



State of Wisconsin Department of Administration

Out-of-State Taxes Job Aid

Version 1.5

Version History

Version	Date	Editor	Description
1.0	07/13/22	Matt Olsen	Initial release
1.1	07/28/22	Matt Olsen	Added scenario 5
1.2	10/28/22	Matt Olsen	Updated state setup and additional resources
1.3	05/26/23	Matt Olsen	Added local tax section and updated query instructions
1.4	08/04/23	Matt Olsen	Correction to Tax Validation query references
1.5	05/02/24	Matt Olsen	Added out-of-state remote work section and updated reciprocity state scenarios

Role: Agency Payroll Specialist

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OVERVIEW

Agency Payroll is responsible for reviewing employees that work and/or live in a state other than WI. Depending on each employee’s situation, Agency Payroll may need to manually update tax fields in STAR HCM to ensure taxable grosses and withholding are applied to the correct state.

This job aid is designed to assist with the review and update process for new hires and current employees with an out-of-state residence and/or work location. If tax updates are not entered timely due to employer error, notify [Central Payroll](#) to determine if year-to-date tax corrections are necessary.

Employees may update their own state taxes if submitting a WT-4 for WI tax withholding. All other states require a paper form submitted to Agency Payroll (See [Out of State Employee Set Up - Agency Guide](#)).

OUT-OF-STATE REMOTE WORK

If a new hire or current employee requests to work in a state other than WI, confirm with Agency HR that they have approved the out of state telework request. Once the request is verified, follow the next steps in addition to other steps that should be done for remote work to ensure all documentation and system setup is completed.

1. Notify employee to fill out and send a copy of [Agency Request to Central Payroll for Non-Wisconsin Employment \(DOA-2770\)](#) to you.

2. Obtain the appropriate Agency HR and Appointing Authority signatures, then submit the completed DOA-2770 to [Central Payroll](#) for review.
3. Central Payroll will notify you if additional steps need to be taken when the employee is working remotely in a state that is not set up in STAR HCM.
4. If employee is working remotely in a state that is set up in STAR HCM, follow the steps outlined in the Review Work Arrangement, Review Home Address, Update Tax Data, Update Tax Distribution, Out-of-State Tax Scenarios and Review Local Taxes sections.

NOTE: If an employee is in a hybrid remote/headquarter telework arrangement and at least 50% of work is performed in WI, verify the Tax Residence and Tax Distribution states are set to WI as all taxes are reported to that state.

REVIEW WORK ARRANGEMENT

1. Navigate to **Job Data** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Employee Data Folder > Job Data.
 - b. Enter at least one search criteria and click **Search**.
2. Click on **Payroll** tab.

3. Review **Tax Location Code** field to verify employee’s work location.
 - a. HEADQTR – Employee only works out of headquarters location.
 - b. MIXED – Employee works partially remote and at headquarters location.
 - c. REMOTE – Employee only works remote at home address.

NOTE: If the **Tax Location Code** does not match employee’s work arrangement or is an obsolete code, notify agency HR to add a **Job Data** row using **Data Change / Update Tax Location**.

REVIEW HOME ADDRESS

1. Navigate to **Modify a Person** page.

- a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Employee Data Folder > Modify a Person.
- b. Enter at least one search criteria and click **Search**.

2. Click on **Contact Information** tab.

3. Review home address to verify employee's legal residence.

NOTE: If the home address is not up to date, contact employee to update via ESS or HR to update on this page. If the home address is not the legal residence, confirm the legal residence with the employee.

REVIEW TAX VALIDATION QUERY

The tax validation query is designed to be run biweekly by Agency Payroll to review employees with tax, home and/or work data that correspond with a state other than Wisconsin for potential corrections.

1. Navigate to **Query Viewer** page.
 - a. **Navigation:** NavBar > Reporting Tools > Query Viewer.
 - b. Search for the public query: *WI_PY_TAX_AUDIT_STATE*.
 - c. Enter any of the optional prompts to narrow down data by **Business Unit, Department ID and/or Home Address** state.
 - d. Click **View Results**.
2. Validate warning messages in the **Notes** column:

Bus Unit	Dept ID	Emp ID	Emp Record	Name	Payroll Status	Emp Class	Residence Date	Network Arrangement	Residence State	Home Address City	Home Address State	Tax Data Eff Date	Tax Payment State	Of Jurisdiction State	Tax Date Locality	Tax Data Other Work Locality	Tax Distribution Eff Date	Tax Distribution State	Tax Distribution Locality	Notes
					Active	PRM	10/22/2021	REMOTE	WI	10/22/2021	CO	01/01/2023	CO	WI	20000		10/22/2021	CO	20000	LOCAL TAXES MAY APPLY
					Active	PRM	01/15/2018		WI	01/06/2023	IA	05/07/2023	IA	IA			05/07/2023	IA		INVALID U JURISDICTION
					Active	PRM	03/01/1999		WI	03/01/1999	IL	03/01/1999	WI	WI			03/01/1999	WI		HOME STATE, TAX RES MISMATCH
					Active	PRM	10/24/2022		WI	10/24/2022	IN	10/24/2022	WI	WI			10/24/2022	WI		NO TAX TABLE, HOME STATE, TAX RES MISMATCH

- a. **NO TAX TABLE** – Employee's **Home Address** state is a state that has no tax table set up in the system. If permanently working in this state, refer to Scenario 10 in the *Out-of-state Tax Scenarios* section.

- b. HOME STATE, TAX RES MISMATCH – Employee’s **Home Address** state and **Tax Resident** state do not match. These two should match unless the home address is not the employee’s legal residence, or the employee lives in a reciprocal state and works in WI with no W-220 filed. Refer to the *Out-of-state Tax Scenarios* section if updates are needed.
 - c. INVALID UI JURISDICTION – Employee’s **UI Jurisdiction** state is not WI. This should be WI regardless of the legal residence and work location.
 - d. LOCAL TAXES MAY APPLY – Employee’s Home Address state is a state that has local tax jurisdictions. Refer to *Review Local Taxes* section if the employee is working remotely at their home address.
3. Contact employee to verify legal residence, work location and telework arrangement if necessary. Provide appropriate tax form(s) to complete.
 4. **If Telework Arrangement** is blank, notify agency HR to update the **Tax Location Code** in **Job Data** to ‘HEADQTR’, ‘MIXED’, or ‘REMOTE’ using **Data Change / Update Tax Location**.
 5. Update **Home Address**, **Tax Resident** and/or **Tax Distribution** if necessary.

UPDATE TAX DATA

1. Navigate to **Update Employee Tax Data** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Pay Data Folder > Update Employee Tax Data.
 - b. Enter at least one search criteria and click **Search**.
2. Click on **Plus Sign (+)** on **Federal Tax Data** tab to add a new effective dated row.

Tax Data ?

Company WIS State of Wisconsin

*Effective Date 02/16/2021

Updated By Emp Sf Svc Date Last Updated 02/16/2021

NOTE: A new effective dated row must be added on Federal Tax Data page for a Federal and/or State tax change. If 2019 or Earlier W-4 is the form version in the previous row, Federal Tax Data will default to 2020 or Later. Make sure to change back to 2019 or Earlier if only changing State Tax Data.

Federal Form Version ?

*Form Version W-4 - 2019 or Earlier

3. **Effective Date** defaults to today's date. Select date for the new entry using the first day of the pay period of the change or the next available day in the pay period if needed. Do not use a retroactive date for the effective date.

Tax Data ?

Company WIS State of Wisconsin

*Effective Date 10/10/2021

Updated By Emp Sf Svc Date Last Updated 02/16/2021

4. Click on **State Tax Data** tab.

Federal Tax Data State Tax Data Local Tax Data

Person ID

Tax Data ?

5. Update **Resident** and/or **UI Jurisdiction** based on the applicable scenario (see *Out-of-state Tax Scenarios* section). **UI Jurisdiction should be WI regardless of the work location.**
6. When **Resident**, **UI Jurisdiction** and **State Withholding Elements** are updated, click **Save**.

NOTE: If employee's tax Resident box is changed and contains a Special Withholding Status other than None, make sure to set to None and default Tax Status/Withholding Allowances to S and 0, respectively.

UPDATE TAX DISTRIBUTION

1. Navigate to **Update Employee Tax Distribution** page.
 - a. **Navigation:** Workforce Administrator Homepage > Payroll Dashboard > Payroll Processing Tile > Pay Data Folder > Update Tax Distribution.
 - b. Enter at least one search criteria and click **Search**.
2. Click on **Plus Sign (+)** in **Tax Distribution** section to add a new effective dated row.

Tax Distribution

*Effective Date 11/07/2011

3. **Effective Date** defaults to today's date. Select date for the new entry using the first day of the pay period of the change. Do not use a retroactive date for the effective date. Create a Payroll [STAR Ticket](#) to request correction to an existing row if necessary.

Tax Distribution

*Effective Date 10/10/2021

4. Enter appropriate state and keep **Percent of Distribution** as *100.000*.

5. When **State** is updated, click **Save**.

OUT-OF-STATE TAX SCENARIOS

The following examples are designed to cover the most common out-of-state tax scenarios once the employee’s residence and work location are confirmed. Refer to the chart below for reciprocity rules and tax tables for each state. Only states with tax tables in STAR HCM can be selected in **Tax Data**.

States	Reciprocity Agreement	Tax Table in STAR HCM
IL, MI, and KY	YES	YES
IN	YES	NO
AZ, CO, CT, DE, FL, GA, IA, KS, MA, MD, MN, MO, NC, NJ, NV, PA, SC, TX, UT, VA, DC	NO	YES
All other states	NO	NO

NOTE: For additional guidance on out-of-state employee tax setup, refer to the [Out of State Employee Set Up - Agency Guide](#).

Summary of scenarios:

Scenario	Description
Scenario 1	Employee’s work location and legal residence are in reciprocal state (e.g. IL, MI).
Scenario 2	Employee’s work location is in WI and legal residence is in reciprocal state (e.g. IL, MI). Employee submits an optional W-220 and IL-W-4 to have IL taxes withheld.
Scenario 3	Employee’s work location is in WI and legal residence is in MN.
Scenario 4	Employee’s work location is in WI and legal residence is in a non-reciprocal state (e.g. IA) other than MN with a tax table.
Scenario 5	Employee’s work location is in WI and legal residence is in a non-reciprocal state (e.g. TN) with no tax table.
Scenario 6	Employee’s work location is in reciprocal or non-reciprocal state (e.g. IL, MN) and legal residence is in WI.

Scenario 7	Employee’s work location and legal residence are in non-reciprocal state (e.g. IA, MN).
Scenario 8	Current employee moves from reciprocal or non-reciprocal state to WI - taxes are being withheld for the other state (e.g. MI, MN). Their updated work location and legal residence are in WI.
Scenario 9	New hire or rehired employee has incorrect tax Resident box load to State Tax Data because of a previous home address in Modify a Person. Their updated work location and legal residence are WI.
Scenario 10	Employee’s permanent work location and legal residence are in reciprocal or non-reciprocal state (e.g. NY, WA) that does not have a tax table set up in STAR HCM.

Scenario 1: Employee’s work location and legal residence are in reciprocal state (e.g. IL, MI).

1. Follow Steps 1-3 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

The screenshot shows the 'State Information' interface. At the top, there is a search bar with 'WI' and 'Wisconsin' entered. Below this, there are four checkboxes: 'Resident' (checked), 'Non-Residency Statement Filed' (unchecked), 'UI Jurisdiction' (checked), and 'Exempt From SUT' (unchecked). A red box highlights the '+' button on the right side of the interface.

2. Update each row to reflect employee’s residence (Resident) and work location (UI Jurisdiction – always WI). Check the respective box under each state.

The screenshot shows the 'State Information' interface for Illinois (IL). The 'Resident' checkbox is checked and highlighted with a red box. The 'UI Jurisdiction' checkbox is unchecked. The '+' and '-' buttons are visible on the right.

The screenshot shows the 'State Information' interface for Wisconsin (WI). The 'UI Jurisdiction' checkbox is checked and highlighted with a red box. The 'Resident' checkbox is unchecked. The '+' and '-' buttons are visible on the right.

- Follow Steps 1-3 in *Update Tax Distribution* section, then update **Tax Distribution** state to match employee's work location of IL.

Tax Distribution Q | 1 of 2 ▶ ▶▶ | [View All](#)

*Effective Date 📅 + -

Country USA
 Insert Pre-filled Tax Location

States/Localities

🗨 Q 1-1 of 1 ▶ ▶▶ | [View All](#)

*State	Locality	Locality Name	Percent of Distribution		
<input type="text" value="IL"/> Q	<input type="text"/> Q		<input type="text" value="100.000"/>	+	-

- Provide employee with the corresponding state's tax form to complete for entry by Agency Payroll.

Scenario 2: Employee's work location is in WI and legal residence is in reciprocal state (e.g. IL, MI). Employee submits an optional W-220 and IL-W-4 to have IL taxes withheld.

- Follow Steps 1-4 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

State Information Q | 1 of 1 ▶ ▶▶ | [View All](#)

*State Q Wisconsin + -

Resident UI Jurisdiction
 Non-Residency Statement Filed Exempt From SUT

- Update each row to reflect employee's residence (Resident) and work location (UI Jurisdiction – always WI). Check the respective box under each state. **Make sure the WI UI Jurisdiction row is set to default statuses shown below.**

State Information 1 of 2

*State Illinois Resident Non-Residency Statement Filed UI Jurisdiction Exempt From SUT

State Information 2 of 2

*State Wisconsin Resident Non-Residency Statement Filed UI Jurisdiction Exempt From SUT

State Withholding Elements

*Special Withholding Tax Status

*Tax Status Single

- Verify **Tax Distribution** state matches work location of WI.

Tax Distribution 1 of 1

*Effective Date Country USA Insert Pre-filled Tax Location

States/Localities 1-1 of 1

*State	Locality	Locality Name	Percent of Distribution
<input type="text" value="WI"/>	<input type="text"/>		<input type="text" value="100.000"/>

Scenario 3: Employee's work location is in WI and legal residence is in MN.

- Follow Steps 1-3 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

State Information 1 of 1

*State Wisconsin Resident Non-Residency Statement Filed UI Jurisdiction Exempt From SUT

- Update each row to reflect employee's residence (Resident) and work location (UI Jurisdiction – always WI). Check the respective box under each state.

State Information (1 of 2)

*State **MN** Minnesota

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

State Information (2 of 2)

*State **WI** Wisconsin

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Verify **Tax Distribution** state matches work location of WI.

Tax Distribution (1 of 1)

*Effective Date 01/03/2021

Country USA

Insert Pre-filled Tax Location

States/Localities (1-1 of 1)

*State	Locality	Locality Name	Percent of Distribution
WI			100.000

- Provide employee with a copy of the [Form W-4MN](#) to update their MN marital status and allowances. Notify employee to submit a WT-4 in ESS to update their WI marital status and allowances.

Scenario 4: Employee's work location is in WI and legal residence is in a non-reciprocal state (e.g. IA) other than MN with a tax table.

- Follow Steps 1-3 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

State Information (1 of 1)

*State **WI** Wisconsin

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Update each row to reflect employee's residence (Resident) and work location (UI Jurisdiction – always WI). Check the respective box under each state.

The first screenshot shows the 'State Information' tab for Iowa. The state dropdown is set to 'IA' (Iowa). The 'Resident' checkbox is checked, and 'UI Jurisdiction' is unchecked. The second screenshot shows the 'State Information' tab for Wisconsin. The state dropdown is set to 'WI' (Wisconsin). The 'Resident' checkbox is unchecked, and the 'UI Jurisdiction' checkbox is checked.

- Verify **Tax Distribution** state is set to WI. If not, follow Steps 1-3 in *Update Tax Distribution* section, then update **Tax Distribution** state to match employee's work location of WI.

The 'Tax Distribution' tab shows an effective date of 10/24/2021 and country USA. Under 'States/Localities', there is a table with one entry:

*State	Locality	Locality Name	Percent of Distribution
WI			100.000

- Notify employee to submit a WT-4 in ESS to update their marital status and/or allowances.

Scenario 5: Employee's work location is in WI and legal residence is in a non-reciprocal state (e.g. TN) with no tax table.

- Follow Steps 1-3 in *Update Tax Data* section, then click Minus Sign (-) on **State Information** tab to remove the incorrect state.

The 'State Information' tab shows the state dropdown set to 'TN' (Tennessee). The 'Resident' checkbox is checked, and 'UI Jurisdiction' is unchecked. The minus sign button (-) is highlighted with a red box.

- Update remaining row to reflect employee's tax residence (Resident) and work location (UI Jurisdiction) for reporting taxes to WI. Check both boxes in the WI row.

State Information 1 of 1 | View All

*State Wisconsin + -

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Verify **Tax Distribution** state matches work location of WI.

Tax Distribution 1 of 1 | View All

*Effective Date + -

Country USA Insert Pre-filled Tax Location

States/Localities 1-1 of 1 | View All

*State	Locality	Locality Name	Percent of Distribution		
<input type="text" value="WI"/>	<input type="text"/>		<input type="text" value="100.000"/>	+	-

- Notify employee to submit a WT-4 in ESS to update their marital status and/or allowances.

Scenario 6: Employee's work location is in reciprocal or non-reciprocal state (e.g. IL, MN) and legal residence is in WI.

- Follow Steps 1-3 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

State Information 1 of 1 | View All

*State Wisconsin **+** -

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Update each row to reflect employee's work location and residence. The **Resident** box will not match the employee's residence in this scenario but is required to withhold taxes correctly.

The screenshot shows two rows of the 'State Information' form. The first row is for Illinois (IL), with the 'Resident' checkbox checked. The second row is for Wisconsin (WI), with the 'UI Jurisdiction' checkbox checked. Below the Wisconsin row, the 'State Withholding Elements' section is visible, showing 'Special Withholding Tax Status' set to 'None' and 'Tax Status' set to 'S' (Single).

NOTE: If work location is in a reciprocal state, make sure to set the Special Withholding Tax Status to **None** and Tax Status to **S** in the WI UI Jurisdiction row.

- Follow Steps 1-3 in *Update Tax Distribution* section, then update **Tax Distribution** state to match employee's work location of IL.

The screenshot shows the 'Tax Distribution' form. The 'Effective Date' is 10/24/2021 and the 'Country' is USA. Below, the 'States/Localities' table has one row for Illinois (IL) with a 'Percent of Distribution' of 100.000.

*State	Locality	Locality Name	Percent of Distribution
IL			100.000

- Provide employee with the corresponding state's tax form to complete for entry by Agency Payroll.

Scenario 7: Employee's work location and legal residence are in non-reciprocal state (e.g. IA, MN).

1. Follow Steps 1-3 in *Update Tax Data* section, then click the **Plus Sign (+)** on **State Information** tab to add a new state.

The screenshot shows the 'State Information' tab with a search bar containing 'WI' and 'Wisconsin'. There are checkboxes for 'Resident', 'Non-Residency Statement Filed', 'UI Jurisdiction', and 'Exempt From SUT'. A red box highlights the '+' button in the top right corner.

2. Update each row to reflect employee's residence (Resident) and work location (UI Jurisdiction – always WI). Check the respective box under each state.

The screenshot shows the 'State Information' tab with a search bar containing 'IA' and 'Iowa'. The 'Resident' checkbox is checked. A red box highlights the 'IA' state code in the search bar.

The screenshot shows the 'State Information' tab with a search bar containing 'WI' and 'Wisconsin'. The 'UI Jurisdiction' checkbox is checked. A red box highlights the 'WI' state code in the search bar.

3. Follow Steps 1-3 in *Update Tax Distribution* section, then update **Tax Distribution** state to match employee's work location of IA.

The screenshot shows the 'Tax Distribution' section. It includes fields for '*Effective Date' (10/24/2021), 'Country' (USA), and 'Insert Pre-filled Tax Location'. Below is a table titled 'States/Localities' with columns for '*State', 'Locality', 'Locality Name', and 'Percent of Distribution'. A red box highlights the 'IA' state code in the first row of the table.

*State	Locality	Locality Name	Percent of Distribution
IA			100.000

4. Provide employee with the corresponding state's tax form to complete for entry by Agency Payroll.

Scenario 8: Current employee moves from reciprocal or non-reciprocal state to WI - taxes are being withheld for the other state (e.g. MI, MN). Their updated work location and legal residence are in WI.

- Follow Steps 1-3 in *Update Tax Data* section, then click Minus Sign (-) on **State Information** tab to remove the state that is no longer the residence.

State Information

*State Michigan

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Update remaining row to reflect employee’s residence (Resident) and work location (UI Jurisdiction). Check both boxes in the WI row.

State Information

*State Wisconsin

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Follow Steps 1-3 in *Update Tax Distribution* section, then update **Tax Distribution** state to match employee’s work location of WI.

Tax Distribution

*Effective Date

Country USA

Insert Pre-filled Tax Location

States/Localities

*State	Locality	Locality Name	Percent of Distribution
<input type="text" value="WI"/>	<input type="text"/>		<input type="text" value="100.000"/>

- Notify employee to submit a WT-4 in ESS to update their marital status and/or allowances.

Scenario 9: New hire or rehired employee has incorrect tax Resident box load to State Tax Data because of a previous home address in Modify a Person. Their updated work location and legal residence are in WI.

- If the home address is not up to date, contact employee to update via ESS or HR to update on **Modify a Person**.

- Follow Steps 1-3 in *Update Tax Data* section, then click Minus Sign (-) on **State Information** tab to remove the incorrect state.

State Information 1 of 2

*State Michigan + -

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Update remaining row to reflect employee’s residence (Resident) and work location (UI Jurisdiction). Check both boxes in the WI row.

State Information 1 of 1

*State Wisconsin + -

Resident UI Jurisdiction

Non-Residency Statement Filed Exempt From SUT

- Verify **Tax Distribution** state matches work location of WI.

Tax Distribution 1 of 1

*Effective Date + -

Country USA Insert Pre-filled Tax Location

States/Localities

*State	Locality	Locality Name	Percent of Distribution		
<input type="text" value="WI"/>	<input type="text"/>		100.000	+	-

- Notify employee to submit a WT-4 in ESS to update their marital status and/or allowances.

Scenario 10: Employee’s permanent work location and legal residence are in reciprocal or non-reciprocal state (e.g. NY, WA) that does not have a tax table set up in STAR HCM.

- Complete the [Agency Request to Central Payroll for Non-Wisconsin Employment Form](#) and send to [Central Payroll](#) as soon as you are aware of the approved, permanent relocation for out-of-state work to set up the tax table.
- Maintain **WI Tax Data** and **Tax Distribution** setup until registration is complete.
- Central Payroll and Finance will research and register with the state for tax withholding and local tax jurisdiction if applicable. You will be notified when this is complete to request appropriate tax withholding forms and detail any other factors applicable to that state.

REVIEW LOCAL TAXES

If an employee performs work in a state and region with local taxes, then additional setup is needed to apply local tax withholding. Use the steps below to enter Local Tax Data for employees working in one of the five locations with a local tax table in STAR HCM.

For additional information on local tax withholding setup, refer to the [Out of State Employee Set Up - Agency Guide](#).

1. Follow Steps 1-6 in *Update Tax Data* section, then click on **Local Tax Data**.

2. Enter the **Locality** and **Other Work Locality** based on the system settings for the corresponding location. If the employee works in a location with no tax table, refer to Scenario 10 in the *Out-of-state Tax Scenarios* section.

Local Tax Location	Locality	Other Work Locality	Tax Distribution Locality
Aurora, CO	04000	04000	04000
Denver, CO	20000	Leave blank	20000
Campbell County, KY	037	Leave blank	Uses city distribution
Fort Thomas, KY	28594	037	28594
Derry Township, PA	220201 0220125C	0220125C 220201	0220125C

3. Keep the **Local Withholding Elements** as the default values then click **Save**.

- Follow steps 1-3 in *Update Tax Distribution* section then enter appropriate state and locality. Keep **Percent of Distribution** as 100.000.

States/Localities					
*State	Locality	Locality Name	Percent of Distribution		
CO	04000	AURORA	100.000	+	-

- When **State** and **Locality** are updated, click **Save**.

GLOSSARY

Domicile

A "domicile" is a person's true, fixed, and permanent home where a person intends to remain permanently and indefinitely and to which a person has the intention of returning, whenever absent. It is often referred to as "legal residence."

Legal Resident

A legal resident of Wisconsin is a person who maintains his or her domicile in Wisconsin, whether s/he is physically present in Wisconsin or living outside of the state.

Non-reciprocal State

A state with which Wisconsin does not have a reciprocity agreement so residents of this state working in Wisconsin may be subject to income tax laws of both states.

Reciprocal State

A state with which Wisconsin has a reciprocity agreement so that residents of this state working in Wisconsin will be taxed on income earned as an employee by their home state and not by Wisconsin.

Tax Data

A STAR HCM page used to determine the Federal and State withholding rate applied to earnings, unemployment reporting location, and residency for additional earnings reporting and tax withholding (when applicable).

Tax Distribution

A STAR HCM field that populates the tax state on an employee's pay lines. The state defaults to WI based on the Tax Location code in Job Data. It should match the employee's primary work location.

Tax Location Code

A STAR HCM field that defines an employee's telework arrangement as Headquarter Location, Remote or Mixed.

Tax Reciprocity Agreement

An income tax agreement between two states that prevents the same income from being subject to tax by more than one state.

Tax Resident

A STAR HCM field that determines the application of state tax withholding in conjunction with Tax Distribution. The state defaults to the first home address entered in the system on or prior to the hire date. It should usually match the employee's home address.

Telework Arrangement

A work flexibility arrangement under which an employee performs the duties and responsibilities of his/her/their position, and other authorized activities as determined by the supervisor, from an approved alternate worksite other than the employee's primary main office, one or more days per week on a standard and recurring basis.

UI Jurisdiction

A STAR HCM Field that determines the application of employer unemployment tax. The state defaults to WI for all employees. This state should always be Wisconsin regardless of work location.

Work Location

A worksite where employee performs their work duties. This is determined by the STAR HCM Location, Tax Location Code and/or home address.

ADDITIONAL RESOURCES

- [Out of State Employee Set Up - Agency Guide](#)
- [Agency Request to Central Payroll for Non-Wisconsin Employment Form](#)
- [Update Pay Data Job Aid](#)
- [DOR Publication W-166 - Withholding Tax Guide](#)
- [DOR Publication 121 - Reciprocity](#)
- [DOR Wisconsin-Minnesota Tax Reciprocity Termination](#)