1500 Jefferson St. SE
Address 2 :
City      :  Olympia
County    :  Thurston
State     :  WA
Zip       :  98501

Tax Authorities Based on Residence Tax Area

R/W Tax Authority  Description              County       Tax Type  Wage Type Description

R   FED            Federal                               001       /401      Withholding Tax
R   FED            Federal                               003       /403      Employee Social Security Tax
R   FED            Federal                               005       /405      Employee Medicare Tax
R   OR             Oregon                                001       /401      Withholding Tax
R   OR             Oregon                                096       /496      Statewide Transit Tax

Tax Authorities Based on Work Tax Area

R/W Tax Authority  Description              County       Tax Type  Wage Type Description

R   FED            Federal                               001       /401      Withholding Tax
R   FED            Federal                               003       /403      Employee Social Security Tax
R   FED            Federal                               004       /404      Employer Social Security Tax
R   FED            Federal                               005       /405      Employee Medicare Tax
R   FED            Federal                               006       /406      Employer Medicare Tax
W   WA             Washington                            010       /410      Employer Unemployment Tax
W   WA             Washington                            032       /432      Employer Accident Fund Tax
W   WA             Washington                            033       /433      Employer Medical Aid Fund Tax
W   WA             Washington                            034       /434      Employer Suplmtal Pension Tx
W   WA             Washington                            042       /442      Employee Suplmtal Pension Tx
W   WA             Washington                            043       /443      Employee Medical Aid Fund Tax
W   WA             Washington                            087       /487      Employee Family Leave Insurance Tax
W   WA             Washington                            099       /499      Employee Medical Leave Insurance Tx
W   WA             Washington                            113       /4B3      WA Cares Fund LTC Tax - EE
```

- According to the report, the employee is subject to the OR (Oregon) tax area based on their Permanent residence address. The report also shows the employee is subject to WA (Washington) based on their Work Location address.
- Before setting up the employee with these tax areas, I will validate that the employee is in fact subject to all the suggested tax types in the tax area.
- I will also contact my personnel administration processor to verify that the employee's Permanent residence and Out-of-State Work Location records are reflected correctly in the Addresses (0006) infotype.