



## IC-134 FORM REQUIREMENTS

If a contractor is using employees during their contract, towns are required to obtain an IC-134 form that is certified by the Department of Revenue from the contractor before the town can issue the final payment.<sup>1</sup> The form is also called a “Contractor Affidavit” and is used to make sure contractors and subcontractors working for public entities have satisfied the requirements related to income tax withholding.

It is important to note that the term “contractor” only refers to contractors who supply labor, or labor materials for specific construction, repairs, rehabilitation, or improvements. The term “contractor” does not apply to dealers or merchants.<sup>2</sup> For example, a town must obtain a certified IC-134 prior to fully paying a contractor for paving a road, if the contractor hired employees, but an IC-134 is not required if the town is purchasing gravel for employee to grade the roads. It is also important to note, the IC-134 is not required if performing maintenance services, such as mowing, road grading, or snowplowing.

Town boards should review their standard contracts to be sure they contain a requirement to submit an IC-134 form. Your contracts should already indicate that final payment (usually 5%) will be withheld until certain conditions are met such as a final inspection and satisfaction of the board that all subcontractors, suppliers, etc. have been paid. The need to submit an IC-134 form certified by the Department of Revenue should be included in the list of conditions for the final payment.

The contractor may submit the IC-134 electronically or by paper. If submitted electronically, the Department of Revenue will provide a confirmation page and affidavit number for the township. If submitted as a paper, the contractor may have to wait four to six weeks to have the form approved, certified, and the original sent back to the contractor so that it can be given to the township.<sup>3</sup> If the contractor is looking for immediate, or fairly quick payment from the town, the contractor would have to submit the affidavit electronically.

Questions concerning the IC-134 form and requirements can be directed [here](#), Withholding Division, Department of Revenue at 651-282-9999, or to the Division generally at 800-657-3594. Though it is not the obligation of the town to provide a copy of the form, town officers interested to obtaining a copy can go to the following web site: <https://www.revenue.state.mn.us/sites/default/files/2019-01/ic134.pdf>

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<sup>1</sup> Minn. Stat. § 270C.66.

<sup>2</sup> Op. Atty. Gen., 530, Dec. 12, 1961.

<sup>3</sup> <https://www.revenue.state.mn.us/contractor-affidavit-requirements#>