



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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TAX REFUNDS

Effective: July 1, 2004

Last Updated: November 1, 2006

Executive Summary

The Payroll Unit at the Office of the Comptroller manages requests for payroll tax refunds for all state Departments. Payroll taxes include federal withholding, state withholding and Medicare tax.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Departments can request payroll tax refunds from the Office of the Comptroller when an error has been made on an employee's tax withholding. Only those employees who have had tax withheld in error are eligible to receive a refund.

Federal Tax Refunds

The Office of the Comptroller can refund both Federal and State Taxes for the current W2 year only. The Department should make adjustments in the subsequent pay periods or submit to Comptroller's Office a Refund Request form.

Both Federal and State Tax Refund Request Forms can be found on the Comptroller's website:

<https://www.macomptroller.org/forms>

Medicare Tax Refunds

The Office of the Comptroller can refund Medicare Tax for the current and prior three W2 years.

For a current year Medicare tax refund, the Department must submit:

- A completed and signed "Medicare Tax Refund Request" form; and Tax Administration: Tax Refunds Page 2 of 2
- A screen print of the employee's Medicare tax year-to-date balance.

For a prior year Medicare tax refund, the Department must submit:

- A completed and signed "Medicare Tax Refund Request" form;
- The employee's Form W-2;
- A completed Form W-2C; and
- A completed Form W-3C form.

After the appropriate paperwork has been submitted by the Department, the Comptroller's office will:

- Review and process the refund based on IRS regulations and guidelines;
- Request the refund payment from the Office of the State Treasurer (TRE);
- Mail refunds to the employee's home address;
- Correct the employee's W-2 file prior to the end of the year (current year); or
- File a corrected tax reporting form with the appropriate government entities (prior year).

Tax Refund Request Forms can be found on the Comptroller's website:

<https://www.macomptroller.org/forms>

Internal Controls

Information Sources

- Related Procedure – None
- Legal Authority
 - Consolidated Omnibus and Reconciliation Act of 1986 (COBRA), Section 13205
 - Comptroller Memo #26 "Medicare Coverage for New Employees" as amended
 - Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
 - Massachusetts General Laws, Chapter 62C, Sections 36 and 40
 - Form W-2 and Instructions
 - Form W-2c and Instructions
 - IRS Publication 963
- Attachments – None
- Links - <https://www.macomptroller.org/forms>
- [Contacts – CTR Solution Desk](#)

Revisions

- **November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.