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New: Employer's Supplemental Tax Guide for 1996

New **Publication 15-A**, Employer's Supplemental Tax Guide, contains specialized employment tax information that supplements the basic information provided in Circular E. It includes information formerly given in Publication—

- 493—Alternative Tax Withholding Methods and Tables
- 937—Employment Taxes
- 952—Sick Pay Reporting

You may want to order that employment tax publication if the information on any of the topics below is relevant to your business. To get Publication 15-A, see **Ordering Forms or Publications** on page 4.

- Cafeteria Plans
- Common Paymaster
- Deferred Comp. Arrangements
- Employee—
 - Achievement Awards
 - Fringe Benefits
 - Loans
 - Stock Options
- Excessive Termination Payments
- Exempt Organization Employees
- Group-Term Life Insurance
- Idle Time Withholding
- Income Tax Withholding—
 - Pensions and Annuities
 - Alternative Methods
- International Social Security Agreements
- Leave-Sharing Plans
- Outplacement Services
- Paying Your Employee's Taxes
- Religious Exemptions
- Reporting Sick Pay
- Scholarships and Fellowships
- Simplified Employee Pension Plans
- Supplemental Unemployment Benefits
- Tax Sheltered Annuities
- Third Party Liability for Taxes
- Employee or Independent Contractor?
- Worker's Compensation—
 - Public Employees

Important for 1996

Employment tax rates and wage bases for 1996.—

Social Security Tax:

- Tax Rate—6.2% each for employers and employees
- Wage Base—\$62,700

Medicare Tax:

- Tax Rate—1.45% each for employers and employees
- All wages subject to Medicare tax

Federal Unemployment (FUTA) Tax:

- Tax Rate—6.2% (employers only)
- Wage Base—\$7,000

Household employees.— Employment taxes for wages paid to household employees during 1995 are no longer reported on the quarterly Form 942. If you do not elect to report these taxes on Form 941, report them annually on the new **Schedule H (Form 1040)**, Household Employment Taxes. File Schedule H for 1995 with your individual tax return (e.g., Form 1040 or 1040A). See **Pub. 926**, Household Employer's Tax Guide, for more information. **Caution:** *As this publication was printed, Congress was considering legislation that would:*

- *change the earned income credit (EIC). If this legislation results in changes to the advance EIC tables, the IRS will issue revised tables.*
- *reinstate retroactively the exclusion of employer-provided educational assistance programs from employee income.*

*Get **Pub. 553**, Highlights of 1995 Tax Changes, for more information on these changes. Pub. 553 will be available electronically through our bulletin board or via the Internet (see page 4).*

Calendar

The following is a list of important dates. Also see **Pub. 509**, Tax Calendars for 1996.

Note: *For any due date, you will meet the "file" or "furnish" requirement if the form is properly addressed, mailed First-Class, and postmarked on or before the due date. If any date shown falls on a Saturday, Sunday, or legal holiday, use the next business day.*

By January 31.— Furnish each employee a completed **Form W-2**, Wage and Tax Statement. Furnish each recipient a completed Form 1099 (e.g., **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and **Form 1099-MISC**, Miscellaneous Income). You

may furnish Form W-2 or 1099 by mail as explained in the **Note** above.

File **Form 940** or **Form 940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all the FUTA tax when due, you may file Form 940 or 940-EZ by February 12.

File **Form 945**, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 1995. See **Nonpayroll Income Tax Withholding** on page 4 for more information.

By February 15.— Ask for a new **Form W-4**, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from withholding last year.

On February 16.— Any Form W-4 previously given you claiming exemption has expired. Begin withholding for any employee who previously claimed exemption from withholding but has not given you a new Form W-4 for the current year. If the employee does not give you a new Form W-4, withhold tax as if he or she is single, with zero withholding allowances. (See section 9.)

By February 28.— File Copy A of all Forms 1099 with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns, with the Internal Revenue Service Center for your area.

By February 29.— File Copy A of all Forms W-2 with **Form W-3**, Transmittal of Wage and Tax Statements, with the Social Security Administration.

File **Form 8027**, Employer's Annual Information Return of Tip Income and Allocated Tips, with the Internal Revenue Service. (See section 6.)

By April 30, July 31, October 31, and January 31.— Deposit Federal unemployment tax due if it is more than \$100.

File **Form 941**, Employer's Quarterly Federal Tax Return, and **deposit** any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$500. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

Before December 1.— Remind employees to submit a new Form W-4 if their withholding allowances have changed or will change for the next year.

On December 31.— **Form W-5**, Earned Income Credit Advance Payment Certificate, expires. Eligible employees who want to receive advance payments of the earned income credit next year must give you a new Form W-5.

Important Reminders

Hiring New Employees

Eligibility for employment.— You must verify that each new employee is legally eligible to work in the United States. This will include completing the Immigration and Naturalization Service (INS) **Form I-9**, Employment Eligibility Verification Form. You can get the form from INS offices. Contact the INS at 1-800-755-0777 for further information concerning your responsibilities.

Income tax withholding.— Ask each new employee to complete the 1996 Form W-4.

Name and social security number.— Record each new employee's name and number from his or her social security card. Any employee without a social security card should apply for one. (See section 4.)

Paying Wages, Pensions, or Annuities

Income tax withholding.— Withhold tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding rate. (If you have nonresident alien employees, see section 9.) Withhold from periodic pension and annuity payments as if the recipient is married claiming three withholding allowances, unless he or she has filed Form W-4 either electing no withholding or giving a different number of allowances, marital status, or additional amount to be withheld. Do not withhold on direct rollovers from qualified plans. See section 9 and **Pub. 15-A**, Employer's Supplemental Tax Guide. Pub. 15-A includes information on withholding on pensions and annuities.

Withholding on Nonresident Alien Employees

Employers should require nonresident aliens to complete Form W-4 using the special instructions provided in **Withholding on Nonresident Aliens**, on page 12. This is because of the restrictions on a nonresident alien's filing status, the limited number of allowable exemptions, and the fact that a nonresident alien cannot claim the standard deduction.

Information Returns

You may have to file information returns to report certain types of payments made during the year. For example, you must file **Form 1099-MISC**, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (e.g., independent contractors) for

services performed for your trade or business. For details about filing Forms 1099 and for information about required magnetic media filing, see the separate **Instructions for Forms 1099, 1098, 5498, and W-2G**. Do not use Forms 1099 to report wages and other compensation you paid to employees; report these on Form W-2. See the separate **Instructions for Form W-2** for details about filing Form W-2 and for information about required magnetic media filing. If you file more than 250 Forms W-2 you must file them on magnetic media.

Information reporting call site.— The IRS operates a centralized call site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions related to reporting on information returns, call 304-263-8700.

Nonpayroll Income Tax Withholding

Nonpayroll income tax withholding must be reported on **Form 945**, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 1995 is due January 31, 1996. Separate deposits are required for payroll (Form 941) and nonpayroll (Form 945) withholding. Nonpayroll items include the following:

- Pensions, annuities, and IRAs.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.
- Backup withholding.

All income tax withholding reported on Forms 1099 or W-2G must be reported on Form 945. All income tax withholding reported on Form W-2 must be reported on Form 941, 943, or Schedule H (Form 1040). For example, because distributions from nonqualified pension plans and some other deferred compensation plans are treated as wages and are reported on Form W-2, they must be reported on Form 941, not Form 945. For details on depositing and reporting nonpayroll income tax withholding, see the separate **Instructions for Form 945**.

Backup withholding.— You generally must withhold 31% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number. This withholding is referred to as backup withholding.

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding. Backup withholding does not apply to wages, pensions, annuities, IRAs, or real estate transactions.

You can use **Form W-9**, Request for Taxpayer Identification Number and Certification, to request payees to furnish a taxpayer identification number and to certify

that the number furnished is correct. You can also use Form W-9 to get certifications from payees that they are not subject to backup withholding or that they are exempt from backup withholding. Form W-9 includes a list of types of payees who are exempt from backup withholding. For more information, see the **Instructions for Forms 1099, 1098, 5498, and W-2G**.

Recordkeeping

Keep all records of employment taxes for at least 4 years. These should be available for IRS review. Records should include:

- Your employer identification number.
- Amounts and dates of all wage, annuity, and pension payments.
- Amounts of tips reported.
- The fair market value of in-kind wages paid.
- Names, addresses, social security numbers, and occupations of employees and recipients.
- Any employee copies of Form W-2 that were returned to you as undeliverable.
- Dates of employment.
- Periods for which employees and recipients were paid while absent due to sickness or injury, and the amount and weekly rate of payments you or third-party payers made to them.
- Copies of employees' and recipients' income tax withholding allowance certificates (Forms W-4, W-4P, and W-4S).
- Dates and amounts of tax deposits you made.
- Copies of returns filed.
- Records of allocated tips.
- Records of fringe benefits provided, including substantiation.

Change of Address

To notify the IRS of a new business mailing address or business location, file **Form 8822**, Change of Address.

Ordering Forms or Publications

If you need to order forms or publications, including additional copies of this booklet, use **Form 7018-A**, Employer's Order Blank for 1996 Forms, at the end of this booklet or call 1-800-TAX-FORM (1-800-829-3676).

Forms and publications are also available through computer on-line services. If you subscribe to an on-line service, ask if IRS information is available and, if so, how to access it. You can get information through IRIS, the Internal Revenue Information Services, on FedWorld, a government bulletin board. Tax forms, instructions, publications, and other IRS information, are available through IRIS.

Employer Responsibilities: The following list provides a brief summary of your basic responsibilities. Because the individual circumstances for each employer can vary greatly, their responsibilities for withholding, depositing, and reporting employment taxes can differ. Each item in this list has a page reference to a more detailed discussion in this circular.

New Employees:	Page	Quarterly (By April 30, July 31, October 31, and January 31):	Page
<input type="checkbox"/> Verify work eligibility of employees	3	<input type="checkbox"/> Deposit FUTA tax in an authorized financial institution if undeposited amount is over \$100.....	26
<input type="checkbox"/> Record employees' names and SSNs from social security cards	3	<input type="checkbox"/> File Form 941 (pay tax with return if not required to deposit)	21
<input type="checkbox"/> Ask employees for 1996 Form W-4	3		
Each Payday:		Annually (See Calendar for due dates):	
<input type="checkbox"/> Withhold Federal income tax based on each employee's Form W-4	32	<input type="checkbox"/> Remind employees to submit a new Form W-4 if they need to change their withholding	12
<input type="checkbox"/> Withhold employee's share of social security and Medicare taxes	13	<input type="checkbox"/> Ask for a new Form W-4 from employees claiming exemption from income tax withholding	12
<input type="checkbox"/> Include advance earned income credit in paycheck if employee requested it on Form W-5	14	<input type="checkbox"/> Reconcile Forms 941 with Forms W-2 and W-3 ..	22
<input type="checkbox"/> Figure the amount of Federal unemployment (FUTA) tax for each employee	26	<input type="checkbox"/> Furnish each employee a Form W-2	3
<input type="checkbox"/> Deposit in an authorized financial institution:		<input type="checkbox"/> File copy A of Forms W-2 and the transmittal Form W-3 with the SSA	3
• Withheld income tax, plus		<input type="checkbox"/> Furnish each recipient a Form 1099 (e.g., Forms 1099-R and 1099-MISC).....	3
• Withheld and employer social security taxes, plus		<input type="checkbox"/> File Forms 1099 and the transmittal Form 1096 ...	3
• Withheld and employer Medicare taxes, less		<input type="checkbox"/> File Form 940 or 940-EZ	26
• Any advance earned income credit	16	<input type="checkbox"/> File Form 945 for any nonpayroll income tax withholding	4
Note: Due date of deposit depends on your deposit schedule (monthly or semiweekly).			

IRIS is accessible directly by calling 703-321-8020. On the Internet, telnet to fedworld.gov or, for file transfer protocol services, connect to ftp.fedworld.gov. If you are using the World-Wide Web, connect to—
<http://www.ustreas.gov>.

FedWorld's help desk offers technical assistance on accessing IRIS (not tax help) during regular business hours at 703-487-4608. The IRIS menus offer information on available file formats and software needed to read and print files. You must print the forms to use them; the forms are not designed to be filled out on-screen.

Telephone Help

Tax questions.— You can call the IRS with your tax questions Monday through Friday during regular business hours. Check your telephone book for the local number or call 1-800-829-1040.

Unresolved problems.— If you have a tax problem you have been unable to resolve with the IRS, write or call your local IRS district director and ask for Problem Resolution assistance. You may also call 1-800-829-1040

for Problem Resolution assistance. Although this office cannot change the tax law or make technical decisions, it can frequently clear up problems that resulted from previous contacts.

Telephone help for hearing-impaired persons.— If you have access to TDD equipment, you may call 1-800-829-4059 with your tax question or to order forms and publications. You may also use this number for problem resolution assistance.

Recorded tax information (Tele-Tax).— The Tele-Tax service provides recorded tax information on 140 topics that answer many individual and business Federal tax questions. You can listen to up to three topics on each call you make. Touch-tone service is available 24 hours a day, 7 days a week.

A list of employment tax topics is provided below. Select, by number, the topic you want to hear. Then call 1-800-829-4477 and select option 2, Recorded Tax Information. For the directory of topics, listen to topic 123.

Tele-Tax Topics

Topic

No.	Subject
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940/940-EZ—Deposit requirements
760	Form 940/940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Form 945—Annual Return of Withheld Federal Income Tax
762	Tips—Withholding and reporting

General Information

This guide explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS and SSA. (The instructions for each form have detailed filing requirements and instructions for completing the forms.) This guide also has tax tables you need to figure the taxes to withhold for each employee for 1996.

Additional employment tax information is available in the new **Pub. 15-A**, Employer's Supplemental Tax Guide. Pub. 15-A includes specialized information supplementing the basic employment tax information provided in this guide. See page 2 for more information on this new publication.

Most employers must withhold (except FUTA), deposit, report, and pay the following employment taxes—

- Income tax.
- Social security and Medicare taxes.
- Federal unemployment tax (FUTA).

There are exceptions to these requirements. See Section 15, **Special Rules for Various Types of Services and Payments**. Railroad retirement taxes are explained in the **Instructions for Form CT-1**.

Federal Government employers.— The information in this guide applies to Federal agencies except for the rules requiring deposit of Federal taxes only at Federal Reserve banks or through the FedTax option of the Government On-Line Accounting Link Systems (GOALS). See the **Treasury Financial Manual (I TFM 3-4000)** for more information.

State and local government employers.— Employee wages are generally subject to Federal income tax withholding, but not Federal unemployment (FUTA) tax. In addition, wages, with certain exceptions, are subject to social security and Medicare taxes. See section 15 for more information on the exceptions.

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official.

1. Employer Identification Number (EIN)

If you are required to report employment taxes or give tax statements to employees or annuitants, you need an EIN.

The EIN is a nine-digit number the IRS issues. The digits are arranged as follows: 00-0000000. It is used to identify the tax accounts of employers and certain others that have no employees. **Use your EIN on all the items you send to the IRS and SSA.** For more information, get **Pub. 1635**, Understanding Your EIN.

If you have not asked for an EIN, request one on **Form SS-4**, Application for Employer Identification Number. You can get this form at IRS or SSA offices. You can ask for an EIN immediately by calling the telephone number for your state's IRS Service Center listed in the instructions for Form SS-4.

You should have only one EIN. If you have more than one and are not sure which one to use, please check with the Internal Revenue Service Center where you file your return. Give the numbers you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use.

If you took over another employer's business, do not use that employer's EIN. If you don't have your own EIN by the time a return is due, write "Applied for" and the date you applied in the space shown for the number.

See **Depositing without an EIN** on page 17 if you must make a deposit and you don't have an EIN.

2. Who Are Employees?

Generally, employees are defined either under common law or under special statutes for special purposes.

Employment status under common law.— Anyone who performs services is an employee if you, as an employer, can control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the legal right to control the method and result of the services.

Get **Pub. 15–A**, Employer’s Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an employee or an independent contractor.

Generally, people in business for themselves are not employees. For example, doctors, lawyers, veterinarians, construction contractors, and others in an independent trade in which they offer their services to the public are usually not employees.

If an employer-employee relationship exists, it does not matter what it is called. The employee may be called an agent or independent contractor. It also does not matter how payments are measured or paid, what they are called, or if the employee works full or part time.

Statutory employees.— If someone who works for you is not an employee under the common law rules discussed above, do not withhold Federal income tax from his or her pay. Although the following persons may not be common law employees, they may be considered employees by statute for social security, Medicare, and FUTA tax purposes under certain conditions.

- 1) An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- 2) A full-time life insurance salesperson.
- 3) A homemaker who works by guidelines of the person for whom the work is done, with materials furnished by and returned to that person or to someone that person designates.
- 4) A traveling or city salesperson (other than an agent-driver or commission-driver) who works full time (except for sideline sales activities) for one firm or person getting orders from customers. The orders must be for items for resale or use as supplies in the customer’s business. The customers must be retailers, wholesalers, contractors, or operators of hotels, restaurants, or other businesses dealing with food or lodging.

Get Pub. 15–A for details on statutory employees.

Statutory nonemployees.— Direct sellers and qualified real estate agents are by law considered nonemployees. They are instead treated as self-employed for income tax and employment tax purposes. See Pub. 15–A for details.

Treating employees as nonemployees.— You will be liable for income tax and employee social security and Medicare taxes if you don’t deduct and withhold them because you treat an employee as a nonemployee. See Internal Revenue Code section 3509 for details.

If you want the IRS to determine whether a worker is an employee, file **Form SS–8**, Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

3. Family Employees

Child employed by parents.— Payments for the services of a child under the age of 18 who works for his or her parent (or a partnership in which each partner is a parent of the child) in a trade or business are not subject to social security and Medicare taxes. If these services are for work other than in a trade or business, such as domestic work in the parent’s private home, they are not subject to social security and Medicare taxes until the child reaches 21.

Payments for the services of a child under the age of 21 who works for his or her parent whether or not in a trade or business are not subject to Federal unemployment taxes.

The above rules apply even if the child is paid regular wages. The wages for these services are not subject to social security, Medicare, and Federal unemployment taxes. But they may still be subject to income tax withholding.

One spouse employed by another.— The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and social security and Medicare taxes, but not to Federal unemployment taxes. However, the services of one spouse employed by another in other than a trade or business, such as domestic service in a private home, are not subject to social security, Medicare, and Federal unemployment taxes.

Covered services of a child or spouse.— The wages for the services of a child or spouse are subject to income tax withholding as well as social security, Medicare, and Federal unemployment taxes if he or she works for:

- 1) A corporation, even if it is controlled by the child’s parent or the individual’s spouse,
- 2) A partnership, even if the child’s parent is a partner, unless each partner is a parent of the child,
- 3) A partnership, even if the individual’s spouse is a partner, or
- 4) An estate, even if it is the estate of a deceased parent.

Parent employed by child.— The wages for the services of a parent employed by his or her child in a trade or business are subject to income tax withholding and social security and Medicare taxes. Social security and Medicare taxes do not apply to wages paid to a parent for services not in a trade or business, but they do apply to domestic services if:

- 1) The parent cares for a child who lives with a son or daughter and is under 18, or requires adult supervision for at least 4 continuous weeks in a calendar quarter due to a mental or physical condition, and

- 2) The son or daughter is a widow or widower, divorced, or married to a person who, because of a physical or mental condition, cannot care for the child during such period.

4. Employee's Social Security Number (SSN)

You must get each employee's name and SSN because you must enter them on Form W-2. (This requirement also applies to resident and nonresident alien employees.) If you do not provide the correct name and SSN, you may owe a penalty. Any employee without a social security card can get one by completing **Form SS-5**, Application for a Social Security Card. You can get this form at Social Security Administration (SSA) offices or by calling 1-800-772-1213. If your employee applied for an SSN but does not have it when you must file Form W-2, enter "Applied For" on the form. When the employee receives the SSN, file **Form W-2c**, Statement of Corrected Income and Tax Amounts, to show the employee's SSN.

Note: Record the name and number of each employee exactly as they are shown on the employee's social security card. If the employee's name is not correct as shown on the card, including if the employee's name has changed due to marriage or divorce, the employee should request a new card from the SSA.

If your employee was given a new social security card to show his or her correct name and number after an adjustment to his or her alien residence status, correct your records and show the new information on Form W-2. If you filed Form W-2 for the same employee in prior years under the old name and SSN, file Form W-2c to correct the name and number. Advise the employee to contact the local SSA office about 9 months after the Form W-2c is filed to ensure that the records were updated.

5. Wages and Other Compensation

Wages subject to Federal employment taxes include all pay you give an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions, and fringe benefits. It does not matter how you measure or make the payments. See section 6 for a discussion of tips and section 7 for supplemental wages. Also see section 15 for exceptions to the general rules for wages.

Get **Pub. 15-A**, Employer's Supplemental Tax Guide, for information on the following topics.

- Cafeteria plans

- Nonqualified deferred compensation
- Dependent care assistance programs
- Employee achievement awards
- Employee stock options
- Excessive termination payments
- Fringe benefits
- Group-term life insurance
- Interest-free and below-market-rate loans
- Leave sharing plans
- Nonresident aliens, payments to
- Outplacement services
- Scholarship and fellowship payments
- Simplified employee pension plans
- Supplemental unemployment compensation
- Tax sheltered annuities
- Withholding for idle time
- Worker's compensation—public employees

Employee business expense reimbursements.— A reimbursement or allowance arrangement is a system by which you substantiate and pay the advances, reimbursements, and charges for your employees' business expenses. How you report a reimbursement or allowance amount depends on whether it is an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

Accountable plan. To be an accountable plan, your reimbursement or allowance arrangement must require your employees to meet all three of the following rules.

- 1) They must have paid or incurred deductible expenses while performing services as your employees.
- 2) They must adequately account to you for these expenses within a reasonable period of time.
- 3) They must return any excess reimbursement or allowance within a reasonable period of time.

Amounts paid under an accountable plan are not wages and are not subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes.

If the expenses covered by this arrangement are not substantiated or excess reimbursement is not returned within a reasonable period of time, the amount is treated as paid under a nonaccountable plan. This amount is subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes for the first payroll period following the end of the reasonable period.

A reasonable period of time depends on the facts and circumstances. Generally, it is considered reasonable if your employees receive the reimbursement within 30

days of the time they incur the expense, adequately account for the expenses within 60 days after the expenses were paid or incurred, and they return any excess reimbursement within 120 days after the expense was paid or incurred. Also, it is considered reasonable if you give your employees a periodic statement (at least quarterly) that asks them to either return or adequately account for outstanding amounts and they do so within 120 days.

Nonaccountable plan. Payments to your employee for travel and other necessary expenses of your business under a nonaccountable plan are wages and subject to income tax withholding and payment of social security, Medicare, and Federal unemployment tax. Your payments are treated as paid under a nonaccountable plan if:

- 1) Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation, or
- 2) You advance an amount to your employee for business expenses and your employee is not required to or does not return timely any amount he or she does not use for business expenses.

Per diem or other fixed allowance. You may reimburse your employees by travel days, or miles, or some other fixed allowance. In these cases, your employee is considered to have accounted to you if the payments do not exceed rates established by the Federal Government. The 1995 standard mileage rate was 30 cents per mile for auto expenses. See **Pub. 553**, Highlights of 1995 Tax Changes, for the 1996 standard mileage rate. However, see Revenue Procedure 93-51, in Internal Revenue Cumulative Bulletin 1993-2, page 593, for information on using a fixed and variable rate allowance. The government per diem rates for meals and lodging in the continental United States are listed in **Pub. 1542**, Per Diem Rates. Other than the amount of these expenses, your employees' business expenses (for example, the business purpose of the travel or the number of business miles driven) must be substantiated.

If the per diem or allowance paid exceeds the amounts specified, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and Federal unemployment taxes. Show the amount equal to the specified amount in box 13 of Form W-2, using code "L."

For more information, see chapter 16 in **Pub. 535**, Business Expenses.

Wages not paid in money.— If in the course of your trade or business you pay your employees in a medium that is neither cash nor a readily negotiable instrument, such as a check, you are said to pay them "in kind." Payments in kind may be in the form of goods, lodging, food, clothing, or services. Generally, the fair market value of such payments at the time they are provided is subject to

income tax withholding and social security, Medicare, and Federal unemployment (FUTA) taxes.

However, noncash payments for household work, agricultural labor, and service not in the employer's trade or business are exempt from social security, Medicare, and FUTA taxes. Withhold income tax on these payments only if you and the employee agree to do so.

Moving expenses.— Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) are not includible in an employee's income unless you have knowledge that the employee deducted the expenses in a prior year. Reimbursed and employer-paid nonqualified moving expenses are includible in income and are subject to employment taxes and income tax withholding. For more information on moving expenses for 1995, get **Pub. 521**, Moving Expenses.

Meals and lodging.— The value of meals is not taxable income and is not subject to social security, Medicare, FUTA tax, and income tax withholding if the meals are furnished for the employer's convenience and on the employer's premises. The value of lodging is not subject to withholding if the lodging is furnished for the employer's convenience, on the employer's premises, and as a condition of employment.

"For the convenience of the employer" means that you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals you provide at the place of work so an employee is available for emergencies during his or her lunch period are generally considered to be for your convenience.

However, whether meals or lodging are provided for the convenience of the employer depends on all the facts and circumstances. A written statement that the meals or lodging are for your convenience is not sufficient.

For more information, see chapter 3 in Pub. 535.

Health insurance plans.— If you pay the cost of an accident or health insurance plan for your employees, your payments are not wages and are not subject to social security, Medicare, and Federal unemployment taxes, or income tax withholding.

Medical care reimbursements.— Medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and Federal unemployment taxes, or income tax withholding.

Fringe benefits.— Unless the law says otherwise, you must include fringe benefits in an employee's gross income. The benefits are subject to income and employment taxes. Fringe benefits include cars you provide,

flights on aircraft you provide, free or discounted commercial flights, vacations, discounts on property or services, memberships in country clubs or other social clubs, and tickets to entertainment or sporting events. In general, the amount you must include is the amount by which the fair market value of the benefits is more than the sum of what the employee paid for it plus any amount the law excludes. There are other special rules you and your employees may use to value certain fringe benefits. See Pub. 535 and Regulations section 1.61-21 for more information.

Nontaxable fringe benefits.— Some fringe benefits are not taxable if certain conditions are met. Examples are:

- Services provided to your employees at no additional cost to you.
- Qualified employee discounts.
- Working condition fringes (including out-placement services under certain conditions).
- Minimal value fringes (including an occasional cab ride when an employee must work overtime, local transportation benefits provided because of unsafe conditions and unusual circumstances, and meals you provide at eating places you run for your employees if the meals are not furnished at below cost).
- Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking). See Pub. 535 for details.
- The use of on-premises athletic facilities.
- Reduced tuition for education.

However, services you provide at no additional cost to you, qualified employee discounts, meals at eating places you run for your employees, and reduced tuition provided to officers, owners, or highly paid employees are excluded from the recipient's income and wage base only if the benefits are given to employees on a nondiscriminatory basis. For further information, including the definition of an officer, owner, or highly paid employee, see Pub. 535 and the regulations under Code section 132.

When fringe benefits are treated as paid.— You may choose to treat certain noncash fringe benefits as paid by the pay period, or by the quarter, or on any other basis you choose as long as you treat the benefits as paid at least as often as once a year. You do not have to make a formal choice of payment dates or notify the IRS of the dates you choose. You do not have to make this choice for all employees. You may change methods as often as you like, as long as you treat all benefits provided in a calendar year as paid by December 31 of the calendar year. See Pub. 535 for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

Valuation of fringe benefits.— Generally, you must determine the value of fringe benefits no later than January 31 of the next year. Prior to January 31, you may reasonably estimate the value of the fringe benefits for purposes of withholding and depositing on time.

Withholding on fringe benefits.— You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold Federal income tax on the value of the fringe benefits at the flat 28% supplemental wage rate.

You may choose not to withhold income tax on the value of an employee's personal use of a vehicle you provide. You must, however, withhold social security, Medicare, or railroad retirement taxes on the use of the vehicle. Get Pub. 15–A for more information on this election.

Depositing taxes on fringe benefits.— Once you choose payment dates for fringe benefits (discussed above), you must deposit taxes in the same deposit period you treat the fringe benefits as paid. To avoid a penalty, deposit the taxes following the general deposit rules for that deposit period.

If you determine by January 31 that you overestimated the value of a fringe benefit at the time you withheld and deposited for it, you may claim a refund for the overpayment or have it applied to your next employment tax return (see **Valuation of fringe benefits** above). If you underestimated the value and deposited too little, you may be subject to the failure to deposit penalty. See section 11 for information on deposit penalties.

If you deposited the required amount of taxes but withheld a lesser amount from the employee, you can recover from the employee the social security, Medicare, or income taxes you deposited on his or her behalf, and included in the employee's Form W–2. However, you must recover the income taxes before April 1 of the following year.

Sick pay.— In general, sick pay is any amount you pay, under a plan you take part in, to an employee because of sickness or injury. These amounts are sometimes paid by a third party, such as an insurance company or employees' trust. In either case, these payments are subject to social security, Medicare, or railroad retirement (RRTA) taxes, and Federal unemployment (FUTA) taxes. Sick pay becomes exempt from these taxes after the end of 6 calendar months after the calendar month the employee last worked for the employer. The payments are also subject to income tax. See Pub. 15–A for more information.

6. Tips

Tips your employee receives are generally subject to withholding. Your employee must report cash tips to you by the 10th of the month after the month the tips are received. The report should include tips you paid over to

the employee for charge customers and tips the employee received directly from customers. No report is required for months when tips are less than \$20. Your employee reports the tips on **Form 4070**, Employee's Report of Tips to Employer, or on a similar statement. The statement must be signed by the employee and must show the following:

- The employee's name, address, and SSN.
- Your name and address.
- The month or period the report covers.
- The total tips.

Both Forms 4070 and **4070–A**, Employee's Daily Record of Tips, are included in **Pub. 1244**, Employee's Daily Record of Tips and Report to Employer.

You must collect income tax, employee social security tax, and employee Medicare tax on the employee's tips. You can collect these taxes from the employee's wages or from other funds he or she makes available. (See **Tips treated as supplemental wages** in section 7 for further information.) Stop collecting the employee social security tax when his or her wages and tips for tax year 1996 reach \$62,700; collect the income and employee Medicare taxes for the whole year on all wages and tips.

You are responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You are responsible for the employer Medicare tax for the whole year on all wages and tips.

File Form 941 to report withholding on tips. If, by the 10th of the month after the month you received an employee's report on tips, you don't have enough employee funds available to deduct the employee tax, you no longer have to collect it. Show any uncollected social security and Medicare taxes on Form W–2, on lines 6b and 7 of Form 941, and as an adjustment on line 9, Form 941. (See the instructions for Forms W–2 and 941.)

If an employee reports to you in writing \$20 or more of tips in a month, they are subject to FUTA tax.

Allocated tips.— If you operate a large food or beverage establishment, you must report allocated tips under certain circumstances. However, do not withhold income, social security, or Medicare taxes on allocated tips.

A large food or beverage establishment is one that provides food or beverages for consumption on the premises, where tipping is customary, and where there are normally more than 10 employees on a typical business day during the preceding year.

The tips may be allocated by one of three methods—hours worked, gross receipts, or good faith agreement. For information about these allocation methods and further information, including the requirement to file Forms 8027 on magnetic media if 250 or more forms are filed, see the separate **Instructions for Form 8027**.

7. Supplemental Wages

Supplemental wages are compensation paid in addition to the employee's regular wages. They include, but are not limited to, bonuses, commissions, overtime pay, accumulated sick leave, severance pay, awards, prizes, backpay and retroactive pay increases for current employees, and payments for nondeductible moving expenses. Other payments subject to the supplemental wage rules include taxable fringe benefits and expense allowances paid under a nonaccountable plan.

If you pay supplemental wages with regular wages but do not specify the amount of each, withhold income tax as if the total were a single payment for a regular payroll period.

If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the income tax withholding method depends partly on whether or not you withhold income tax from your employee's regular wages:

- If you **withhold** income tax from an employee's regular wages, you can use one of the following methods for the supplemental wages:
 - a) Withhold a flat 28%.
 - b) Add the supplemental and regular wages for the most recent payroll period this year. Then figure the income tax withholding as if the total were a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
- If you **did not withhold** income tax from the employee's regular wages, use method **b**. (This would occur, for example, when the value of the employee's withholding allowances claimed on Form W–4 is more than the wages.)

Regardless of the method you use to withhold income tax on supplemental wages, including bonuses, supplemental wages are subject to social security and Medicare taxes.

Tips treated as supplemental wages.— Withhold the income tax on tips from wages or from other funds the employee makes available. If an employee receives regular wages and reports tips, figure income tax as if the tips were supplemental wages. If you have not withheld income tax from the regular wages, add the tips to the regular wages. Then withhold income tax on the total. If you withheld income tax from the regular wages, you can withhold on the tips by method **a** or **b** above.

Vacation pay.— Vacation pay is subject to withholding as if it were a regular wage payment. When vacation pay is in addition to regular wages for the vacation period, treat it as a supplemental wage payment. If the vacation pay is for a time longer than your usual payroll period, spread it over the pay periods for which you pay it.

8. Payroll Period

The payroll period is a period of service for which you usually pay wages. When you have a regular payroll period, withhold income tax for that time period even if your employee does not work the full period.

When you don't have a payroll period, withhold the tax as if you paid wages on a daily or miscellaneous payroll period. Figure the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (e.g., commissions paid on completion of a sale), count back the number of days from the payment period to the latest of:

- 1) The last wage payment made during the same calendar year,
- 2) The date employment began, if during the same calendar year, or
- 3) January 1 of the same year.

When you pay an employee for a period of less than 1 week, and the employee signs a statement under penalties of perjury that he or she is not working for any other employer during the same week for wages subject to withholding, figure withholding based on a weekly payroll period. If the employee later begins to work for another employer for wages subject to withholding, the employee must notify you within 10 days. You then figure withholding based on the daily or miscellaneous period.

9. Withholding From Employees' Wages

Income Tax Withholding

To know how much income tax to withhold from employees' wages, you should have a **Form W-4**, Employee's Withholding Allowance Certificate, on file for each employee. Ask all new employees to give you a signed Form W-4 when they start work. Make the form effective with the first wage payment. If a new employee does not give you a completed Form W-4, withhold tax as if he or she is single, with no withholding allowances.

A Form W-4 remains in effect until the employee gives you a new one. If an employee gives you a Form W-4 that replaces an existing Form W-4, begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date you received the replacement Form W-4. For exceptions, see **Exemption from income tax withholding, Sending certain Forms W-4 to the IRS, and Invalid Forms W-4** below.

The amount of income tax withholding must be based on filing status and withholding allowances. Your employees may not base their withholding amounts on a

fixed dollar amount or percentage. However, the employee may specify a dollar amount to be withheld **in addition** to the amount of withholding based on filing status and withholding allowances claimed on Form W-4.

Employees may claim **fewer** withholding allowances than they are entitled to claim. They may wish to claim fewer allowances to ensure that they have enough withholding or to offset other sources of taxable income that are not subject to adequate withholding.

Note: *A Form W-4 that makes a change for the next calendar year will not take effect in the current calendar year.*

Get **Pub. 505**, Tax Withholding and Estimated Tax, for detailed instructions for completing Form W-4. Along with Form W-4, you may wish to order Pub. 505 and **Pub. 919**, Is My Withholding Correct for 1996?

When you receive a new Form W-4, do not adjust withholding for pay periods before the effective date of the new form; that is, do not adjust withholding retroactively. Also, do not accept any withholding or estimated tax payments from your employees in addition to withholding based on their Form W-4. If they require additional withholding, they should submit a new Form W-4 and, if necessary, pay estimated tax by filing **Form 1040-ES**, Estimated Tax for Individuals.

Exemption from income tax withholding.— An employee may claim exemption from income tax withholding because he or she had no income tax liability last year and expects none this year. However, the wages are still subject to social security and Medicare taxes.

An employee must file a Form W-4 each year by February 15 to claim exemption from withholding. If the employee does not give you a new Form W-4, withhold tax as if the employee is single with zero withholding allowances.

Withholding on nonresident aliens.— In general, if you pay wages to nonresident aliens, you must withhold income tax (unless excepted by regulations), social security, and Medicare taxes as you would for a U.S. citizen. You must also give a Form W-2 to the nonresident alien and file it with the SSA. The wages are subject to FUTA tax as well. However, see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Corporations, for exceptions to these general rules.

Form W-4.— To avoid underwithholding of income taxes, you should require nonresident aliens when completing Form W-4 to:

- 1) Not claim exemption from income tax withholding.
- 2) Request withholding as if they are single, regardless of their actual marital status.
- 3) Claim only one allowance.
- 4) Request an additional income tax withholding amount of \$4.00 per week.

Note: If the nonresident alien is a resident of Canada, Mexico, Japan, or Korea, he or she may claim more than one allowance.

Nonwage withholding.— In some cases, a Code section or a U.S. treaty provision will exempt payments to a nonresident alien from wages. These payments are not subject to regular income tax withholding. Form W-2 is not required in these cases. Instead, the payments are subject to withholding at a flat 30% or lower treaty rate, unless exempt from tax because of a Code or U.S. tax treaty provision.

Report these payments and any withheld tax on **Form 1042-S**, Foreign Person's U.S. Source Income Subject to Withholding. Form 1042-S is sent to the IRS with **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. You may have to make deposits of the withheld income tax, using **Form 8109**, Federal Tax Deposit Coupon. See Pub. 515 for more information. For information on the requirement to file Forms 1042-S on magnetic media, see Pub. 1187.

Sending certain Forms W-4 to the IRS.— You must send to the IRS copies of certain Forms W-4 received during the quarter from employees still employed by you at the end of the quarter. Send copies when the employee (1) claims more than 10 withholding allowances or (2) claims exemption from withholding and his or her wages would normally be \$200 or more per week. You are not required to send any other Forms W-4 unless the IRS notifies you in writing to do so.

Send in Forms W-4 that meet either of the above conditions each quarter with Form 941. (However, if your Form 941 is filed on magnetic media, send your paper Forms W-4 to your IRS service center with a cover letter.) Complete boxes 8 and 10 on any Forms W-4 you send in. You may use box 9 to identify the office responsible for processing the employee's payroll information. Also send copies of any written statements from employees in support of the claims made on Forms W-4. Send these statements even if the Forms W-4 are not in effect at the end of the quarter. You can send them to your IRS service center more often if you like. If you do so, include a cover letter giving your name, address, EIN, and the number of forms included. In certain cases, the IRS may notify you in writing that you must submit specified Forms W-4 more frequently to your district director separate from your Form 941.

Base withholding on the Forms W-4 that you send in unless the IRS notifies you in writing to do otherwise. If the IRS notifies you about a particular employee, base withholding on the number of withholding allowances shown in the IRS notice. You will get a copy of the notice to give to the employee. Also, the employee will get a similar notice directly from the IRS. If the employee later gives you a new Form W-4, follow it only if (1) exempt status is not claimed or (2) the number of withholding allowances is equal to or fewer than the number in the IRS notice. Otherwise, disregard it and do not submit it to the IRS. Continue to follow the IRS notice.

If the employee prepares a new Form W-4 explaining any difference with the IRS notice, he or she may either submit it to the IRS or to you. If submitted to you, send the Form W-4 and explanation to the IRS office shown in the notice. Continue to withhold based on the notice until the IRS tells you to follow the new Form W-4.

Filing Form W-4 on magnetic media.— Form W-4 information may be filed with the IRS on magnetic media. If you wish to file on magnetic media, you must submit **Form 4419**, Application for Filing Information Returns Magnetically/Electronically, to request authorization. See **Pub. 1245**, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, on Magnetic Tape, and 5/4- and 3/2-Inch Magnetic Diskettes. To get more information about magnetic media filing, call the IRS Martinsburg Computing Center at 304-263-8700.

Note: Any Forms W-4 with **employee supporting statements** that you must submit to the IRS must be submitted on paper. They cannot be submitted on magnetic media.

Invalid Forms W-4.— Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies that the form is correct. A Form W-4 is also invalid if, by the date an employee gives it to you, he or she indicates in any way that it is false.

When you get an invalid Form W-4, do not use it to figure withholding. Tell the employee it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee were single and claiming no withholding allowances. However, if you have an earlier Form W-4 for this worker that is valid, withhold as you did before.

Amounts exempt from levy on wages, salary, and other income.— If you receive a Notice of Levy on Wages, Salary, and Other Income (Forms 668W or 668W(c)), you must withhold amounts as described in the instructions for these forms. **Pub. 1494**, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Forms 668W and 668W(c)), shows the exempt amount.

Social Security and Medicare Taxes

The Federal Insurance Contributions Act (FICA) provides for a Federal system of old-age, survivors, disability, and hospital insurance. The old-age, survivors, and disability insurance part is financed by the social security tax. The hospital insurance part is financed by the Medicare tax. Each of these taxes is reported separately.

Social security and Medicare taxes are levied on both you and your employees (unless you or your employees are not subject to these taxes; see section 15). You, as an employer, must withhold and deposit the employee's part of the taxes and you must pay a matching amount.

Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age, or whether he or she is receiving social security benefits. (If the employee reported tips, see section 6.)

Tax rates and the social security wage base.— These taxes have different tax rates and only social security tax has a wage base. The wage base is the maximum wage that is subject to the tax for the year. Determine the amount of withholding for social security and Medicare taxes by multiplying each payment by the employee tax rate. There are no withholding allowances for social security and Medicare taxes.

The employee tax rate for social security is 6.2% (amount withheld). The employer tax rate for social security is also 6.2% (12.4% total). The 1995 wage base was \$61,200. For 1996, the wage base is \$62,700.

The employee tax rate for Medicare is 1.45% (amount withheld). The employer tax rate for Medicare tax is also 1.45% (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

See **Pub. 334**, Tax Guide for Small Business, for a comprehensive example showing how to withhold for income, social security, and Medicare taxes. This example also shows how to deposit and report these taxes.

Successor employer.— If you received all or most of the property used in the trade or business of another employer, or a unit of that employer's trade or business, you may include the wages the other employer paid to your employees when you figure the annual wage limit for social security. See Regulations section 31.3121(a)(1)-1 for more information. Also see Revenue Procedure 84-77, in Internal Revenue Cumulative Bulletin 1984-2, page 753, for the procedures used in filing returns in a predecessor-successor situation.

Example: Early in 1995, you bought all the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. You and Mr. Brown are subject to social security taxes on the first \$59,200 (\$61,200 less \$2,000) and Medicare taxes on all wages you pay him during the rest of the calendar year.

Part-Time Workers

For income tax withholding and social security, Medicare, and Federal unemployment tax purposes, there are no differences between full-time employees, part-time employees, and employees hired for short periods. It does not matter whether the worker has another job or has the maximum amount of social security and Medicare taxes withheld by another employer. Income tax withholding may be figured the same way as for full-time workers. Or it may be figured by the part-year employment method, explained in **Pub. 15-A**, Employer's Supplemental Tax Guide.

10. Advance Earned Income Credit Payment

An employee who is eligible for earned income credit (EIC) and has a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must give you a properly completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5.

Certain employees who do not have a qualifying child may be able to claim the EIC on their tax return. However, they **cannot** get advance EIC payments.

For 1996, the advance payment can be as much as \$1,291. The tables that begin on page 56 reflect that limit.

Form W-5.— Form W-5 states the eligibility requirements for receiving advance EIC payments. On Form W-5, an employee states that he or she expects to be eligible for the EIC and shows whether he or she has a certificate in effect with any other current employer. The employee also shows the following:

- Whether he or she has a qualifying child.
- Whether he or she is married.
- If the employee is married, whether his or her spouse has a certificate in effect with any employer.

An employee may have only one certificate in effect with a current employer at one time. If an employee is married and his or her spouse also works, each spouse should file a separate Form W-5.

Length of effective period.— Make the initial Form W-5 certificate effective for the first payroll period ending on or after the date the employee gives you the form (or the first wage payment made without regard to a payroll period). It remains in effect until the end of the calendar year unless the employee revokes the certificate or files another one. Eligible employees must file a new certificate each year.

Change of status.— If an employee gives you a signed Form W-5 and later becomes ineligible for advance EIC payments, he or she must revoke the certificate within 10 days after learning about the change of circumstances. The employee must give you a new Form W-5 stating that he or she is no longer eligible for or no longer wants advance EIC payments.

If an employee's situation changes because his or her spouse files a Form W-5, the employee must file a new Form W-5 showing that his or her spouse has a certificate in effect with an employer. This will reduce the maximum amount of advance payments you can make to that employee.

If an employee's spouse has filed a Form W-5 that is no longer in effect, the employee may file a new Form W-5 with you, but is not required to do so. A new form

will certify that the spouse does not have a certificate in effect and will increase the maximum amount of advance payments you can make to that employee.

Invalid certificate.— The Form W-5 is invalid if it is incomplete, unsigned, or has an alteration or unauthorized addition. The form has been altered if any of the language has been deleted. Any writing added to the form other than the requested entries is an unauthorized addition.

You should consider a certificate invalid if an employee has made an oral or written statement that clearly shows the Form W-5 to be false. If you receive an invalid certificate, tell the employee that the certificate is invalid as of the date he or she made the oral or written statement. For advance EIC payment purposes, the invalid certificate is considered void.

You are not required to determine if a completed and signed Form W-5 is correct. However, you should contact the IRS district director if you have reason to believe the certificate has any incorrect statement.

How to figure the advance EIC payment.— To figure the amount of the advance EIC payment to include with the employee's pay, you must consider:

- 1) Wages, including reported tips, for the pay period.
- 2) Whether the employee is married or single.
- 3) Whether a married employee's spouse has a Form W-5 in effect with an employer.

Note: *If during the year you have paid an employee total wages of at least \$25,078, you must stop making advance EIC payments to that employee for the rest of the year.*

Figure the amount of advance EIC to include in the employee's pay by using the tables that begin on page 56. There are separate tables for employees whose spouses have a certificate in effect. See page 33 for instructions on using the advance EIC payment tables. The amount of advance EIC paid to an employee during 1996 cannot exceed \$1,291.

Paying the advance EIC to employees.— An advance EIC payment is not wages and is not subject to withholding of income, social security, or Medicare taxes. An advance EIC payment does not change the amount of income, social security, or Medicare taxes you withhold from the employee's wages. You add the EIC payment to the employee's net pay for the pay period. At the end of the year, you show the total advance EIC payments in the box for "Advance EIC payment" on Form W-2. Do not include this amount in the "Wages..." box.

Employer's returns.— Show the total payments you made to employees on the advance EIC lines of your Form 941 or 943, whichever applies. Subtract this amount from your total taxes (see the specific instructions for each form). Reduce the amounts reported on

the record of Federal tax liability (e.g., line 17 of Form 941) by any advance EIC paid to employees.

Generally, employers will make the advance EIC payment from withheld income tax and employee and employer social security and Medicare taxes. These taxes are normally required to be paid over to the IRS either through Federal tax deposits or with employment tax returns. For purposes of deposit due dates, advance EIC payments are considered deposited on the day you pay wages (including the advance EIC payment) to your employees. The advance EIC payment reduces, in this order, the amount of income tax withholding, withheld employee social security and Medicare taxes, and the employer's share of social security and Medicare taxes.

Example. You have 10 employees, each entitled to an advance EIC payment of \$10. The total advance payments you make for the payroll period are \$100. The total income tax withholding for the payroll period is \$90. The total employee and employer social security and Medicare taxes for the payroll period is \$122.60 (\$61.30 each).

You are considered to have made a deposit of \$100 advance EIC payment on the day you paid wages, and you subtract this amount from your employment taxes for the payroll period. The \$100 is treated as if you paid the IRS the \$90 total income tax withholding and \$10 of the employee social security and Medicare taxes. You remain liable only for \$112.60 of the social security and Medicare taxes (\$51.30 + \$61.30 = \$112.60).

Advance EIC payments more than taxes due.— If for any payroll period the total advance EIC payments are more than the total payroll taxes (withheld income tax and both employee and employer shares of social security and Medicare taxes), you may choose either:

- 1) Reduce each employee's advance payment proportionally so that the total advance EIC payments equal the amount of taxes due, or
- 2) Elect to make full payment of the advance EIC and treat the excess as an advance payment of employment taxes.

Example. You have 10 employees who are each entitled to an advance EIC payment of \$10. The total amount of advance EIC payable for the payroll period is \$100. The total employment tax for the payroll period is \$90 (including income tax withholding and social security and Medicare taxes). The advance EIC payable is \$10 more than the total employment tax. The \$10 excess is 10% of the advance EIC payable (\$100). You may—

- 1) Reduce each employee's payment by 10% so the advance EIC payments equal your total employment tax (\$90), or
- 2) Pay each employee \$10, and treat the excess \$10 as an advance payment of employment taxes. Attach a statement to your employment tax return showing the excess advance EIC payments and the payroll period to which the excess applies.

U.S. territories.— If you are in American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or the U.S. Virgin Islands, consult your local tax office for information on the EIC. You cannot take advance EIC payments into account on Form 941–SS.

Required Notice to Employees

You must notify employees who have no income tax withheld that they may be able to claim a tax refund because of the EIC. Although you do not have to notify employees who claim exemption from withholding on **Form W–4**, Employee’s Withholding Allowance Certificate, about the EIC, you are encouraged to notify any employees whose wages for 1995 were less than \$26,673 that they may be eligible to claim the credit for 1995. This is because eligible employees may get a refund of the amount of EIC that is more than the tax they owe. For example, an employee who had no tax withheld in 1995 and owes no tax, but is eligible for a \$790 EIC, can file a 1995 tax return to get a \$790 refund.

You will meet this notification requirement if you issue the IRS Form W-2 with the EIC notice on the back of the employee’s copy (Copy C), or a substitute Form W-2 with the same statement. You may also meet the requirement by providing **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording.

If a substitute Form W–2 is given on time but doesn’t have the required statement, you must notify the employee within 1 week of the date the substitute Form W–2 is given. If Form W–2 is required but isn’t given on time, you must give the employee Notice 797 or your written statement by the date Form W–2 is required to be given. If Form W–2 is not required, you must notify the employee by February 7, 1996.

For more information about notification requirements, see **Notice 1015** (formerly Pub. 1325), Employers—Have You Told Your Employees About the Earned Income Credit (EIC)?

11. Depositing Taxes

In general, you must deposit income tax withheld and both the employer and employee social security and Medicare taxes (minus any advance EIC payments) by mailing or delivering a check, money order, or cash to an authorized financial institution or Federal Reserve bank. However, some taxpayers are required to deposit by electronic funds transfer (EFT) as discussed below. The requirement to deposit electronically is being phased in over a period of years and an increasing number of taxpayers will be required to use this method each year.

Federal tax deposits by electronic funds transfer (EFT).— Taxpayers whose total deposits of withheld income, social security, and Medicare taxes during calendar year 1993 or 1994 exceeded \$47 million are required

to deposit all depository taxes due after 1995 by EFT. TAXLINK, an electronic remittance processing system, must be used to make deposits by EFT. If you are required to make deposits by EFT and fail to do so, you may be subject to a penalty. Taxpayers who are not required to make deposits by EFT may voluntarily participate in TAXLINK. For more details on TAXLINK, call the toll-free TAXLINK HELPLINE at 1–800–829–5469 (for TAXLINK information only), or write to:

Internal Revenue Service
Cash Management Site Office
P.O. Box 47669, Stop 295
Doraville, GA 30362

Payments with returns.— You may make payments with your return instead of depositing if:

- Your net tax liability for the return period (line 13 on Form 941) is less than \$500, or
- You are making a payment in accordance with the **Accuracy of Deposits Rule** discussed on page 21. This amount may exceed \$500. **Caution:** *Only monthly schedule depositors are allowed to make this underpayment with the return.*

Separate deposit requirements for nonpayroll (Form 945) tax liabilities.— Separate deposits are required for nonpayroll income tax withholding. **Do not** combine deposits for Form 941 and Form 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below. See the separate **Instructions for Form 945** for more information.

Federal tax deposit (FTD) coupon.— Use **Form 8109**, Federal Tax Deposit Coupon, to make the deposits. **Do not** use the deposit coupons to pay delinquent taxes assessed by the IRS. Send those payments directly to your Internal Revenue Service Center with a copy of any related notice the IRS sent you.

For new employers, the IRS will send you an FTD coupon book 5 to 6 weeks after you receive an employer identification number (EIN). (Apply for an EIN on Form SS–4.) The IRS will keep track of the number of FTD coupons you use and **automatically** will send you additional coupons when you need them. If you do not receive your resupply of FTD coupons, call 1–800–829–1040. You can have the FTD coupon books sent to a branch office, tax preparer, or service bureau that is making your deposits by showing that address on **Form 8109C**, FTD Address Change, which is in the FTD coupon book. (Filing Form 8109C will not change your address of record; it will change only the address where the FTD coupons are mailed.) The FTD coupons will be preprinted with your name, address, and EIN. They have entry boxes for indicating the type of tax and the tax period for which the deposit is made.

It is very important to clearly mark the correct type of tax and tax period on each FTD coupon. This information is used by the IRS to credit your account.

If you have branch offices depositing taxes, give them FTD coupons and complete instructions so they can deposit the taxes when due.

Please use only your FTD coupons. If you use anyone else's FTD coupon, you may be subject to the failure to deposit penalty. This is because your account will be underpaid by the amount of the deposit credited to the other person's account. See **Penalties** below for details.

How to make deposits.— Mail or deliver each FTD coupon and a single payment covering the taxes to be deposited to an authorized depository or to the Federal Reserve bank or branch (FRB) serving your area. An authorized depository is a financial institution (e.g., a commercial bank) that is authorized to accept Federal tax deposits. Follow the instructions in the FTD coupon book. Make the check or money order payable to the depository or FRB where you make your deposit. To help ensure proper crediting of your account, include your EIN, the type of tax (e.g., Form 941), and tax period to which the payment applies on your check or money order. Reporting agents who make deposits for their clients should see Revenue Procedure 89-48, in Internal Revenue Cumulative Bulletin 1989-2, page 599.

Deposits at depositories.— Authorized depositories must accept cash, a postal money order drawn to the order of the depository, or a check or draft drawn on and to the order of the depository. You can deposit taxes with a check drawn on another financial institution only if the depository is willing to accept that form of payment.

Note: *Be sure that the financial institution where you make deposits is an authorized depository. Deposits made at an unauthorized institution may be subject to the failure to deposit penalty.*

Deposits at FRBs.— If you want to make a deposit at an FRB, make the deposit with the FRB serving your area. Deposits may be subject to the failure to deposit penalty if the payment is not considered an immediate credit item on the day it is received by the FRB. A personal check, including one drawn on a business account, is not an immediate credit item. To avoid a penalty, deposits made by personal checks drawn on other financial institutions must be made in advance of the deposit due date to allow time for check clearance. To be considered timely, the funds must be available to the FRB on the deposit due date before the FRB's daily cutoff deadline. Contact your local FRB to obtain information concerning check clearance and cutoff schedules.

Depositing on time.— The IRS determines if deposits are on time by the date they are received by an authorized depository or FRB. However, a deposit received by the authorized depository or FRB after the due date will be considered timely if the taxpayer establishes that it was mailed in the United States at least 2 days before the due date.

Note: *If you are required to deposit any taxes more than once a month, any deposit of \$20,000 or more must be made by its due date to be timely.*

Depositing without an EIN.— If you have applied for an EIN but **have not** received it, and you must make a deposit, make the deposit with your Internal Revenue Service Center. **Do not** make the deposit at an authorized depository or FRB. Make it payable to the Internal Revenue Service and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. Send an explanation with the deposit. **Do not** use Form 8109-B in this situation.

Depositing without Form 8109.— If you do not have the preprinted Form 8109, you may use Form 8109-B to make deposits. Form 8109-B is an over-the-counter FTD coupon that is not preprinted with your identifying information. You may get this form by calling 1-800-829-1040. Be sure to have your EIN ready when you call. You will not be able to obtain this form by calling the general 1-800-TAX-FORM number.

Use Form 8109-B to make deposits only if—

- You are a new employer and you have been assigned an EIN, but you have not received your initial supply of Forms 8109.
- You have not received your resupply of preprinted Forms 8109.

Deposit record.— For your records, a stub is provided with each FTD coupon in the coupon book. The FTD coupon itself will not be returned. It is used to credit your account. Your check, bank receipt, or money order is your receipt.

How to claim credit for overpayments.— If you deposited more than the right amount of taxes for a quarter, you can request on Form 941 for that quarter to have the overpayment refunded or applied as a credit to your next return. Do not ask the depository or FRB to request a refund from the IRS for you.

Penalties.— Penalties may apply if you do not make required deposits on time. The penalties do not apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. For amounts not timely deposited, the penalty rates are:

- 2% - Deposits made 1 to 5 days late.
- 5% - Deposits made 6 to 15 days late.
- 10% - Deposits made 16 or more days late. Also applies to amounts paid to the IRS within 10 days of the date of the first notice the IRS sent asking for the tax due.
- 15% - Amounts still unpaid more than 10 days after the date of the first notice the IRS sent asking for the tax due or the day on which you receive notice and demand for immediate payment, whichever is earlier.

Caution: You may be subject to a penalty if you make deposits at an unauthorized financial institution, you pay directly to the IRS, or you pay with your tax return (but see **Depositing without an EIN and Payments with returns** earlier for exceptions).

Order in which deposits are applied.— Tax deposits are applied first to satisfy any past due underdeposits for the quarter, with the oldest underdeposit satisfied first.

Example: Cedar Inc. is required to make a deposit of \$1,000 on February 15 and \$1,500 on March 15. It does not make the deposit on February 15. On March 15, Cedar Inc. deposits \$1,700 assuming that it has paid its March deposit in full and applied \$200 to the late February deposit. However, because deposits are applied first to past due underdeposits in due date order, \$1,000 of the March 15 deposit is applied to the late February deposit. The remaining \$700 is applied to the March 15 deposit. Therefore, in addition to an underdeposit of \$1,000 for February 15, Cedar Inc. has an underdeposit for March 15 of \$800. Penalties will be applied to both underdeposits as explained above.

Trust fund recovery penalty.— If income, social security, and Medicare taxes that must be withheld are not withheld or are not paid to the IRS, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be **responsible** for collecting, accounting for, and paying over these taxes, and who acted **willfully** in not doing so.

A **responsible person** can be an officer or employee of a corporation, a partner or employee of a partnership, an accountant, a volunteer director/trustee, or an employee of a sole proprietorship. A responsible person also may include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

Willfully means voluntarily, consciously, and intentionally. A responsible person acts willfully if the person knows the required actions are not taking place.

Separate accounting when deposits are not made or withheld taxes are not paid.— Separate accounting may be required if you do not pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive written notice from the district director requiring you to deposit taxes in a special trust account for the U.S. Government. You would also have to file monthly tax returns on **Form 941-M**, Employer's Monthly Federal Tax Return.

When To Deposit

There are two deposit schedules—monthly or semi-weekly—for determining when you deposit Federal employment and withholding taxes (other than FUTA taxes). The IRS will notify you each November whether you are a monthly or semiweekly schedule depositor for the coming calendar year. If you do not receive the notification, you must determine your deposit schedule using the following rules. The rules apply to social security and Medicare tax and Federal income tax withheld on wages, tips, and sick pay. Similar rules apply for Federal income tax withholding for nonpayroll items such as backup withholding and withholding on pensions, annuities, and gambling winnings. These rules do not apply to Federal unemployment (FUTA) tax. See section 14 for information on depositing FUTA tax.

Lookback period.— Your deposit schedule for a calendar year is determined from the total employment taxes reported on your Forms 941 (line 13) in a four-quarter lookback period—July 1 through June 30—as shown in the chart below. If you reported \$50,000 or less of employment taxes for the lookback period, you are a monthly schedule depositor; if you reported more than \$50,000, you are a semiweekly schedule depositor. There are two exception rules—the \$500 rule and the \$100,000 rule. The deposit rules and exceptions are discussed below.

Table 1. **Lookback Period for Calendar Year 1996**

Calendar Year 1996			
Jan.–Mar.	Apr.–June	July–Sept.	Oct.–Dec.
Lookback Period			
1994		1995	
July–Sept.	Oct.–Dec.	Jan.–Mar.	Apr.–June

Monthly Deposit Schedule

You are a monthly schedule depositor for a calendar year if the total employment taxes for the four quarters in your lookback period were \$50,000 or less. Under the monthly deposit schedule, employment taxes withheld on payments made during a calendar month must be deposited by the 15th day of the following month.

Monthly schedule depositors should **not** file Form 941 on a monthly basis. Do not file **Form 941-M**, Employer's Monthly Federal Tax Return, unless you are instructed to do so by an IRS representative.

New Employers.— During the first calendar year of your business, your tax liability for each quarter in the lookback period is considered to be zero. Therefore,

you are a monthly schedule depositor for the first calendar year of your business (but see the **\$100,000 One-Day Rule** on page 20).

Semiweekly Deposit Schedule

You are a semiweekly schedule depositor for a calendar year if the total employment taxes during your lookback period were more than \$50,000. Under the semiweekly deposit schedule, employment taxes withheld on payments made on Wednesday, Thursday, and/or Friday must be deposited by the following Wednesday. Amounts accumulated on payments made on Saturday, Sunday, Monday, and/or Tuesday must be deposited by the following Friday.

Table 2. **Semiweekly Deposit Schedule**

Payment Days/ Deposit Periods	Deposit By:
Wednesday, Thursday, and/or Friday	Following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Following Friday

If a quarterly return period ends on a day other than Tuesday or Friday, employment taxes accumulated on the days covered by the return period just ending are subject to one deposit obligation, and employment taxes accumulated on the days covered by the new return period are subject to a separate deposit obligation. For example, if one quarterly return period ends on Thursday and a new quarter begins on Friday, employment taxes accumulated on Wednesday and Thursday are subject to one deposit obligation and taxes accumulated on Friday are subject to a separate obligation. Separate Forms 8109 are required for each deposit because two different quarters are affected. Be sure to mark the quarter for which the deposit is made on each Form 8109.

Example of Monthly and Semiweekly Schedules

Rose Co. reported employment tax liability on Form 941 as follows:

1995 Lookback Period		1996 Lookback Period	
3rd Quarter 1993	– \$12,000	3rd Quarter 1994	– \$12,000
4th Quarter 1993	– \$12,000	4th Quarter 1994	– \$12,000
1st Quarter 1994	– \$12,000	1st Quarter 1995	– \$12,000
2nd Quarter 1994	– <u>\$12,000</u>	2nd Quarter 1995	– <u>\$15,000</u>
	\$48,000		\$51,000

Rose Co. is a monthly schedule depositor for 1995 because its tax liability for the four quarters in its lookback period (third quarter 1993 through second quarter 1994) was not more than \$50,000. However, for 1996, Rose Co. must follow the semiweekly deposit schedule because its liability exceeded \$50,000 for the four quarters in its lookback period (third quarter 1994 through second quarter 1995).

Application of Monthly and Semiweekly Schedules

The terms “monthly schedule depositor” and “semiweekly schedule depositor” do not refer to how often your business pays its employees, or even how often you are required to make deposits. The terms identify which set of rules you must follow when a tax liability arises (e.g., when you have a payday). The deposit rules are based on the dates wages are paid; **not** on when payroll liabilities are accrued.

Monthly schedule example: Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each of the four Fridays during January but did not pay any wages during February. Under the monthly schedule, Spruce Co. must deposit the combined tax liabilities for the four January paydays by February 15. Spruce Co. does not have a deposit requirement for February (due by March 15) because no wages were paid and, therefore, it did not have a tax liability for the month.

Semiweekly schedule example: Green Inc., which has a semiweekly deposit schedule, pays wages once each month on the last day of the month. Although Green Inc. has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green Inc.’s tax liability for the January 31, 1996 (Wednesday) payday must be deposited by February 7, 1996 (Wednesday). Under the semiweekly deposit schedule, liabilities for wages paid on Wednesday through Friday must be deposited by the following Wednesday.

Deposits on Banking Days Only

If a deposit is required to be made on a day that is not a banking day, the deposit is considered timely if it is made by the close of the next banking day. In addition to Federal and state bank holidays, Saturdays and Sundays are treated as nonbanking days. For example, if a deposit is required to be made on a Friday and Friday is not a banking day, the deposit will be considered timely if it is made by the following Monday.

A special rule is provided for **semiweekly schedule depositors** that allows these depositors at least 3 banking days to make a deposit. That is, if any of the 3 weekdays after the end of a semiweekly period is a banking holiday, they will have one additional banking day to deposit. For example, if a semiweekly schedule

depositor accumulated taxes for payments made on Friday and the following Monday is not a banking day, the deposit normally due on Wednesday may be made on Thursday (allowing 3 banking days to make the deposit).

\$500 Rule

If an employer accumulates less than a \$500 tax liability during a return period (e.g., during a quarter for Form 941), no deposits are required and this liability may be paid with the tax return for the period. However, if you are unsure that you will accumulate less than \$500, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties.

\$100,000 One-Day Rule

If you accumulate an undeposited income, social security, and Medicare tax liability of \$100,000 or more on any day during a deposit period, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor. For monthly schedule depositors, the deposit period is a calendar month. The deposit periods for a semiweekly schedule depositor are Wednesday through Friday and Saturday through Tuesday.

For purposes of the \$100,000 rule, do not continue accumulating employment tax liability after the end of a deposit period. For example, if a semiweekly schedule depositor has accumulated a liability of \$95,000 on a Tuesday (of a Saturday-through-Tuesday deposit period) and accumulated a \$10,000 liability on Wednesday, the \$100,000 one-day rule does not apply. Thus, \$95,000 must be deposited by Friday and \$10,000 must be deposited by the following Wednesday.

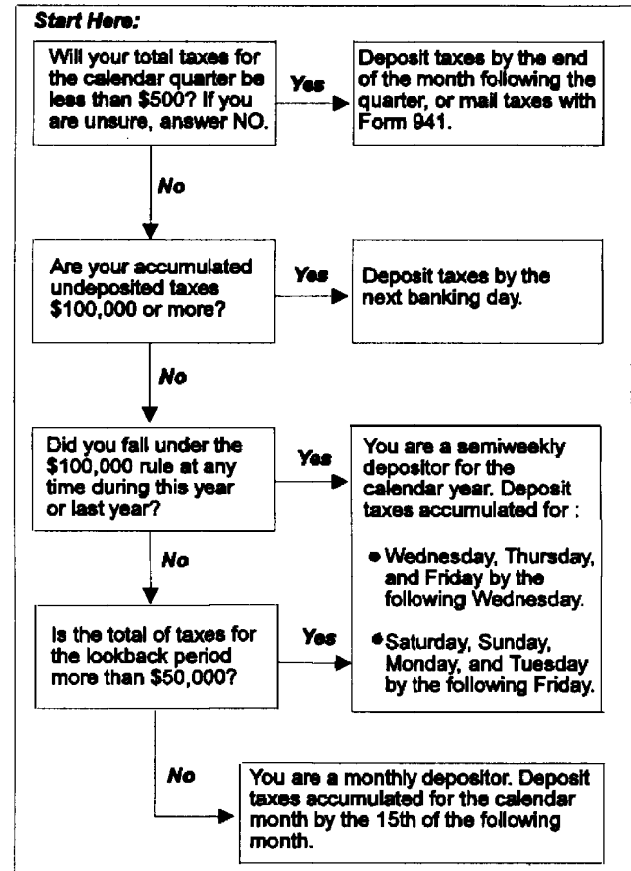
In addition, once you accumulate at least \$100,000 in a deposit period, stop accumulating at the end of that day and begin to accumulate anew on the next day. For example, Fir Co. is a semiweekly schedule depositor. On Monday, Fir Co. accumulates taxes of \$110,000 and must deposit this amount on Tuesday, the next banking day. On Tuesday, Fir Co. accumulates additional taxes of \$30,000. Because the \$30,000 is not added to the previous \$110,000 and is less than \$100,000, Fir Co. must deposit the \$30,000 by Friday following the semiweekly deposit schedule.

If you are a monthly schedule depositor and accumulate a \$100,000 employment tax liability on any day during a month, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year.

Example: Elm Inc. started its business on February 1, 1996. On February 7, it paid wages for the first time and accumulated an employment tax liability of \$40,000. On February 14, Elm Inc. paid wages and accumulated a liability of \$60,000, bringing its accumulated (undeposited) employment tax liability to

\$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm Inc. accumulated a \$100,000 liability on February 14, it became a semiweekly schedule depositor on February 15. It will be a semiweekly schedule depositor for the remainder of 1996 and for 1997. Elm Inc. is required to deposit the \$100,000 by February 15 (Thursday), the next banking day.

When to Deposit Employment Taxes



Adjustments and the Lookback Rule

Determine your tax liability for the four quarters in the lookback period based on the tax liability as **originally** reported on Form 941. If you made adjustments to correct errors on previously filed employment tax returns, these adjustments do not affect the amount of tax liability for purposes of the lookback rule. If you report adjustments on your current employment tax return to correct errors on prior period returns, include these adjustments as part of your tax liability for the current quarter. If you filed Form 843 to claim a refund for a prior period overpayment, your tax liability does not change for either the prior period or the current period quarter for purposes of the lookback rule.

Example: An employer originally reported a tax liability of \$45,000 for the four quarters in the lookback period ending June 30, 1995. The employer discovered during January 1996 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 1996 first quarter return. This employer would be a monthly schedule depositor for 1996 since the lookback period tax liabilities are based on the amounts originally reported and they were less than \$50,000. The \$10,000 adjustment would be treated as part of the 1996 first quarter tax liability.

Accuracy of Deposits Rule

You will be considered to have satisfied the deposit requirements if you deposit timely at least 98% of your tax liability or if any deposit shortfall does not exceed \$100. No deposit penalties will be applied if the shortfall is deposited by the shortfall makeup date as follows:

- **Monthly Schedule Depositor.** Deposit or pay the shortfall with your return by the due date of the Form 941 for the period in which the shortfall occurred. You may pay the shortfall with Form 941 even if the amount exceeds \$500.
- **Semiweekly Schedule Depositor.** Deposit by the first Wednesday or Friday, whichever is earlier, falling on or after the 15th day of the month following the month in which the shortfall occurred, or, if earlier, the due date of the return. For example, if a semiweekly schedule depositor has a deposit shortfall during January 1996, the shortfall makeup date is February 16, 1996 (Friday). However, if the shortfall occurred on the required April 3 deposit date for a March 29, 1996, pay date, the return due date (April 30) would come before the May 15 (Wednesday) shortfall makeup date. In this case, the shortfall would have to be deposited by April 30.

12. Filing Form 941

Each quarter, all employers who are subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes must file **Form 941**, Employer's Quarterly Federal Tax Return. However, the following exceptions apply:

- 1) **Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.** To alert the IRS that you will not have to file a return for one or more quarters during the year, mark the Seasonal employer box above line 1 on Form 941. The IRS will mail two Forms 941 to the seasonal

filer once a year after March 1. The preprinted label will not include the date the quarter ended. You must enter the date the quarter ended when you file the return. The IRS will generally not inquire about unfiled returns if at least one taxable return is filed each year. However, you must mark the Seasonal employer box on every quarterly return you file. Otherwise, the IRS will expect a return to be filed for each quarter.

- 2) **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you are a sole-proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941. Otherwise, for wages paid after 1994, report social security and Medicare taxes and income tax withholding for household employees on Schedule H (Form 1040). These taxes will no longer be reported quarterly on Form 942. See **Pub. 926**, Household Employer's Tax Guide, for more information.
- 3) **Employers reporting wages for employees in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or Puerto Rico.** If the employees are not subject to U.S. income tax withholding, use Form 941-SS. Employers in Puerto Rico use Form 941-PR.
- 4) **Agricultural employers reporting social security and Medicare taxes and withheld income tax.** Report these on **Form 943**, Employer's Annual Tax Return for Agricultural Employees.

When to file.— File Form 941 by the last day of the first month after the quarter ends. If you deposited all taxes when due for the quarter, you may file the return by the 10th day of the month following the due date.

Where to file.— The addresses are listed in the Form 941 instructions. Please note that there may be different addresses for filing returns, depending on whether you file with or without a payment.

Magnetic tape filing of Form 941.— Reporting agents filing Forms 941 for groups of taxpayers can file them on magnetic tape. For more information, see **Pub. 1264**, Magnetic Tape Reporting of Form 941, Employer's Quarterly Federal Tax Return.

Penalties.— For each whole or part month a return is not filed when required (disregarding any extensions of the filing deadline), there is a penalty of 5% of the unpaid tax due with that return. The maximum penalty is 25%. Also, for each whole or part month the tax is paid late (disregarding any extensions of the payment deadline), a penalty of 0.5% of the amount of tax generally applies. The maximum for this penalty is also 25%. The penalties will not be charged if there is an acceptable reason for failing to file or pay.

Do not file more than one Form 941 per quarter.— Employers with multiple locations or divisions must file only one Form 941 per quarter. Filing more than one return may result in processing delays and may require correspondence between you and the IRS.

Hints on filing.— Do not report more than one calendar quarter on a return.

Use the preaddressed form mailed to you. If you don't have the form, get one from any IRS office in time to file the return when due. If you use a form that is not preaddressed, please show your name and EIN on it. Be sure they are exactly as they appeared on earlier returns. See the instructions for Form 941 for suggestions for preparing the form.

Final return.— If you go out of business, you should file a final return for the last quarter in which wages are paid. If you continue to pay wages or other compensation for quarters following termination of your business, you must file returns for those quarters. See the Form 941 instructions for details on how to file a final return.

Filing late Forms 941 for prior years.— If you are filing an original return for a quarter in a prior year and you are using the current year form, you will have to modify Form 941.

Caution: *The instructions on the form may be inappropriate for the year for which you are reporting taxes because of changes in the law, regulations, or procedures. Contact the IRS if you have any questions. The revision date (found under the form number at the top of the form) will tell you the year for which the form was developed.*

Note: *A form for a particular year can generally be used without modification for any quarter within that year. For example, a form with any 1996 revision date (e.g., January or October 1996) can generally be used without modification for any quarter of 1996.*

In all cases, however, be sure to correctly fill out the "Date quarter ended" section at the top of the form. If you are modifying a form with a label, change the date on the label (the date is shown with the month and year the quarter ends; for example, JUN96 would be for the quarter ending June 30, 1996). Cross out any inapplicable tax rate(s) shown on the form and write in the rate from the chart below. You can get tax rates and wage bases for years not shown in the table from the IRS.

Table 3. Social Security and Medicare Tax Rates (For 3 prior years.)

Calendar Year	Wage Base (each employee)	Tax Rate on Taxable Wages and Tips
1995—Social Security	\$61,200	12.4%
1995—Medicare	All Wages	2.9
1994—Social Security	60,600	12.4
1994—Medicare	All Wages	2.9
1993—Social Security	57,600	12.4
1993—Medicare	135,000	2.9

Reconciling Forms W-2, W-3, and 941.— When there are discrepancies between Forms 941 filed with the IRS and Forms W-2 and W-3 filed with the SSA, we must contact you to resolve the discrepancies. This costs time and money, both for the Government and for you the employer.

To help reduce discrepancies—

- 1) Report bonuses as wages and as social security and Medicare wages on Forms W-2 and 941.
- 2) Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941.
- 3) Report social security taxes on Form W-2 in the box for social security tax withheld, not as social security wages.
- 4) Report Medicare taxes on Form W-2 in the box for Medicare tax withheld, not as Medicare wages.
- 5) Make sure social security wage amounts for each employee do not exceed the annual social security wage base.
- 6) Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages.
- 7) If you used an EIN on any quarterly Form 941 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for "Other EIN used this year."

To reduce the discrepancies between amounts reported on Forms W-2, W-3, and 941—

- 1) Be sure the amounts on Form W-3 are the total amounts from Forms W-2.
- 2) Reconcile Form W-3 with your four quarterly Forms 941 by comparing amounts reported for—
 - Income tax withholding.
 - Social security wages, social security tips, and Medicare wages and tips. Form W-3 should include Form 941 adjustments only for the current

year (i.e., if the Form 941 adjustments include amounts for a prior year, do not report those prior year adjustments on the current-year Forms W-2 and W-3).

- Social security and Medicare taxes. The amounts shown on the four quarterly Forms 941, including current-year adjustments, should be approximately twice the amounts shown on Form W-3. This is because Form 941 includes both the employer and employee shares of social security and Medicare taxes.
- Advance earned income credit.

Do not report on Form 941 backup withholding or income tax withholding on nonpayroll payments such as pensions, annuities, and gambling winnings. Nonpayroll withholding must be reported on Form 945 (see the separate **Instructions for Form 945** for details). Income tax withholding required to be reported on Forms 1099 or W-2G must be reported on Form 945. Only taxes and withholding properly reported on Form W-2 should be reported on Form 941.

Amounts reported on Forms W-2, W-3, and 941 may not match for valid reasons. If they do not match, you should determine that the reasons are valid. Keep your reconciliation so you will have a record of why amounts did not match in case there are inquiries from the IRS or the SSA.

13. Reporting Adjustments on Form 941

There are two types of adjustments: current period adjustments and adjustments to correct errors on prior period returns. See the instructions for Forms 941 and 941c for more information on how to report these adjustments.

Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes on lines 6a, 6b, and 7 of Form 941 must be adjusted to arrive at your correct tax liability (e.g., excluding amounts withheld by a third-party payer or amounts you were not required to withhold). Current period adjustments are reported on line 9 of Form 941 and include the following:

Adjustment of tax on tips.— If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on lines 6b (social security tips) and 7 (Medicare wages and tips). Include as an adjustment on line 9 the total uncollected employee share of the social security and Medicare taxes.

Adjustment of group-term life insurance premiums paid for former employees.— The employee share of social security and Medicare taxes on group-term life insurance over \$50,000 for a former employee is paid by the former employee with his or her tax return, and is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 6a and 7 (social security and Medicare taxes), and back out the amount of the employee share of these taxes as an adjustment on line 9.

Note: Also enter the amount of the above adjustments in the "Other" adjustment entry space and provide a brief statement explaining the nature and amount of the adjustments (see the example below).

Adjustment of tax on third-party sick pay.— Report both the employer and employee shares of social security and Medicare taxes for sick pay on lines 6a and 7 of Form 941. Deduct on line 9 the social security and Medicare taxes on third-party sick pay for which you are not responsible. Also enter the sick pay adjustment in the "Sick Pay" adjustment entry space. No additional statement for this adjustment is required. See section 7 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

Fractions of cents adjustment.— If there is a difference between the total tax on line 8 and the total deducted from your employees' wages or tips plus the employer's contribution, and this difference is caused by adding or dropping fractions of cents in collecting the tax, report the difference on line 9. Also enter the amount of this adjustment in the entry space for "Fractions of Cents." No additional statement for this adjustment is required.

Example of reporting current period adjustments: Cedar Inc. was entitled to the following current period adjustments:

- Third-party sick pay: It included \$2,000 for sick pay on lines 6a and 7 for social security and Medicare taxes. However, the third-party payer of the sick pay withheld and paid to the IRS the employee share (\$1,000) of these taxes. Cedar Inc. is entitled to a \$1,000 sick pay adjustment (negative).
- Fractions of cents: Cedar Inc. determined that the amounts calculated and deposited for social security and Medicare taxes during the quarter were a net \$10 more than the amount figured on lines 6a and 7 (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring employment taxes for each wage payment. It must report a \$10 fractions of cents adjustment (positive).
- Life insurance premiums: Cedar Inc. paid group-term life insurance premiums for policies in excess of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar Inc. must include the employee

Current Period Adjustment Example

7 Taxable Medicare wages and tips	\$		× 2.9% (.029) =	7		
8 Total social security and Medicare taxes (add lines 6a, 6b, and 7). Check here if wages are not subject to social security and/or Medicare tax <input type="checkbox"/>				8		
9 Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ (1000.00) ± Fractions of Cents \$ 10.00 ± Other \$ (200.00) =				9	(1190	00)
10 Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)				10		
11 Total taxes (add lines 5 and 10)				11		

share of these taxes with the social security and Medicare taxes reported on lines 6a and 7 of Form 941 (because this amount must also be reported on Form W-2 for the former employees and the amounts reported on Forms 941 and W-2 must reconcile for these taxes). It is entitled to a \$200 adjustment (negative). Cedar Inc. reported these adjustments as shown in the **Current Period Adjustment Example** above.

Prior Period Adjustments

Generally, you can correct errors on prior period Forms 941 by making an adjustment on the Form 941 for the quarter during which the error was discovered. For example, if you made an error in reporting social security tax on your second quarter 1995 Form 941 and discovered the error during January 1996, correct the error by making an adjustment on your first quarter 1996 Form 941.

The adjustment increases or decreases your tax liability for the quarter in which it is reported (the quarter the error is discovered) and is interest-free. The net adjustments reported on Form 941 may include any number of corrections for one or more previous quarters, including both overpayments and underpayments.

You are required to provide background information and certifications supporting prior period adjustments. File with Form 941 a **Form 941c**, Supporting Statement To Correct Information, or an equivalent statement providing the same required information. **Do not file Form 941c separately.** The IRS will not be able to process your adjustments without this supporting information. See the instructions for Form 941c for more information.

Income tax withholding adjustments.— Correct prior period income tax withholding errors by making an adjustment on line 4 of Form 941 for the quarter during which you discovered the error.

Note: You may make an adjustment to correct income tax withholding errors only for quarters during the **same calendar year.** This is because the employee uses the amount shown on Form W-2 as a credit when filing the income tax return (Form 1040, etc.).

You cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an **administrative error.** An administrative error occurs if the amount you entered on Form 941 is not the amount you actually withheld. For example, if the total income tax actually withheld was incorrectly reported on Form 941 due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects the amount reported on Form 941 to agree with the amount actually withheld from employees.

Social security and Medicare tax adjustments.— Correct prior period social security and Medicare tax errors by making an adjustment on line 9 of Form 941 for the quarter during which you discovered the error. You may report adjustments on Form 941 for previous quarters in the current and prior years.

Reporting prior period adjustments on the record of Federal tax liability.— Adjustments to correct errors in prior periods must be taken into account on either Form 941, Line 17, Monthly Summary of Federal Tax Liability, or on **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability.

If the adjustment corrects an **underreported liability** in a prior quarter, report the adjustment on the entry space corresponding to the date the error was discovered. If the adjustment corrects an **overreported liability**, use the adjustment amount as a credit to offset subsequent liabilities until it is used up.

Example of reporting prior period adjustments: Elm Co., a monthly schedule depositor, discovered on January 10, 1996, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 1996 were: January—\$4,500, February—\$4,500, and March—\$4,500. Elm

Prior Period Adjustment Example

- **All filers:** If line 13 is less than \$500, you need not complete line 17 or Schedule B.
- **Semiweekly depositors:** Complete Schedule B and check here
- **Monthly depositors:** Complete line 17, columns (a) through (d) and check here

17 Monthly Summary of Federal Tax Liability.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
-0-	4000.00	4500.00	8500.00

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶
Print Your Name and Title ▶
Date ▶

For Paperwork Reduction Act Notice, see page 1 of separate instructions. Cat. No. 17001Z Form 941 (Rev. 4-94)

Co. completed line 17 of Form 941 as shown in the **Prior Period Adjustment Example** above.

The adjustment for the \$5,000 overreported liability offset the January liability, so the \$4,500 liability was not deposited and a -0- liability was reported on line 17, column (a). The remaining \$500 of the \$5,000 adjustment credit was used to partially offset the liabilities for February, so only \$4,000 of the \$4,500 liability was deposited and reported on line 17, column (b).

Note: Do not make any changes to the record of Federal tax liability for current period adjustments. The amounts reported on the record reflect the **actual** amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on lines 6a, 6b, and 7 of Form 941 equal the actual amount you withheld (the amount reported on the record), no additional changes to the record of Federal tax liability are necessary for these adjustments.

Filing a claim for overreported prior period liabilities.— If you discover an error on a prior quarter return resulting in a tax overpayment, you may file **Form 843**, Claim for Refund and Request for Abatement, for a refund. This form also can be used to request an abatement of an overassessment of employment taxes, interest, and/or penalties. You must file Form 941c, or an equivalent statement, with Form 843. See the separate **Instructions for Form 843**.

Collecting underwithheld taxes from employees.— If you withheld no income, social security, or Medicare taxes or less than the right amount from an employee's wages, you can make it up from later pay to that employee. But you are the one who owes the underpayment to the IRS. Reimbursement is up to you and the employee. Underwithheld income tax must be recovered from the employee *on or before the last day of the calendar year*. There are special rules for tax on tips (see section 6) and fringe benefits (see section 5).

Refunding amounts incorrectly withheld from employees.— If you withheld more than the right amount of income, social security, or Medicare taxes from wages paid, give the employee the excess. Any excess income tax withholding must be reimbursed to the employee prior to the end of the calendar year. Keep in your records the employee's written receipt showing the date and amount of the repayment. If you don't have a receipt, you must report and pay each excess amount when you file the return for the quarter in which you withheld too much tax.

Correcting filed Form W-2 and W-3 statements.— When adjustments are made to correct social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also may need to file **Form W-2c**, Statement of Corrected Income and Tax Amounts, and **Form W-3c**, Transmittal of Corrected Income and Tax Statements.

Wage Repayments

If employees repay you for wages received in error, do not offset the repayments against current-year wages unless the repayments are for amounts received in error in the current year.

Repayment of current year wages.— If you receive repayments for wages paid during a prior quarter in the current year, report adjustments on Form 941 to recover income tax withholding and social security and Medicare taxes for the repaid wages (as discussed above). Report the adjustments on Form 941 for the quarter during which the repayment occurred.

Repayment of prior year wages.— If you receive repayments for wages paid during a prior year, report an adjustment on the Form 941 for the quarter during which the repayment was made to recover the social security and Medicare taxes. You may not make an adjustment for income tax withholding because the wages were paid during a prior year. Instead of making

an adjustment on Form 941, you may file a claim for these taxes using Form 843.

You also must file Form W-2c with the SSA to correct social security and Medicare wages and tax. Do **not** correct wages (line 1) on Form W-2c for the amount paid in error.

Note: *The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction for the repaid wages on his or her income tax return for the year of repayment.*

14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a Federal and a state unemployment tax. Only the employer pays FUTA tax; it is not deducted from the employee's wages.

Use the following three tests to determine whether you must pay FUTA tax. Each test applies to a different category of employee, and each is independent of the others. If a test describes your situation, you are subject to FUTA tax on the wages you pay to employees in that category during the current calendar year.

Test 1. In general. You are subject to FUTA tax on the wages you pay employees who are not farmworkers or household workers if in the current or preceding calendar year:

- a) The wages you paid to employees in this category totaled \$1,500 or more in any calendar quarter, or
- b) In each of 20 different calendar weeks, there was at least a part of a day in which you had an employee in this category. The 20 weeks do not have to be consecutive. Nor does it have to be the same employee each week. Individuals on sick leave or vacation are counted as employees.

Test 2. Household workers. You are subject to FUTA tax on the cash wages you pay to household workers if the wages totaled \$1,000 or more in any calendar quarter of the current or preceding year. A household worker is an employee who performs domestic services in a private home, local college club, or local fraternity or sorority chapter.

Test 3. Farmworkers. You are subject to FUTA tax on the wages you pay to farmworkers if in the current or preceding calendar year:

- a) Total cash wages you paid for the farm labor were \$20,000 or more in any calendar quarter, or
- b) In each of 20 different calendar weeks in the current or preceding calendar year, there was at least 1 day in which you had 10 or more farmworker employees. The 20 weeks do not have to be consecutive. Nor does it have to be the same 10 employees each week. Nor do all 10 employees have to work a full day or the same part of the day. Individuals on sick leave or vacation are counted as employees.

Computing FUTA tax.— For 1995 and 1996, the FUTA tax is 6.2% of wages paid during the year. The tax applies to the first \$7,000 you pay each employee as wages during the calendar year. The \$7,000 amount is the Federal wage base. Your state wage base may be different. Generally, you can take a credit against your FUTA tax for amounts you paid into state unemployment funds. This credit cannot be more than 5.4% of taxable wages. The FUTA tax rate after the credit is .8%. (See **Instructions for Form 940** for details.)

Successor employer.— If you acquired a business from an employer who was liable for FUTA tax, you may count the wages that employer paid to the employees who continue to work for you when you figure the FUTA wage limit. If the prior owner was not subject to FUTA tax, you may be eligible for a credit based on the state unemployment contributions paid by that owner. See **Instructions for Form 940**.

Depositing FUTA tax.— For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of wages paid during the quarter by .008. Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in wages for the calendar year. If any part of the amount paid is exempt from state unemployment taxes, you may deposit an amount more than the .008 rate. For example, in certain states, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits, are exempt from state unemployment tax.

If your FUTA tax liability is \$100 or less, you do not have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter in 1996 is over \$100 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax in an authorized financial institution using **Form 8109**, Federal Tax Deposit Coupon.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$100, deposit the entire amount by the due date of Form 940 or Form 940-EZ (January 31). If it is \$100 or less, you

can either make a deposit or pay the tax with your Form 940 or Form 940-EZ by its due date.

Note: You are not required to deposit FUTA taxes for household employees unless you report their wages on Form 941 or 943. See **Pub. 926**, *Household Employer's Tax Guide*, for more information.

When to deposit.— Deposit the FUTA tax by the last day of the first month after the quarter ends.

Table 4. When To Deposit FUTA Taxes

Quarter	Ending	Due Date
Jan.–Feb.–Mar.	Mar. 31	Apr. 30
Apr.–May–June	June 30	July 31
July–Aug.–Sept.	Sept. 30	Oct. 31
Oct.–Nov.–Dec.	Dec. 31	Jan. 31

Note: Enter the total amount of all deposits for the four quarters in Part II, line 7 of Form 940 or Part I, line 7 of Form 940–EZ.

Reporting FUTA tax.— Use **Form 940** or **940–EZ**, Employer's Annual Federal Unemployment (FUTA)

Tax Return, to report this tax. The IRS will mail a preaddressed Form 940 or 940–EZ to you if you filed a return the year before. If you do not receive Form 940 or 940–EZ, you can get one from the IRS.

Form 940–EZ requirements.— You may be able to use Form 940–EZ if (1) you paid unemployment taxes (“contributions”) to only one state, (2) you paid these taxes by the due date of Form 940 or 940–EZ, (3) all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax, and (4) you paid wages that are not subject to the state unemployment laws of a credit reduction state. (For 1996, there are no credit reduction states.) Otherwise, use Form 940. For example, if you paid wages to corporate officers (these wages are subject to FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940–EZ.

Household employees.— If you did not report employment taxes for household employees on Forms 941 or 943, report FUTA tax for these employees on **Schedule H (Form 1040)**, Household Employment Taxes. See **Pub. 926**, *Household Employer's Tax Guide*, for more information.

Filing Form 940 on magnetic tape.— Reporting agents filing Forms 940 for groups of taxpayers may file them on magnetic tape. See **Pub. 1314**, *Magnetic Tape Reporting of Form 940, Employer's Federal Unemployment Tax Return*.

15. Special Rules for Various Types of Services and Payments

(Section references are to the Internal Revenue Code unless otherwise noted.)

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Aliens, nonresident.	See page 12 and Pub. 515 , Withholding of Tax on Nonresident Aliens and Foreign Corporations		
Aliens, resident: 1. Service performed in the U.S. 2. Service performed outside U.S.	Same as U.S. citizen. Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.) Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Same as U.S. citizen. Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S. or alien is employed on such vessel or aircraft when it touches U.S. port.
Cafeteria plan benefits under section 125.	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit were provided outside the plan. (See Pub.15-A for more information.)		
Deceased worker: 1. Wages paid to beneficiary or estate in same calendar year as worker's death. (See instructions for Form W-2 for details.) 2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt Exempt	Taxable Exempt	Taxable Exempt
Dependent care assistance programs (limited to \$5,000; \$2,500 if married filing separately).	Exempt to the extent it is reasonable to believe that amounts are excludable from gross income under section 129.		
Disabled worker's wages paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker did not perform any service for employer during period for which payment is made.	Taxable
Employee business expense reimbursement: a. Accountable plan. 1. Amounts not exceeding specified government rate for per diem or standard mileage. 2. Amounts in excess of specified government rate for per diem or standard mileage. b. Nonaccountable plan. (See page 8 for details.)	Exempt Withhold Withhold	Exempt Taxable Taxable	Exempt Taxable Taxable
Fishing and related activities.	See Pub. 595 , Tax Guide for Commercial Fishermen.		
Foreign governments and international organizations.	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Foreign service by U.S. citizens: 1. As U.S. government employee. 2. For foreign affiliates of American employers and other private employers.	Withhold Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911 or (2) the employer is required by law of the foreign country to withhold income tax on such payment.	Same as within U.S. Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates or (2) U.S. citizen works for American employer.	Exempt Exempt unless (1) on American vessel or aircraft and work is performed under contract made in U.S. or worker is employed on vessel when it touches U.S. port or (2) U.S. citizen works for American employer (except in a contiguous country with which the U.S. has an agreement for unemployment compensation) or in the U.S. Virgin Islands.
Homeworkers (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. (See page 7 for details.)	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Hospital employees: 1. Interns. 2. Patients.	Withhold Withhold	Taxable Taxable (Exempt for state or local government hospitals.)	Exempt Exempt
Household employees: 1. Domestic service in private homes. (Farmers see Circular A.) 2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree). Exempt (withhold if both employer and employee agree).	Taxable if paid \$1,000 or more in cash in 1996. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not the principal occupation of the employee. Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year. Taxable if employer paid cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year.
Insurance for employees: 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. (See Pub. 15-A for more information.)	Exempt (except 2% shareholder-employees of S corporations). Exempt	Exempt Exempt, except for the cost of group-term life insurance that is includible in the employee's gross income. (Special rules apply for former employees.)	Exempt Exempt
Insurance agents or solicitors: 1. Full-time life insurance salesperson. 2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. (See page 6.) Withhold only if employee under common law.	Taxable Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions. Taxable if (1) employee under common law and (2) not paid solely by commissions.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Interest on loans with below-market interest rates (foregone interest and deemed original issue discount). (See Pub. 15–A for more information.)	Exempt (but deemed payments of compensation-related loans must be shown on Form W–2).	Exempt, unless loans are compensation related.	Exempt, unless loans are compensation related.
Leave-sharing plans: Amounts paid to an employee pursuant to a leave-sharing plan.	Withhold	Taxable	Taxable
Newspaper carriers and vendors: Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
Noncash payments: 1. For household work, agricultural labor, and service not in the course of the employer’s trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree). Optional with employer.	Exempt Taxable	Exempt Taxable
Nonprofit organizations.	See Pub. 15–A .		
Partners: Payments to members of general partnership.	Exempt	Exempt	Exempt
Railroads, etc.: Payments subject to the Railroad Retirement Act	Withhold	Exempt	Exempt
Religious exemptions.	See Pub. 15–A .		
Retirement and pension plans: 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (e.g., 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Distributions from qualified retirement and pension plans and section 403(b) annuities. (See Pub. 15–A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.)	Exempt Generally exempt, but see section 402(g) for limitation. Generally exempt, but see section 402(g) for salary reduction SEP limitation. Generally exempt, but see section 402(g) for limitation. Withhold, but recipient may elect exemption on Form W–4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. (See Pub. 15–A.)	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Exempt	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Exempt
Salespersons: 1. Common law employees. 2. Statutory employees. 3. Statutory nonemployees (qualified real estate agents and direct sellers). (See page 7 for details.)	Withhold Exempt Exempt	Taxable Taxable Exempt	Taxable Taxable Exempt
Scholarships and fellowship grants: (includible in income under section 117(c)).	Withhold	Taxability depends on the nature of the employment and the status of the organization. See Students on page 31.	

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Severance or dismissal pay.	Withhold	Taxable	Taxable
Service not in the course of the employer's trade or business, other than on a farm operated for profit or for household employment in private homes.	Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.	Taxable if employee receives \$100 or more in a calendar year.	Taxable only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.
Sick pay. (See Pub. 15-A for more information.)	Withhold.	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.
State governments and political subdivisions, employees of: 1. Fees of public official. 2. Salaries and wages.	Exempt Withhold	Taxable if certain transportation services or if covered by a section 218 (Social Security Act) agreement. Taxable (1) for services performed by employees who are not members of retirement systems of employers and (2) (for Medicare tax only) for employees not otherwise covered by a section 218 agreement and hired after 3/31/86.	Exempt Exempt
Students, scholars, trainees, teachers, etc.: 1. Student enrolled and regularly attending classes, performing services for: a. Private school, college, or university. b. Auxiliary nonprofit organization operated for and controlled by school, college, or university. c. Public school, college, or university. 2. Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program. 3. Student nurse performing part-time services for nominal earnings at hospital as incidental part of training. 4. Student employed by organized camps. 5. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (i.e., aliens holding F-1, J-1, M-1, or Q-1 visas).	Withhold Withhold Withhold Withhold Withhold unless excepted by regulations.	Exempt Exempt unless services are covered by a section 218 (Social Security Act) agreement. Exempt unless services are covered by a section 218 (Social Security Act) agreement. Taxable Exempt Taxable Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act.	Exempt Exempt Exempt Exempt unless program was established for or on behalf of an employer or group of employers. Exempt Exempt
Supplemental unemployment compensation plan benefits.	Withhold	Exempt	Exempt
Tips: 1. If \$20 or more in a month. 2. If less than \$20 in a month. (See section 6 for more information.)	Withhold Exempt	Taxable Exempt	Taxable for all tips reported in writing to employer. Exempt
Worker's compensation.	Exempt	Exempt	Exempt

16. How To Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables

Income Tax Withholding

There are several ways to figure income tax withholding. The following methods of withholding are based on information you get from your employees on **Form W-4**, Employee's Withholding Allowance Certificate. See section 9 for more information on Form W-4.

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 36 through 55) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of wages, find the amount of tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

Note: *If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances before using the percentage method tables (pages 34–35).*

Adjusting wage bracket withholding for employees claiming more than 10 withholding allowances.—

The wage bracket tables can be used if an employee claims up to 10 allowances. More than 10 allowances may be claimed because of the special withholding allowance, additional allowances for deductions and credits, and the system itself.

To adapt the tables to more than 10 allowances:

- 1) Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. (The allowance values are in **Percentage Method—Amount for One Withholding Allowance** below.)
- 2) Subtract the result from the employee's wages.
- 3) On this amount, find and withhold the tax in the column for 10 allowances.

This is a voluntary method. If you use the wage bracket tables, you may continue to withhold the amount in the "10" column when your employee has more than 10 allowances, using the method above. You can also use any other method described below.

Note: *The percentage method of figuring withholding adapts to any number of allowances.*

Percentage Method

If you do not want to use the wage bracket tables on pages 36-55 to figure how much income tax to withhold, you can use a percentage computation based on the table below and the appropriate rate table. This method works for any number of withholding allowances the employee claims.

Use these steps to figure the income tax to withhold under the percentage method:

- 1) Multiply one withholding allowance (see table below) by the number of allowances the employee claims.
- 2) Subtract that amount from the employee's wages.
- 3) Determine the amount to withhold from the appropriate table on pages 34 and 35.

Table 5. Percentage Method—Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 49.04
Biweekly	98.08
Semimonthly	106.25
Monthly	212.50
Quarterly	637.50
Semiannually	1,275.00
Annually	2,550.00
Daily or miscellaneous (each day of the payroll period)	9.81

Example: An unmarried employee is paid \$450 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax as follows:

1. Total wage payment	\$450.00
2. One allowance.....	\$49.04
3. Allowances claimed on Form W-4 <u>2</u>	
4. Multiply line 2 by line 3.....	<u>\$98.08</u>
5. Amount subject to withholding (subtract line 4 from line 1)	\$351.92
6. Tax to be withheld on \$351.92 from Table 1—single person, page 34	<u>\$ 52.78</u>

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar.

Annual income tax withholding.— Figure the income tax to withhold on annual wages under the Percentage

Method of Withholding for an annual payroll period. Then prorate the tax back to the payroll period.

Example: A married person claims four withholding allowances. She is paid \$1,000 a week. Multiply the weekly wages by 52 weeks to figure the annual wage of \$52,000. Subtract \$10,200 (the value of four withholding allowances for a year) for a balance of \$41,800. Using the table for the annual payroll period, \$5,306.25 is withheld. Divide the annual tax by 52. The weekly tax is \$102.04.

Alternative Methods of Income Tax Withholding

Rather than the Percentage or Wage Bracket Methods described above, you can use an alternative method to withhold income tax. **Pub. 15-A**, Employer's Supplemental Tax Guide, describes these alternative methods and contains:

- 1) Formula tables for percentage method withholding (for automated payroll systems).
- 2) Wage bracket percentage method tables (for automated payroll systems).
- 3) Combined income, social security, and Medicare tax withholding tables.

Some alternative methods explained in Pub. 15-A are annualized wages, average estimated wages, cumulative wages, and part-year employment.

Advance Payment Methods for the Earned Income Credit

To figure the advance EIC payment, you may use either the Percentage Method or the Wage Bracket Method explained below. You may use other methods for figuring advance EIC payments if the amount of the payment is about the same as it would be using tables in this booklet. See the tolerances allowed in the chart in section 10 of Pub. 15-A. See section 10 in this booklet for an explanation of the advance payment of the EIC.

Wage Bracket Method

If you use the wage bracket tables on pages 58 through 61, figure the advance EIC payment as follows.

Find the employee's gross wages before any deductions using the appropriate table. There are different tables for (a) single or married employees without spouse

filing a certificate and (b) married employees with both spouses filing certificates. Determine the amount of the advance EIC payment shown in the appropriate table for the amount of wages paid.

With either method, the number of withholding allowances an employee claims on Form W-4 is not used in figuring the advance EIC payment. Nor does it matter that the employee has claimed exemption from income tax withholding on Form W-4.

Percentage Method

If you do not want to use the wage bracket tables to figure how much to include in an employee's wages for the advance EIC payment, you can use the percentage computation based on the appropriate rate table.

Find the employee's gross wages before any deductions in the appropriate table on pages 56 and 57. There are different tables for (a) single or married employees without spouse filing a certificate and (b) married employees with both spouses filing certificates. Find the advance EIC payment shown in the appropriate table for the amount of wages paid.

Whole-Dollar Withholding and Paying Advance EIC

The income tax withholding amounts in the wage bracket tables (pages 36 through 55) have been rounded to whole-dollar amounts.

When employers use the percentage method (pages 34 and 35) or an alternative method of income tax withholding, the tax for the pay period may be rounded to the nearest dollar.

The wage bracket tables for advance EIC payments (pages 58 through 61) have also been rounded to whole-dollar amounts. If you use the percentage method for advance EIC payments (pages 56 and 57), the payments may be rounded to the nearest dollar.

If rounding is used, it must be used consistently. Withheld tax amounts should be rounded to the nearest whole dollar by (1) dropping amounts under 50 cents and (2) increasing amounts from 50 to 99 cents to the next higher dollar.

Tables for Percentage Method of Withholding
(For Wages Paid in 1996)

TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$50		\$0		Not over \$124		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$50	—\$489	15%	—\$50	\$124	—\$851	15%	—\$124
\$489	—\$1,033	\$65.85 plus 28%	—\$489	\$851	—\$1,725	\$109.05 plus 28%	—\$851
\$1,033	—\$2,361	\$218.17 plus 31%	—\$1,033	\$1,725	—\$2,920	\$353.77 plus 31%	—\$1,725
\$2,361	—\$5,100	\$629.85 plus 36%	—\$2,361	\$2,920	—\$5,152	\$724.22 plus 36%	—\$2,920
\$5,100	. . . . .	\$1,615.89 plus 39.6%	—\$5,100	\$5,152	. . . . .	\$1,527.74 plus 39.6%	—\$5,152

TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$101		\$0		Not over \$247		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$101	—\$979	15%	—\$101	\$247	—\$1,702	15%	—\$247
\$979	—\$2,066	\$131.70 plus 28%	—\$979	\$1,702	—\$3,449	\$218.25 plus 28%	—\$1,702
\$2,066	—\$4,721	\$436.06 plus 31%	—\$2,066	\$3,449	—\$5,840	\$707.41 plus 31%	—\$3,449
\$4,721	—\$10,200	\$1,259.11 plus 36%	—\$4,721	\$5,840	—\$10,304	\$1,448.62 plus 36%	—\$5,840
\$10,200	. . . . .	\$3,231.55 plus 39.6%	—\$10,200	\$10,304	. . . . .	\$3,055.66 plus 39.6%	—\$10,304

TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$109		\$0		Not over \$268		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$109	—\$1,060	15%	—\$109	\$268	—\$1,844	15%	—\$268
\$1,060	—\$2,239	\$142.65 plus 28%	—\$1,060	\$1,844	—\$3,736	\$236.40 plus 28%	—\$1,844
\$2,239	—\$5,115	\$472.77 plus 31%	—\$2,239	\$3,736	—\$6,327	\$766.16 plus 31%	—\$3,736
\$5,115	—\$11,050	\$1,364.33 plus 36%	—\$5,115	\$6,327	—\$11,163	\$1,569.37 plus 36%	—\$6,327
\$11,050	. . . . .	\$3,500.93 plus 39.6%	—\$11,050	\$11,163	. . . . .	\$3,310.33 plus 39.6%	—\$11,163

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$219		\$0		Not over \$535		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$219	—\$2,121	15%	—\$219	\$535	—\$3,688	15%	—\$535
\$2,121	—\$4,477	\$285.30 plus 28%	—\$2,121	\$3,688	—\$7,473	\$472.95 plus 28%	—\$3,688
\$4,477	—\$10,229	\$944.98 plus 31%	—\$4,477	\$7,473	—\$12,654	\$1,532.75 plus 31%	—\$7,473
\$10,229	—\$22,100	\$2,728.10 plus 36%	—\$10,229	\$12,654	—\$22,325	\$3,138.86 plus 36%	—\$12,654
\$22,100	. . . . .	\$7,001.66 plus 39.6%	—\$22,100	\$22,325	. . . . .	\$6,620.42 plus 39.6%	—\$22,325

Tables for Percentage Method of Withholding (Continued)
(For Wages Paid in 1996)

TABLE 5—QUARTERLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$656		\$0		Not over \$1,606		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$656	—\$6,363	15%	—\$656	\$1,606	—\$11,063	15%	—\$1,606
\$6,363	—\$13,431	\$856.05 plus 28%	—\$6,363	\$11,063	—\$22,419	\$1,418.55 plus 28%	—\$11,063
\$13,431	—\$30,688	\$2,835.09 plus 31%	—\$13,431	\$22,419	—\$37,963	\$4,598.23 plus 31%	—\$22,419
\$30,688	—\$66,300	\$8,184.76 plus 36%	—\$30,688	\$37,963	—\$66,975	\$9,416.87 plus 36%	—\$37,963
\$66,300		\$21,005.08 plus 38.6%	—\$66,300	\$66,975		\$19,861.19 plus 39.6%	—\$66,975

TABLE 6—SEMIANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$1,313		\$0		Not over \$3,213		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$1,313	—\$12,725	15%	—\$1,313	\$3,213	—\$22,125	15%	—\$3,213
\$12,725	—\$26,863	\$1,711.80 plus 28%	—\$12,725	\$22,125	—\$44,838	\$2,838.80 plus 28%	—\$22,125
\$26,863	—\$61,375	\$5,870.44 plus 31%	—\$26,863	\$44,838	—\$75,925	\$9,196.44 plus 31%	—\$44,838
\$61,375	—\$132,600	\$16,369.16 plus 36%	—\$61,375	\$75,925	—\$133,950	\$18,833.41 plus 36%	—\$75,925
\$132,600		\$42,010.16 plus 38.6%	—\$132,600	\$133,950		\$39,722.41 plus 39.6%	—\$133,950

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,625		\$0		Not over \$6,425		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$2,625	—\$25,450	15%	—\$2,625	\$6,425	—\$44,250	15%	—\$6,425
\$25,450	—\$53,725	\$3,423.75 plus 28%	—\$25,450	\$44,250	—\$89,675	\$6,673.75 plus 28%	—\$44,250
\$53,725	—\$122,750	\$11,340.75 plus 31%	—\$53,725	\$89,675	—\$151,850	\$18,382.75 plus 31%	—\$89,675
\$122,750	—\$265,200	\$32,738.50 plus 36%	—\$122,750	\$151,850	—\$267,900	\$37,667.00 plus 36%	—\$151,850
\$265,200		\$84,020.50 plus 39.6%	—\$265,200	\$267,900		\$79,445.00 plus 39.6%	—\$267,900

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:		If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$10.10		\$0		Not over \$24.70		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$10.10	—\$97.90	15%	—\$10.10	\$24.70	—\$170.20	15%	—\$24.70
\$97.90	—\$206.60	\$13.17 plus 28%	—\$97.90	\$170.20	—\$344.90	\$21.83 plus 28%	—\$170.20
\$206.60	—\$472.10	\$43.61 plus 31%	—\$206.60	\$344.90	—\$584.00	\$70.75 plus 31%	—\$344.90
\$472.10	—\$1,020.00	\$125.92 plus 36%	—\$472.10	\$584.00	—\$1,030.40	\$144.87 plus 36%	—\$584.00
\$1,020.00		\$323.16 plus 39.6%	—\$1,020.00	\$1,030.40		\$305.57 plus 39.6%	—\$1,030.40

SINGLE Persons—WEEKLY Payroll Period
(For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
90	95	0	0	0	0	0	0	0	0	0	0	0
55	60	1	0	0	0	0	0	0	0	0	0	0
60	65	2	0	0	0	0	0	0	0	0	0	0
65	70	3	0	0	0	0	0	0	0	0	0	0
70	75	3	0	0	0	0	0	0	0	0	0	0
75	80	4	0	0	0	0	0	0	0	0	0	0
80	85	5	0	0	0	0	0	0	0	0	0	0
85	90	6	0	0	0	0	0	0	0	0	0	0
90	95	6	0	0	0	0	0	0	0	0	0	0
95	100	7	0	0	0	0	0	0	0	0	0	0
100	105	8	0	0	0	0	0	0	0	0	0	0
105	110	9	1	0	0	0	0	0	0	0	0	0
110	115	9	2	0	0	0	0	0	0	0	0	0
115	120	10	3	0	0	0	0	0	0	0	0	0
120	125	11	3	0	0	0	0	0	0	0	0	0
125	130	12	4	0	0	0	0	0	0	0	0	0
130	135	12	5	0	0	0	0	0	0	0	0	0
135	140	13	6	0	0	0	0	0	0	0	0	0
140	145	14	6	0	0	0	0	0	0	0	0	0
145	150	15	7	0	0	0	0	0	0	0	0	0
150	155	15	8	1	0	0	0	0	0	0	0	0
155	160	16	9	1	0	0	0	0	0	0	0	0
160	165	17	9	2	0	0	0	0	0	0	0	0
165	170	18	10	3	0	0	0	0	0	0	0	0
170	175	18	11	4	0	0	0	0	0	0	0	0
175	180	19	12	4	0	0	0	0	0	0	0	0
180	185	20	12	5	0	0	0	0	0	0	0	0
185	190	21	13	6	0	0	0	0	0	0	0	0
190	195	21	14	7	0	0	0	0	0	0	0	0
195	200	22	15	7	0	0	0	0	0	0	0	0
200	210	23	16	8	1	0	0	0	0	0	0	0
210	220	25	17	10	3	0	0	0	0	0	0	0
220	230	26	19	11	4	0	0	0	0	0	0	0
230	240	28	20	13	6	0	0	0	0	0	0	0
240	250	29	22	14	7	0	0	0	0	0	0	0
250	260	31	23	16	9	1	0	0	0	0	0	0
260	270	32	25	17	10	3	0	0	0	0	0	0
270	280	34	26	19	12	4	0	0	0	0	0	0
280	290	35	28	20	13	6	0	0	0	0	0	0
290	300	37	29	22	15	7	0	0	0	0	0	0
300	310	38	31	23	16	9	1	0	0	0	0	0
310	320	40	32	25	18	10	3	0	0	0	0	0
320	330	41	34	26	19	12	4	0	0	0	0	0
330	340	43	35	28	21	13	6	0	0	0	0	0
340	350	44	37	29	22	15	7	0	0	0	0	0
350	360	46	38	31	24	16	9	2	0	0	0	0
360	370	47	40	32	25	18	10	3	0	0	0	0
370	380	49	41	34	27	19	12	5	0	0	0	0
380	390	50	43	35	28	21	13	6	0	0	0	0
390	400	52	44	37	30	22	15	8	0	0	0	0
400	410	53	46	38	31	24	16	9	2	0	0	0
410	420	55	47	40	33	25	18	11	3	0	0	0
420	430	56	49	41	34	27	19	12	5	0	0	0
430	440	58	50	43	36	28	21	14	6	0	0	0
440	450	59	52	44	37	30	22	15	8	0	0	0
450	460	61	53	46	39	31	24	17	9	2	0	0
460	470	62	55	47	40	33	25	18	11	3	0	0
470	480	64	56	49	42	34	27	20	12	5	0	0
480	490	65	58	50	43	36	28	21	14	6	0	0
490	500	67	59	52	45	37	30	23	15	8	0	0
500	510	70	61	53	46	39	31	24	17	9	2	0
510	520	73	62	55	48	40	33	26	18	11	3	0
520	530	76	64	56	49	42	34	27	20	12	5	0
530	540	79	65	58	51	43	36	29	21	14	6	0
540	550	81	68	59	52	45	37	30	23	15	8	1
550	560	84	70	61	54	46	39	32	24	17	9	2
560	570	87	73	62	55	48	40	33	26	18	11	4
570	580	90	76	64	57	49	42	35	27	20	12	5
580	590	93	79	65	58	51	43	36	29	21	14	7
590	600	95	82	68	60	52	45	38	30	23	15	8

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid in 1956)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$125	0	0	0	0	0	0	0	0	0	0	0
125	130	1	0	0	0	0	0	0	0	0	0	0
130	135	1	0	0	0	0	0	0	0	0	0	0
135	140	2	0	0	0	0	0	0	0	0	0	0
140	145	3	0	0	0	0	0	0	0	0	0	0
145	150	4	0	0	0	0	0	0	0	0	0	0
150	155	4	0	0	0	0	0	0	0	0	0	0
155	160	5	0	0	0	0	0	0	0	0	0	0
160	165	6	0	0	0	0	0	0	0	0	0	0
165	170	7	0	0	0	0	0	0	0	0	0	0
170	175	7	0	0	0	0	0	0	0	0	0	0
175	180	8	1	0	0	0	0	0	0	0	0	0
180	185	9	1	0	0	0	0	0	0	0	0	0
185	190	10	2	0	0	0	0	0	0	0	0	0
190	195	10	3	0	0	0	0	0	0	0	0	0
195	200	11	4	0	0	0	0	0	0	0	0	0
200	210	12	5	0	0	0	0	0	0	0	0	0
210	220	14	6	0	0	0	0	0	0	0	0	0
220	230	15	8	1	0	0	0	0	0	0	0	0
230	240	17	9	2	0	0	0	0	0	0	0	0
240	250	18	11	4	0	0	0	0	0	0	0	0
250	260	20	12	5	0	0	0	0	0	0	0	0
260	270	21	14	7	0	0	0	0	0	0	0	0
270	280	23	15	8	1	0	0	0	0	0	0	0
280	290	24	17	10	2	0	0	0	0	0	0	0
290	300	26	18	11	4	0	0	0	0	0	0	0
300	310	27	20	13	5	0	0	0	0	0	0	0
310	320	29	21	14	7	0	0	0	0	0	0	0
320	330	30	23	16	8	1	0	0	0	0	0	0
330	340	32	24	17	10	2	0	0	0	0	0	0
340	350	33	26	19	11	4	0	0	0	0	0	0
350	360	35	27	20	13	5	0	0	0	0	0	0
360	370	36	29	22	14	7	0	0	0	0	0	0
370	380	38	30	23	16	8	1	0	0	0	0	0
380	390	39	32	25	17	10	2	0	0	0	0	0
390	400	41	33	26	19	11	4	0	0	0	0	0
400	410	42	35	28	20	13	5	0	0	0	0	0
410	420	44	36	29	22	14	7	0	0	0	0	0
420	430	45	38	31	23	16	8	1	0	0	0	0
430	440	47	39	32	25	17	10	3	0	0	0	0
440	450	48	41	34	26	19	11	4	0	0	0	0
450	460	50	42	35	28	20	13	6	0	0	0	0
460	470	51	44	37	29	22	14	7	0	0	0	0
470	480	53	45	38	31	23	16	9	1	0	0	0
480	490	54	47	40	32	25	17	10	3	0	0	0
490	500	56	48	41	34	26	19	12	4	0	0	0
500	510	57	50	43	35	28	20	13	6	0	0	0
510	520	59	51	44	37	29	22	15	7	0	0	0
520	530	60	53	46	38	31	23	16	9	1	0	0
530	540	62	54	47	40	32	25	18	10	3	0	0
540	550	63	56	49	41	34	26	19	12	4	0	0
550	560	65	57	50	43	35	28	21	13	6	0	0
560	570	68	59	52	44	37	29	22	15	7	0	0
570	580	68	60	53	46	38	31	24	16	9	2	0
580	590	69	62	55	47	40	32	25	18	10	3	0
590	600	71	63	56	49	41	34	27	19	12	5	0
600	610	72	65	58	50	43	35	28	21	13	6	0
610	620	74	66	59	52	44	37	30	22	15	8	0
620	630	75	68	61	53	46	38	31	24	16	9	2
630	640	77	69	62	55	47	40	33	25	18	11	3
640	650	78	71	64	56	49	41	34	27	19	12	5
650	660	80	72	65	58	50	43	36	28	21	14	6
660	670	81	74	67	59	52	44	37	30	22	15	8
670	680	83	75	68	61	53	46	39	31	24	17	9
680	690	84	77	70	62	55	47	40	33	25	18	11
690	700	86	78	71	64	56	49	42	34	27	20	12
700	710	87	80	73	65	58	50	43	36	28	21	14
710	720	89	81	74	67	59	52	45	37	30	23	15
720	730	90	83	76	68	61	53	46	39	31	24	17
730	740	92	84	77	70	62	55	48	40	33	26	18

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid in 1966)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$105	0	0	0	0	0	0	0	0	0	0	0
105	110	1	0	0	0	0	0	0	0	0	0	0
110	115	2	0	0	0	0	0	0	0	0	0	0
115	120	2	0	0	0	0	0	0	0	0	0	0
120	125	3	0	0	0	0	0	0	0	0	0	0
125	130	4	0	0	0	0	0	0	0	0	0	0
130	135	5	0	0	0	0	0	0	0	0	0	0
135	140	5	0	0	0	0	0	0	0	0	0	0
140	145	6	0	0	0	0	0	0	0	0	0	0
145	150	7	0	0	0	0	0	0	0	0	0	0
150	155	8	0	0	0	0	0	0	0	0	0	0
155	160	8	0	0	0	0	0	0	0	0	0	0
160	165	9	0	0	0	0	0	0	0	0	0	0
165	170	10	0	0	0	0	0	0	0	0	0	0
170	175	11	0	0	0	0	0	0	0	0	0	0
175	180	11	0	0	0	0	0	0	0	0	0	0
180	185	12	0	0	0	0	0	0	0	0	0	0
185	190	13	0	0	0	0	0	0	0	0	0	0
190	195	14	0	0	0	0	0	0	0	0	0	0
195	200	14	0	0	0	0	0	0	0	0	0	0
200	205	15	1	0	0	0	0	0	0	0	0	0
205	210	16	1	0	0	0	0	0	0	0	0	0
210	215	17	2	0	0	0	0	0	0	0	0	0
215	220	17	3	0	0	0	0	0	0	0	0	0
220	225	18	4	0	0	0	0	0	0	0	0	0
225	230	19	4	0	0	0	0	0	0	0	0	0
230	235	20	5	0	0	0	0	0	0	0	0	0
235	240	20	6	0	0	0	0	0	0	0	0	0
240	245	21	7	0	0	0	0	0	0	0	0	0
245	250	22	7	0	0	0	0	0	0	0	0	0
250	260	23	8	0	0	0	0	0	0	0	0	0
260	270	25	10	0	0	0	0	0	0	0	0	0
270	280	26	11	0	0	0	0	0	0	0	0	0
280	290	28	13	0	0	0	0	0	0	0	0	0
290	300	29	14	0	0	0	0	0	0	0	0	0
300	310	31	16	1	0	0	0	0	0	0	0	0
310	320	32	17	3	0	0	0	0	0	0	0	0
320	330	34	19	4	0	0	0	0	0	0	0	0
330	340	35	20	6	0	0	0	0	0	0	0	0
340	350	37	22	7	0	0	0	0	0	0	0	0
350	360	38	23	9	0	0	0	0	0	0	0	0
360	370	40	25	10	0	0	0	0	0	0	0	0
370	380	41	26	12	0	0	0	0	0	0	0	0
380	390	43	28	13	0	0	0	0	0	0	0	0
390	400	44	29	15	0	0	0	0	0	0	0	0
400	410	46	31	16	1	0	0	0	0	0	0	0
410	420	47	32	18	3	0	0	0	0	0	0	0
420	430	49	34	19	4	0	0	0	0	0	0	0
430	440	50	35	21	6	0	0	0	0	0	0	0
440	450	52	37	22	7	0	0	0	0	0	0	0
450	460	53	38	24	9	0	0	0	0	0	0	0
460	470	55	40	25	10	0	0	0	0	0	0	0
470	480	56	41	27	12	0	0	0	0	0	0	0
480	490	58	43	28	13	0	0	0	0	0	0	0
490	500	59	44	30	15	0	0	0	0	0	0	0
500	520	61	47	32	17	3	0	0	0	0	0	0
520	540	64	50	35	20	6	0	0	0	0	0	0
540	560	67	53	38	23	9	0	0	0	0	0	0
560	580	70	56	41	26	12	0	0	0	0	0	0
580	600	73	59	44	29	15	0	0	0	0	0	0
600	620	76	62	47	32	18	3	0	0	0	0	0
620	640	79	65	50	35	21	6	0	0	0	0	0
640	660	82	68	53	38	24	9	0	0	0	0	0
660	680	85	71	56	41	27	12	0	0	0	0	0
680	700	88	74	59	44	30	15	0	0	0	0	0
700	720	91	77	62	47	33	18	3	0	0	0	0
720	740	94	80	65	50	36	21	6	0	0	0	0
740	760	97	83	68	53	39	24	9	0	0	0	0
760	780	100	86	71	56	42	27	12	0	0	0	0
780	800	103	89	74	59	45	30	15	0	0	0	0

MARRIED Persons—BIWEEKLY Payroll Period
(For Wages Paid In 1986)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$250	0	0	0	0	0	0	0	0	0	0	0
250	260	1	0	0	0	0	0	0	0	0	0	0
260	270	3	0	0	0	0	0	0	0	0	0	0
270	280	4	0	0	0	0	0	0	0	0	0	0
280	290	6	0	0	0	0	0	0	0	0	0	0
290	300	7	0	0	0	0	0	0	0	0	0	0
300	310	9	0	0	0	0	0	0	0	0	0	0
310	320	10	0	0	0	0	0	0	0	0	0	0
320	330	12	0	0	0	0	0	0	0	0	0	0
330	340	13	0	0	0	0	0	0	0	0	0	0
340	360	15	0	0	0	0	0	0	0	0	0	0
350	360	16	1	0	0	0	0	0	0	0	0	0
360	370	18	3	0	0	0	0	0	0	0	0	0
370	380	19	4	0	0	0	0	0	0	0	0	0
380	390	21	6	0	0	0	0	0	0	0	0	0
390	400	22	7	0	0	0	0	0	0	0	0	0
400	410	24	9	0	0	0	0	0	0	0	0	0
410	420	25	10	0	0	0	0	0	0	0	0	0
420	430	27	12	0	0	0	0	0	0	0	0	0
430	440	28	13	0	0	0	0	0	0	0	0	0
440	450	30	15	0	0	0	0	0	0	0	0	0
450	460	31	16	2	0	0	0	0	0	0	0	0
460	470	33	18	3	0	0	0	0	0	0	0	0
470	480	34	19	5	0	0	0	0	0	0	0	0
480	490	36	21	6	0	0	0	0	0	0	0	0
490	500	37	22	8	0	0	0	0	0	0	0	0
500	520	39	25	10	0	0	0	0	0	0	0	0
520	540	42	28	13	0	0	0	0	0	0	0	0
540	560	45	31	16	1	0	0	0	0	0	0	0
560	580	48	34	19	4	0	0	0	0	0	0	0
580	600	51	37	22	7	0	0	0	0	0	0	0
600	620	54	40	25	10	0	0	0	0	0	0	0
620	640	57	43	28	13	0	0	0	0	0	0	0
640	660	60	46	31	16	2	0	0	0	0	0	0
660	680	63	49	34	19	5	0	0	0	0	0	0
680	700	66	52	37	22	8	0	0	0	0	0	0
700	720	69	55	40	25	11	0	0	0	0	0	0
720	740	72	58	43	28	14	0	0	0	0	0	0
740	760	75	61	46	31	17	2	0	0	0	0	0
760	780	78	64	49	34	20	5	0	0	0	0	0
780	800	81	67	52	37	23	8	0	0	0	0	0
800	820	84	70	55	40	26	11	0	0	0	0	0
820	840	87	73	58	43	29	14	0	0	0	0	0
840	860	90	76	61	46	32	17	2	0	0	0	0
860	880	93	79	64	49	35	20	5	0	0	0	0
880	900	96	82	67	52	38	23	8	0	0	0	0
900	920	99	85	70	55	41	26	11	0	0	0	0
920	940	102	88	73	58	44	29	14	0	0	0	0
940	960	105	91	76	61	47	32	17	2	0	0	0
960	980	108	94	79	64	50	35	20	5	0	0	0
980	1,000	111	97	82	67	53	38	23	8	0	0	0
1,000	1,020	114	100	85	70	56	41	26	11	0	0	0
1,020	1,040	117	103	88	73	59	44	29	14	0	0	0
1,040	1,060	120	106	91	76	62	47	32	17	3	0	0
1,060	1,080	123	109	94	79	65	50	35	20	6	0	0
1,080	1,100	126	112	97	82	68	53	38	23	9	0	0
1,100	1,120	129	115	100	85	71	56	41	26	12	0	0
1,120	1,140	132	118	103	88	74	59	44	29	15	0	0
1,140	1,160	135	121	106	91	77	62	47	32	18	3	0
1,160	1,180	138	124	109	94	80	65	50	35	21	6	0
1,180	1,200	141	127	112	97	83	68	53	38	24	9	0
1,200	1,220	144	130	115	100	86	71	56	41	27	12	0
1,220	1,240	147	133	118	103	89	74	59	44	30	15	0
1,240	1,260	150	136	121	106	92	77	62	47	33	18	3
1,260	1,280	153	139	124	109	95	80	65	50	36	21	6
1,280	1,300	156	142	127	112	98	83	68	53	39	24	9
1,300	1,320	159	145	130	115	101	86	71	56	42	27	12
1,320	1,340	162	148	133	118	104	89	74	59	45	30	15
1,340	1,360	165	151	136	121	107	92	77	62	48	33	18
1,360	1,380	168	154	139	124	110	95	80	65	51	36	21

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
90	\$116	0	0	0	0	0	0	0	0	0	0	0
115	120	1	0	0	0	0	0	0	0	0	0	0
120	125	2	0	0	0	0	0	0	0	0	0	0
125	130	3	0	0	0	0	0	0	0	0	0	0
130	135	3	0	0	0	0	0	0	0	0	0	0
135	140	4	0	0	0	0	0	0	0	0	0	0
140	145	5	0	0	0	0	0	0	0	0	0	0
145	150	6	0	0	0	0	0	0	0	0	0	0
150	155	6	0	0	0	0	0	0	0	0	0	0
155	160	7	0	0	0	0	0	0	0	0	0	0
160	165	8	0	0	0	0	0	0	0	0	0	0
165	170	9	0	0	0	0	0	0	0	0	0	0
170	175	9	0	0	0	0	0	0	0	0	0	0
175	180	10	0	0	0	0	0	0	0	0	0	0
180	185	11	0	0	0	0	0	0	0	0	0	0
185	190	12	0	0	0	0	0	0	0	0	0	0
190	195	12	0	0	0	0	0	0	0	0	0	0
195	200	13	0	0	0	0	0	0	0	0	0	0
200	205	14	0	0	0	0	0	0	0	0	0	0
205	210	15	0	0	0	0	0	0	0	0	0	0
210	215	15	0	0	0	0	0	0	0	0	0	0
215	220	16	0	0	0	0	0	0	0	0	0	0
220	225	17	1	0	0	0	0	0	0	0	0	0
225	230	18	2	0	0	0	0	0	0	0	0	0
230	235	18	3	0	0	0	0	0	0	0	0	0
235	240	19	3	0	0	0	0	0	0	0	0	0
240	245	20	4	0	0	0	0	0	0	0	0	0
245	250	21	5	0	0	0	0	0	0	0	0	0
250	260	22	6	0	0	0	0	0	0	0	0	0
260	270	23	7	0	0	0	0	0	0	0	0	0
270	280	25	9	0	0	0	0	0	0	0	0	0
280	290	26	10	0	0	0	0	0	0	0	0	0
290	300	28	12	0	0	0	0	0	0	0	0	0
300	310	29	13	0	0	0	0	0	0	0	0	0
310	320	31	15	0	0	0	0	0	0	0	0	0
320	330	32	16	0	0	0	0	0	0	0	0	0
330	340	34	18	2	0	0	0	0	0	0	0	0
340	350	35	19	3	0	0	0	0	0	0	0	0
350	360	37	21	5	0	0	0	0	0	0	0	0
360	370	38	22	6	0	0	0	0	0	0	0	0
370	380	40	24	8	0	0	0	0	0	0	0	0
380	390	41	25	9	0	0	0	0	0	0	0	0
390	400	43	27	11	0	0	0	0	0	0	0	0
400	410	44	28	12	0	0	0	0	0	0	0	0
410	420	46	30	14	0	0	0	0	0	0	0	0
420	430	47	31	15	0	0	0	0	0	0	0	0
430	440	49	33	17	1	0	0	0	0	0	0	0
440	450	50	34	18	3	0	0	0	0	0	0	0
450	460	52	36	20	4	0	0	0	0	0	0	0
460	470	53	37	21	6	0	0	0	0	0	0	0
470	480	55	39	23	7	0	0	0	0	0	0	0
480	490	56	40	24	9	0	0	0	0	0	0	0
490	500	58	42	26	10	0	0	0	0	0	0	0
500	520	60	44	28	12	0	0	0	0	0	0	0
520	540	63	47	31	15	0	0	0	0	0	0	0
540	560	66	50	34	18	2	0	0	0	0	0	0
560	580	69	53	37	21	5	0	0	0	0	0	0
580	600	72	56	40	24	8	0	0	0	0	0	0
600	620	75	59	43	27	11	0	0	0	0	0	0
620	640	78	62	46	30	14	0	0	0	0	0	0
640	660	81	65	49	33	17	1	0	0	0	0	0
660	680	84	68	52	36	20	4	0	0	0	0	0
680	700	87	71	55	39	23	7	0	0	0	0	0
700	720	90	74	58	42	26	10	0	0	0	0	0
720	740	93	77	61	45	29	13	0	0	0	0	0
740	760	96	80	64	48	32	16	0	0	0	0	0
760	780	99	83	67	51	35	19	3	0	0	0	0
780	800	102	86	70	54	38	22	6	0	0	0	0
800	820	105	89	73	57	41	25	9	0	0	0	0
820	840	108	92	76	60	44	28	12	0	0	0	0

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
60	\$270	0	0	0	0	0	0	0	0	0	0	0
270	280	1	0	0	0	0	0	0	0	0	0	0
280	290	3	0	0	0	0	0	0	0	0	0	0
290	300	4	0	0	0	0	0	0	0	0	0	0
300	310	6	0	0	0	0	0	0	0	0	0	0
310	320	7	0	0	0	0	0	0	0	0	0	0
320	330	9	0	0	0	0	0	0	0	0	0	0
330	340	10	0	0	0	0	0	0	0	0	0	0
340	350	12	0	0	0	0	0	0	0	0	0	0
350	360	13	0	0	0	0	0	0	0	0	0	0
360	370	15	0	0	0	0	0	0	0	0	0	0
370	380	16	0	0	0	0	0	0	0	0	0	0
380	390	18	2	0	0	0	0	0	0	0	0	0
390	400	19	3	0	0	0	0	0	0	0	0	0
400	410	21	5	0	0	0	0	0	0	0	0	0
410	420	22	6	0	0	0	0	0	0	0	0	0
420	430	24	8	0	0	0	0	0	0	0	0	0
430	440	25	9	0	0	0	0	0	0	0	0	0
440	450	27	11	0	0	0	0	0	0	0	0	0
450	460	28	12	0	0	0	0	0	0	0	0	0
460	470	30	14	0	0	0	0	0	0	0	0	0
470	480	31	15	0	0	0	0	0	0	0	0	0
480	490	33	17	1	0	0	0	0	0	0	0	0
490	500	34	18	2	0	0	0	0	0	0	0	0
500	520	38	20	4	0	0	0	0	0	0	0	0
520	540	39	23	7	0	0	0	0	0	0	0	0
540	560	42	26	10	0	0	0	0	0	0	0	0
560	580	45	29	13	0	0	0	0	0	0	0	0
580	600	48	32	16	1	0	0	0	0	0	0	0
600	620	51	35	19	4	0	0	0	0	0	0	0
620	640	54	38	22	7	0	0	0	0	0	0	0
640	660	57	41	25	10	0	0	0	0	0	0	0
660	680	60	44	28	13	0	0	0	0	0	0	0
680	700	63	47	31	16	0	0	0	0	0	0	0
700	720	66	50	34	19	3	0	0	0	0	0	0
720	740	69	53	37	22	6	0	0	0	0	0	0
740	760	72	56	40	25	9	0	0	0	0	0	0
760	780	75	59	43	28	12	0	0	0	0	0	0
780	800	78	62	46	31	15	0	0	0	0	0	0
800	820	81	65	49	34	18	2	0	0	0	0	0
820	840	84	68	52	37	21	5	0	0	0	0	0
840	860	87	71	55	40	24	8	0	0	0	0	0
860	880	90	74	58	43	27	11	0	0	0	0	0
880	900	93	77	61	46	30	14	0	0	0	0	0
900	920	96	80	64	49	33	17	1	0	0	0	0
920	940	99	83	67	52	36	20	4	0	0	0	0
940	960	102	86	70	55	39	23	7	0	0	0	0
960	980	105	89	73	58	42	26	10	0	0	0	0
980	1,000	108	92	76	61	45	29	13	0	0	0	0
1,000	1,020	111	95	79	64	48	32	16	0	0	0	0
1,020	1,040	114	98	82	67	51	35	19	3	0	0	0
1,040	1,060	117	101	85	70	54	38	22	6	0	0	0
1,060	1,080	120	104	88	73	57	41	25	9	0	0	0
1,080	1,100	123	107	91	76	60	44	28	12	0	0	0
1,100	1,120	126	110	94	79	63	47	31	15	0	0	0
1,120	1,140	129	113	97	82	66	50	34	18	2	0	0
1,140	1,160	132	116	100	85	69	53	37	21	5	0	0
1,160	1,180	135	119	103	88	72	56	40	24	8	0	0
1,180	1,200	138	122	106	91	75	59	43	27	11	0	0
1,200	1,220	141	125	109	94	78	62	46	30	14	0	0
1,220	1,240	144	128	112	97	81	65	49	33	17	1	0
1,240	1,260	147	131	115	100	84	68	52	36	20	4	0
1,260	1,280	150	134	118	103	87	71	55	39	23	7	0
1,280	1,300	153	137	121	106	90	74	58	42	26	10	0
1,300	1,320	156	140	124	109	93	77	61	45	29	13	0
1,320	1,340	159	143	127	112	96	80	64	48	32	16	0
1,340	1,360	162	146	130	115	99	83	67	51	35	19	3
1,360	1,380	165	149	133	118	102	86	70	54	38	22	6
1,380	1,400	168	152	136	121	105	89	73	57	41	25	9
1,400	1,420	171	155	139	124	108	92	76	60	44	28	12

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$220	0	0	0	0	0	0	0	0	0	0	0
220	230	1	0	0	0	0	0	0	0	0	0	0
230	240	2	0	0	0	0	0	0	0	0	0	0
240	250	4	0	0	0	0	0	0	0	0	0	0
250	260	5	0	0	0	0	0	0	0	0	0	0
260	270	7	0	0	0	0	0	0	0	0	0	0
270	280	8	0	0	0	0	0	0	0	0	0	0
280	290	10	0	0	0	0	0	0	0	0	0	0
290	300	11	0	0	0	0	0	0	0	0	0	0
300	320	14	0	0	0	0	0	0	0	0	0	0
320	340	17	0	0	0	0	0	0	0	0	0	0
340	360	20	0	0	0	0	0	0	0	0	0	0
360	380	23	0	0	0	0	0	0	0	0	0	0
380	400	26	0	0	0	0	0	0	0	0	0	0
400	420	29	0	0	0	0	0	0	0	0	0	0
420	440	32	0	0	0	0	0	0	0	0	0	0
440	460	35	3	0	0	0	0	0	0	0	0	0
460	480	38	6	0	0	0	0	0	0	0	0	0
480	500	41	9	0	0	0	0	0	0	0	0	0
500	520	44	12	0	0	0	0	0	0	0	0	0
520	540	47	15	0	0	0	0	0	0	0	0	0
540	560	50	18	0	0	0	0	0	0	0	0	0
560	580	53	21	0	0	0	0	0	0	0	0	0
580	600	58	24	0	0	0	0	0	0	0	0	0
600	640	60	28	0	0	0	0	0	0	0	0	0
640	680	68	34	2	0	0	0	0	0	0	0	0
680	720	72	40	8	0	0	0	0	0	0	0	0
720	760	78	46	14	0	0	0	0	0	0	0	0
760	800	84	52	20	0	0	0	0	0	0	0	0
800	840	90	58	26	0	0	0	0	0	0	0	0
840	880	96	64	32	1	0	0	0	0	0	0	0
880	920	102	70	38	7	0	0	0	0	0	0	0
920	960	108	76	44	13	0	0	0	0	0	0	0
960	1,000	114	82	50	19	0	0	0	0	0	0	0
1,000	1,040	120	88	56	25	0	0	0	0	0	0	0
1,040	1,080	126	94	62	31	0	0	0	0	0	0	0
1,080	1,120	132	100	68	37	5	0	0	0	0	0	0
1,120	1,160	138	106	74	43	11	0	0	0	0	0	0
1,160	1,200	144	112	80	49	17	0	0	0	0	0	0
1,200	1,240	150	118	86	55	23	0	0	0	0	0	0
1,240	1,280	156	124	92	61	29	0	0	0	0	0	0
1,280	1,320	162	130	98	67	35	3	0	0	0	0	0
1,320	1,360	168	136	104	73	41	9	0	0	0	0	0
1,360	1,400	174	142	110	79	47	15	0	0	0	0	0
1,400	1,440	180	148	116	85	53	21	0	0	0	0	0
1,440	1,480	186	154	122	91	59	27	0	0	0	0	0
1,480	1,520	192	160	128	97	65	33	1	0	0	0	0
1,520	1,560	198	166	134	103	71	39	7	0	0	0	0
1,560	1,600	204	172	140	109	77	45	13	0	0	0	0
1,600	1,640	210	178	146	115	83	51	19	0	0	0	0
1,640	1,680	216	184	152	121	89	57	25	0	0	0	0
1,680	1,720	222	190	158	127	95	63	31	0	0	0	0
1,720	1,760	228	196	164	133	101	69	37	5	0	0	0
1,760	1,800	234	202	170	139	107	75	43	11	0	0	0
1,800	1,840	240	208	176	145	113	81	49	17	0	0	0
1,840	1,880	246	214	182	151	119	87	55	23	0	0	0
1,880	1,920	252	220	188	157	125	93	61	29	0	0	0
1,920	1,960	258	226	194	163	131	99	67	35	3	0	0
1,960	2,000	264	232	200	169	137	105	73	41	9	0	0
2,000	2,040	270	238	206	175	143	111	79	47	15	0	0
2,040	2,080	276	244	212	181	149	117	85	53	21	0	0
2,080	2,120	282	250	218	187	155	123	91	59	27	0	0
2,120	2,160	291	256	224	193	161	129	97	65	33	1	0
2,160	2,200	302	262	230	199	167	135	103	71	39	7	0
2,200	2,240	313	268	236	205	173	141	109	77	45	13	0
2,240	2,280	324	274	242	211	179	147	115	83	51	19	0
2,280	2,320	335	280	248	217	185	153	121	89	57	25	0
2,320	2,360	347	287	254	223	191	159	127	95	63	31	0
2,360	2,400	358	298	260	229	197	165	133	101	69	37	5
2,400	2,440	369	310	266	235	203	171	139	107	75	43	11

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid in 1995)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$540	0	0	0	0	0	0	0	0	0	0	0
540	560	2	0	0	0	0	0	0	0	0	0	0
560	580	5	0	0	0	0	0	0	0	0	0	0
580	600	8	0	0	0	0	0	0	0	0	0	0
600	640	13	0	0	0	0	0	0	0	0	0	0
640	680	19	0	0	0	0	0	0	0	0	0	0
680	720	25	0	0	0	0	0	0	0	0	0	0
720	760	31	0	0	0	0	0	0	0	0	0	0
760	800	37	5	0	0	0	0	0	0	0	0	0
800	840	43	11	0	0	0	0	0	0	0	0	0
840	880	49	17	0	0	0	0	0	0	0	0	0
880	920	55	23	0	0	0	0	0	0	0	0	0
920	960	61	29	0	0	0	0	0	0	0	0	0
960	1,000	67	35	3	0	0	0	0	0	0	0	0
1,000	1,040	73	41	9	0	0	0	0	0	0	0	0
1,040	1,080	79	47	15	0	0	0	0	0	0	0	0
1,080	1,120	85	53	21	0	0	0	0	0	0	0	0
1,120	1,160	91	59	27	0	0	0	0	0	0	0	0
1,160	1,200	97	65	33	1	0	0	0	0	0	0	0
1,200	1,240	103	71	39	7	0	0	0	0	0	0	0
1,240	1,280	109	77	45	13	0	0	0	0	0	0	0
1,280	1,320	115	83	51	19	0	0	0	0	0	0	0
1,320	1,360	121	89	57	25	0	0	0	0	0	0	0
1,360	1,400	127	95	63	31	0	0	0	0	0	0	0
1,400	1,440	133	101	69	37	5	0	0	0	0	0	0
1,440	1,480	139	107	75	43	11	0	0	0	0	0	0
1,480	1,520	145	113	81	49	17	0	0	0	0	0	0
1,520	1,560	151	119	87	55	23	0	0	0	0	0	0
1,560	1,600	157	125	93	61	29	0	0	0	0	0	0
1,600	1,640	163	131	99	67	35	3	0	0	0	0	0
1,640	1,680	169	137	105	73	41	9	0	0	0	0	0
1,680	1,720	175	143	111	79	47	15	0	0	0	0	0
1,720	1,760	181	149	117	85	53	21	0	0	0	0	0
1,760	1,800	187	155	123	91	59	27	0	0	0	0	0
1,800	1,840	193	161	129	97	65	33	1	0	0	0	0
1,840	1,880	199	167	135	103	71	39	7	0	0	0	0
1,880	1,920	205	173	141	109	77	45	13	0	0	0	0
1,920	1,960	211	179	147	115	83	51	19	0	0	0	0
1,960	2,000	217	185	153	121	89	57	25	0	0	0	0
2,000	2,040	223	191	159	127	95	63	31	0	0	0	0
2,040	2,080	229	197	165	133	101	69	37	6	0	0	0
2,080	2,120	235	203	171	139	107	75	43	12	0	0	0
2,120	2,160	241	209	177	145	113	81	49	18	0	0	0
2,160	2,200	247	215	183	151	119	87	55	24	0	0	0
2,200	2,240	253	221	189	157	125	93	61	30	0	0	0
2,240	2,280	259	227	195	163	131	99	67	36	4	0	0
2,280	2,320	265	233	201	169	137	105	73	42	10	0	0
2,320	2,360	271	239	207	175	143	111	79	48	16	0	0
2,360	2,400	277	245	213	181	149	117	85	54	22	0	0
2,400	2,440	283	251	219	187	155	123	91	60	28	0	0
2,440	2,480	289	257	225	193	161	129	97	66	34	2	0
2,480	2,520	295	263	231	199	167	135	103	72	40	8	0
2,520	2,560	301	269	237	205	173	141	109	78	46	14	0
2,560	2,600	307	275	243	211	179	147	115	84	52	20	0
2,600	2,640	313	281	249	217	185	153	121	90	58	26	0
2,640	2,680	319	287	255	223	191	159	127	96	64	32	0
2,680	2,720	325	293	261	229	197	165	133	102	70	38	6
2,720	2,760	331	299	267	235	203	171	139	108	76	44	12
2,760	2,800	337	305	273	241	209	177	145	114	82	50	18
2,800	2,840	343	311	279	247	215	183	151	120	88	56	24
2,840	2,880	349	317	285	253	221	189	157	126	94	62	30
2,880	2,920	355	323	291	259	227	195	163	132	100	68	36
2,920	2,960	361	329	297	265	233	201	169	138	106	74	42
2,960	3,000	367	335	303	271	239	207	175	144	112	80	48
3,000	3,040	373	341	309	277	245	213	181	150	118	86	54
3,040	3,080	379	347	315	283	251	219	187	156	124	92	60
3,080	3,120	385	353	321	289	257	225	193	162	130	98	66
3,120	3,160	391	359	327	295	263	231	199	168	136	104	72
3,160	3,200	397	365	333	301	269	237	205	174	142	110	78
3,200	3,240	403	371	339	307	275	243	211	180	148	116	84

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
 (For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—											
		0	1	2	3	4	5	6	7	8	9	10	
At least	But less than	The amount of income tax to be withheld is—											
\$0	\$12	0	0	0	0	0	0	0	0	0	0	0	0
12	15	1	0	0	0	0	0	0	0	0	0	0	0
15	18	1	0	0	0	0	0	0	0	0	0	0	0
18	21	1	0	0	0	0	0	0	0	0	0	0	0
21	24	2	0	0	0	0	0	0	0	0	0	0	0
24	27	2	1	0	0	0	0	0	0	0	0	0	0
27	30	3	1	0	0	0	0	0	0	0	0	0	0
30	33	3	2	0	0	0	0	0	0	0	0	0	0
33	36	4	2	1	0	0	0	0	0	0	0	0	0
36	39	4	3	1	0	0	0	0	0	0	0	0	0
39	42	5	3	2	0	0	0	0	0	0	0	0	0
42	45	5	4	2	1	0	0	0	0	0	0	0	0
45	48	5	4	2	1	0	0	0	0	0	0	0	0
48	51	6	4	3	1	0	0	0	0	0	0	0	0
51	54	6	5	3	2	0	0	0	0	0	0	0	0
54	57	7	5	4	2	1	0	0	0	0	0	0	0
57	60	7	6	4	3	1	0	0	0	0	0	0	0
60	63	8	6	5	3	2	0	0	0	0	0	0	0
63	66	8	7	5	4	2	1	0	0	0	0	0	0
66	69	9	7	6	4	3	1	0	0	0	0	0	0
69	72	9	8	6	5	3	2	0	0	0	0	0	0
72	75	10	8	7	5	4	2	1	0	0	0	0	0
75	78	10	8	7	6	4	3	1	0	0	0	0	0
78	81	10	9	7	6	5	3	2	0	0	0	0	0
81	84	11	9	8	6	5	4	2	1	0	0	0	0
84	87	11	10	8	7	5	4	2	1	0	0	0	0
87	90	12	10	9	7	6	4	3	1	0	0	0	0
90	93	12	11	9	8	6	5	3	2	0	0	0	0
93	96	13	11	10	8	7	5	4	2	1	0	0	0
96	99	13	12	10	9	7	6	4	3	1	0	0	0
99	102	14	12	11	9	8	6	5	3	2	0	0	0
102	105	15	13	11	10	8	7	5	4	2	1	0	0
105	108	16	13	12	10	9	7	6	4	3	1	0	0
108	111	16	14	12	10	9	8	6	5	3	2	0	0
111	114	17	15	12	11	9	8	7	5	4	2	1	0
114	117	18	15	13	11	10	8	7	6	4	3	1	0
117	120	19	16	13	12	10	9	7	6	4	3	2	0
120	123	20	17	14	12	11	9	8	6	5	3	2	0
123	126	21	18	15	13	11	10	8	7	5	4	2	0
126	129	21	19	16	13	12	10	9	7	6	4	3	0
129	132	22	20	17	14	12	11	9	8	6	5	3	0
132	135	23	20	18	15	13	11	10	8	7	5	4	0
135	138	24	21	18	16	13	12	10	9	7	6	4	0
138	141	25	22	19	17	14	12	11	9	8	6	5	0
141	144	26	23	20	17	15	13	11	10	8	7	5	0
144	147	27	24	21	18	16	13	11	10	9	7	6	0
147	150	27	25	22	19	16	14	12	10	9	8	6	0
150	153	28	25	23	20	17	14	12	11	9	8	6	0
153	156	29	26	24	21	18	15	13	11	10	8	7	0
156	159	30	27	24	22	19	16	13	12	10	9	7	0
159	162	31	28	25	22	20	17	14	12	11	9	8	0
162	165	32	29	26	23	21	18	15	13	11	10	8	0
165	168	32	30	27	24	21	19	16	13	12	10	9	0
168	171	33	30	28	25	22	19	17	14	12	11	9	0
171	174	34	31	29	26	23	20	18	15	13	11	10	0
174	177	35	32	29	27	24	21	18	16	13	12	10	0
177	180	36	33	30	28	25	22	19	17	14	12	11	0
180	183	37	34	31	28	26	23	20	17	15	12	11	0
183	186	37	35	32	29	26	24	21	18	15	13	11	0
186	189	38	36	33	30	27	25	22	19	16	14	12	0
189	192	39	36	34	31	28	25	23	20	17	14	12	0
192	195	40	37	34	32	29	26	23	21	18	15	13	0
195	198	41	38	35	33	30	27	24	22	19	16	13	0
198	201	42	39	36	33	31	28	25	22	20	17	14	0
201	204	42	40	37	34	31	29	26	23	20	18	15	0
204	207	43	41	38	35	32	30	27	24	21	19	16	0
207	210	44	41	39	36	33	30	28	25	22	19	17	0
210	213	45	42	39	37	34	31	29	26	23	20	18	0
213	216	46	43	40	38	35	32	29	27	24	21	18	0
216	219	47	44	41	38	36	33	30	27	25	22	19	0

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 1986)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$219	\$222	48	45	42	39	37	34	31	28	26	23	20
222	225	49	46	43	40	37	35	32	29	26	24	21
225	228	50	47	44	41	38	35	33	30	27	24	22
228	231	51	48	45	42	39	36	34	31	28	25	23
231	234	52	49	46	43	40	37	34	32	29	26	23
234	237	53	50	46	43	41	38	35	32	30	27	24
237	240	53	50	47	44	42	39	36	33	31	28	25
240	243	54	51	48	45	42	40	37	34	31	29	26
243	246	55	52	49	46	43	40	38	35	32	30	27
246	249	56	53	50	47	44	41	39	36	33	30	28
249	252	57	54	51	48	45	42	39	37	34	31	28
252	255	58	55	52	49	46	43	40	38	35	32	29
255	258	59	56	53	50	47	44	41	38	36	33	30
258	261	60	57	54	51	48	45	42	39	36	34	31
261	264	61	58	55	52	49	46	43	40	37	35	32
264	267	62	59	56	53	50	47	44	41	38	35	33
267	270	63	60	57	54	51	48	45	42	39	36	33
270	273	64	61	58	55	52	49	45	43	40	37	34
273	276	65	62	58	56	52	49	46	43	41	38	35
276	279	66	63	60	56	53	50	47	44	41	39	36
279	282	67	63	60	57	54	51	48	45	42	40	37
282	285	67	64	61	58	55	52	49	46	43	40	38
285	288	68	65	62	59	56	53	50	47	44	41	39
288	291	69	66	63	60	57	54	51	48	45	42	39
291	294	70	67	64	61	58	55	52	49	46	43	40
294	297	71	68	65	62	59	56	53	50	47	44	41
297	300	72	69	66	63	60	57	54	51	48	45	42
300	303	73	70	67	64	61	58	55	52	49	46	43
303	306	74	71	68	65	62	59	56	53	50	47	44
306	309	75	72	69	66	63	60	57	54	51	48	44
309	312	76	73	70	67	64	61	58	55	51	48	45
312	315	77	74	71	68	65	62	59	55	52	49	46
315	318	78	75	72	69	66	62	59	56	53	50	47
318	321	79	76	73	69	66	63	60	57	54	51	48
321	324	80	76	73	70	67	64	61	58	55	52	49
324	327	80	77	74	71	68	65	62	59	56	53	50
327	330	81	78	75	72	69	66	63	60	57	54	51
330	333	82	79	76	73	70	67	64	61	58	55	52
333	336	83	80	77	74	71	68	65	62	59	56	53
336	339	84	81	78	75	72	69	66	63	60	57	54
339	341	85	82	79	76	73	70	67	64	61	58	55
341	343	86	83	80	77	73	70	67	64	61	58	55
343	345	86	83	80	76	74	71	68	65	62	59	56
345	347	87	84	81	78	75	72	69	66	62	59	56
347	349	87	84	81	78	75	72	69	66	63	60	57
349	351	88	85	82	79	76	73	70	67	64	61	58
351	353	89	86	83	80	77	73	70	67	64	61	58
353	355	89	86	83	80	77	74	71	68	65	62	59
355	357	90	87	84	81	78	75	72	69	66	63	60
357	359	91	88	84	81	78	75	72	69	66	63	60
359	361	91	88	85	82	79	76	73	70	67	64	61
361	363	92	89	86	83	80	77	74	70	67	64	61
363	365	92	89	86	83	80	77	74	71	68	65	62
365	367	93	90	87	84	81	78	75	72	69	66	63
367	369	94	91	88	85	81	78	75	72	69	66	63
369	371	94	91	88	85	82	79	76	73	70	67	64
371	373	95	92	89	86	83	80	77	74	71	68	64
373	375	96	92	89	86	83	80	77	74	71	68	65
375	377	96	93	90	87	84	81	78	75	72	69	66
377	379	97	94	91	88	85	82	78	75	72	69	66
379	381	97	94	91	88	85	82	79	76	73	70	67
381	383	98	95	92	89	86	83	80	77	74	71	68
383	385	99	96	93	89	86	83	80	77	74	71	68
385	387	99	96	93	90	87	84	81	78	75	72	69
387	389	100	97	94	91	88	85	82	79	76	72	69

\$389 and over

Use Table 8(a) for a **SINGLE** person on page 35. Also see the instructions on page 32.

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid In 1936)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
30	\$27	0	0	0	0	0	0	0	0	0	0	0
27	30	1	0	0	0	0	0	0	0	0	0	0
30	33	1	0	0	0	0	0	0	0	0	0	0
33	36	1	0	0	0	0	0	0	0	0	0	0
36	39	2	0	0	0	0	0	0	0	0	0	0
39	42	2	1	0	0	0	0	0	0	0	0	0
42	45	3	1	0	0	0	0	0	0	0	0	0
45	48	3	2	0	0	0	0	0	0	0	0	0
48	51	4	2	1	0	0	0	0	0	0	0	0
51	54	4	3	1	0	0	0	0	0	0	0	0
54	57	5	3	2	0	0	0	0	0	0	0	0
57	60	5	4	2	1	0	0	0	0	0	0	0
60	63	6	4	3	1	0	0	0	0	0	0	0
63	66	6	4	3	2	0	0	0	0	0	0	0
66	69	6	5	3	2	1	0	0	0	0	0	0
69	72	7	5	4	2	1	0	0	0	0	0	0
72	75	7	6	4	3	1	0	0	0	0	0	0
75	78	8	6	5	3	2	0	0	0	0	0	0
78	81	8	7	5	4	2	1	0	0	0	0	0
81	84	9	7	6	4	3	1	0	0	0	0	0
84	87	9	8	6	5	3	2	0	0	0	0	0
87	90	10	8	7	5	4	2	1	0	0	0	0
90	93	10	9	7	6	4	3	1	0	0	0	0
93	96	10	9	8	6	5	3	2	0	0	0	0
96	99	11	9	8	7	5	4	2	1	0	0	0
99	102	11	10	8	7	5	4	3	1	0	0	0
102	105	12	10	9	7	6	4	3	2	0	0	0
105	108	12	11	9	8	6	5	3	2	1	0	0
108	111	13	11	10	8	7	5	4	2	1	0	0
111	114	13	12	10	9	7	6	4	3	1	0	0
114	117	14	12	11	9	8	6	5	3	2	0	0
117	120	14	13	11	10	8	7	5	4	2	1	0
120	123	15	13	12	10	9	7	6	4	3	1	0
123	126	15	13	12	11	9	8	6	5	3	2	0
126	129	15	14	12	11	10	8	7	5	4	2	1
129	132	16	14	13	11	10	9	7	6	4	3	1
132	135	16	15	13	12	10	9	7	6	5	3	2
135	138	17	15	14	12	11	9	8	6	5	4	2
138	141	17	16	14	13	11	10	8	7	5	4	2
141	144	18	16	15	13	12	10	9	7	6	4	3
144	147	18	17	15	14	12	11	9	8	6	5	3
147	150	19	17	16	14	13	11	10	8	7	5	4
150	153	19	18	16	15	13	12	10	9	7	6	4
153	156	19	18	17	15	14	12	11	9	8	6	5
156	159	20	18	17	16	14	13	11	10	8	7	5
159	162	20	19	17	16	14	13	12	10	9	7	6
162	165	21	19	18	16	15	13	12	11	9	8	6
165	168	21	20	18	17	15	14	12	11	9	8	7
168	171	22	20	19	17	16	14	13	11	10	8	7
171	174	22	21	19	18	16	15	13	12	10	9	7
174	177	23	21	20	18	17	15	14	12	11	9	8
177	180	24	22	20	19	17	16	14	13	11	10	8
180	183	25	22	21	19	18	16	15	13	12	10	9
183	186	26	23	21	20	18	17	15	14	12	11	9
186	189	27	24	21	20	19	17	16	14	13	11	10
189	192	28	25	22	20	19	18	16	15	13	12	10
192	195	28	26	23	21	19	18	16	15	14	12	11
195	198	29	26	24	21	20	18	17	15	14	13	11
198	201	30	27	25	22	20	19	17	16	14	13	12
201	204	31	28	25	23	21	19	18	16	15	13	12
204	207	32	29	26	23	21	20	18	17	15	14	12
207	210	33	30	27	24	22	20	19	17	16	14	13
210	213	33	31	28	25	22	21	19	18	16	15	13
213	216	34	31	29	26	23	21	20	18	17	15	14
216	219	35	32	30	27	24	22	20	19	17	16	14
219	222	36	33	30	28	25	22	21	19	18	16	15
222	225	37	34	31	29	26	23	21	20	18	17	15
225	228	38	35	32	29	27	24	21	20	18	17	16
228	231	38	36	33	30	27	25	22	20	19	17	16
231	234	39	37	34	31	28	26	23	21	19	18	16

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid in 1996)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$234	\$237	40	37	35	32	29	26	24	21	20	18	17
237	240	41	38	35	33	30	27	24	22	20	19	17
240	243	42	39	36	34	31	28	25	23	21	19	18
243	246	43	40	37	34	32	29	26	23	21	20	18
246	249	43	41	38	35	32	30	27	24	22	20	18
249	252	44	42	39	36	33	31	28	25	22	21	19
252	255	45	42	40	37	34	31	29	26	23	21	20
255	258	46	43	40	38	35	32	30	27	24	22	20
258	261	47	44	41	39	36	33	30	28	25	22	21
261	264	48	45	42	39	37	34	31	28	26	23	21
264	267	49	46	43	40	38	35	32	29	27	24	21
267	270	49	47	44	41	38	36	33	30	27	25	22
270	273	50	47	45	42	39	36	34	31	28	25	23
273	276	51	48	46	43	40	37	35	32	29	26	24
276	279	52	49	46	44	41	38	35	33	30	27	24
279	282	53	50	47	44	42	39	36	33	31	28	25
282	285	54	51	48	45	43	40	37	34	32	29	26
285	288	54	52	49	46	43	41	38	35	32	30	27
288	291	55	52	50	47	44	41	39	36	33	31	28
291	294	56	53	51	48	45	42	40	37	34	31	29
294	297	57	54	51	49	46	43	40	38	35	32	29
297	300	58	55	52	50	47	44	41	39	36	33	30
300	303	59	56	53	50	48	45	42	39	37	34	31
303	306	59	57	54	51	48	46	43	40	37	35	32
306	309	60	58	55	52	49	47	44	41	38	36	33
309	312	61	58	56	53	50	47	45	42	39	36	34
312	315	62	59	56	54	51	48	45	43	40	37	34
315	318	63	60	57	55	52	49	46	44	41	38	35
318	321	64	61	58	55	53	50	47	44	42	39	36
321	324	64	62	59	56	53	51	48	45	42	40	37
324	327	65	63	60	57	54	52	49	46	43	41	38
327	330	66	63	61	58	55	52	50	47	44	41	39
330	333	67	64	61	59	56	53	51	48	45	42	40
333	336	68	65	62	60	57	54	51	49	46	43	40
336	339	69	66	63	60	58	55	52	49	47	44	41
339	341	69	67	64	61	58	56	53	50	47	45	42
341	343	70	67	64	62	59	56	53	51	48	45	42
343	345	70	68	65	62	60	57	54	51	49	46	43
345	347	71	68	66	63	60	57	55	52	49	46	44
347	349	72	69	66	63	61	58	55	52	50	47	44
349	351	72	69	67	64	61	58	56	53	50	47	45
351	353	73	70	67	64	62	59	56	54	51	48	45
353	355	74	71	68	65	62	60	57	54	51	49	46
355	357	74	71	68	66	63	60	57	55	52	49	46
357	359	75	72	69	66	63	61	58	55	52	50	47
359	361	75	72	69	67	64	61	58	56	53	50	48
361	363	76	73	70	67	65	62	59	56	54	51	48
363	365	77	74	71	68	65	62	60	57	54	51	49
365	367	77	74	71	68	66	63	60	57	55	52	49
367	369	78	75	72	69	66	63	61	58	55	52	50
369	371	79	75	72	70	67	64	61	59	56	53	50
371	373	79	76	73	70	67	65	62	59	56	54	51
373	375	80	77	74	71	68	65	62	60	57	54	51
375	377	80	77	74	71	68	66	63	60	57	55	52
377	379	81	78	75	72	69	66	64	61	58	55	53
379	381	82	79	76	73	70	67	64	61	59	56	53
381	383	82	79	76	73	70	67	65	62	59	56	54
383	385	83	80	77	74	71	68	65	62	60	57	54
385	387	83	80	77	74	71	69	66	63	60	58	55
387	389	84	81	78	75	72	69	66	64	61	58	55
389	391	85	82	79	76	73	70	67	64	61	59	56
391	393	85	82	79	76	73	70	67	65	62	59	56
393	395	86	83	80	77	74	71	68	65	63	60	57
395	397	87	84	81	77	74	71	69	66	63	60	58
397	399	87	84	81	78	75	72	69	66	64	61	58

\$399 and over

Use Table B(b) for a MARRIED person on page 35. Also see the instructions on page 32.

Tables for Percentage Method of Advance EIC Payments
(For Wages Paid in 1996)

Table 1. WEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$121 . . .	20.40% of wages	\$0	\$60 . . .	20.40% of wages
\$121	\$223 . . .	\$25	\$60	\$111 . . .	\$12
\$223	. . . . .	\$25 less 9.588% of wages in excess of \$223	\$111	. . . . .	\$12 less 9.588% of wages in excess of \$111

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$243 . . .	20.40% of wages	\$0	\$121 . . .	20.40% of wages
\$243	\$446 . . .	\$50	\$121	\$223 . . .	\$25
\$446	. . . . .	\$50 less 9.588% of wages in excess of \$446	\$223	. . . . .	\$25 less 9.588% of wages in excess of \$223

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$263 . . .	20.40% of wages	\$0	\$131 . . .	20.40% of wages
\$263	\$483 . . .	\$54	\$131	\$241 . . .	\$27
\$483	. . . . .	\$54 less 9.588% of wages in excess of \$483	\$241	. . . . .	\$27 less 9.588% of wages in excess of \$241

Table 4. MONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$527 . . .	20.40% of wages	\$0	\$263 . . .	20.40% of wages
\$527	\$967 . . .	\$108	\$263	\$483 . . .	\$54
\$967	. . . . .	\$108 less 9.588% of wages in excess of \$967	\$483	. . . . .	\$54 less 9.588% of wages in excess of \$483

Tables for Percentage Method of Advance EIC Payments (Continued)
(For Wages Paid In 1996)

Table 5. QUARTERLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$1,582 . . .	20.40% of wages	\$0	\$791 . . .	20.40% of wages
\$1,582	\$2,902 . . .	\$323	\$791	\$1,451 . . .	\$161
\$2,902	. . . . .	\$323 less 9.588% of wages in excess of \$2,902	\$1,451	. . . . .	\$161 less 9.588% of wages in excess of \$1,451

Table 6. SEMIANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$3,165 . . .	20.40% of wages	\$0	\$1,582 . . .	20.40% of wages
\$3,165	\$5,805 . . .	\$646	\$1,582	\$2,902 . . .	\$323
\$5,805	. . . . .	\$646 less 9.588% of wages in excess of \$5,805	\$2,902	. . . . .	\$323 less 9.588% of wages in excess of \$2,902

Table 7. ANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$6,330 . . .	20.40% of wages	\$0	\$3,165 . . .	20.40% of wages
\$6,330	\$11,610 . . .	\$1,291	\$3,165	\$5,805 . . .	\$646
\$11,610	. . . . .	\$1,291 less 9.588% of wages in excess of \$11,610	\$5,805	. . . . .	\$646 less 9.588% of wages in excess of \$5,805

Table 8. DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:	If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:
Over—	But not over—		Over—	But not over—	
\$0	\$24	20.40% of wages	\$0	\$12	20.40% of wages
\$24	\$44	\$5	\$12	\$22	\$2
\$44	. . . . .	\$5 less 9.588% of wages in excess of \$44	\$22	. . . . .	\$2 less 9.588% of wages in excess of \$22

Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 1996)

WEEKLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$70	\$75	\$14	\$250	\$260	\$21	\$390	\$400	\$8
5	10	1	75	80	15	260	270	20	400	410	7
10	15	2	80	85	16	270	280	19	410	420	6
15	20	3	85	90	17	280	290	18	420	430	5
20	25	4	90	95	18	290	300	17	430	440	4
25	30	5	95	100	19	300	310	17	440	450	3
30	35	6	100	105	20	310	320	16	450	460	2
35	40	7	105	110	21	320	330	15	460	470	1
40	45	8	110	115	22	330	340	14	470	---	0
45	50	9	115	120	23	340	350	13			
50	55	10	120	220	24	350	360	12			
55	60	11	220	230	24	360	370	11			
60	65	12	230	240	23	370	380	10			
65	70	13	240	250	22	380	390	9			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$35	\$40	\$7	\$120	\$130	\$11	\$180	\$200	\$4
5	10	1	40	45	8	130	140	10	200	210	3
10	15	2	45	50	9	140	150	9	210	220	2
15	20	3	50	55	10	150	160	8	220	230	1
20	25	4	55	60	11	160	170	7	230	---	0
25	30	5	60	110	12	170	180	6			
30	35	6	110	120	12	180	190	5			

BIWEEKLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$130	\$135	\$27	\$475	\$485	\$46	\$735	\$745	\$21
5	10	1	135	140	28	485	495	45	745	755	20
10	15	2	140	145	29	495	505	44	755	765	19
15	20	3	145	150	30	505	515	43	765	775	18
20	25	4	150	155	31	515	525	42	775	785	17
25	30	5	155	160	32	525	535	41	785	795	16
30	35	6	160	165	33	535	545	40	795	805	15
35	40	7	165	170	34	545	555	39	805	815	14
40	45	8	170	175	35	555	565	38	815	825	13
45	50	9	175	180	36	565	575	37	825	835	12
50	55	10	180	185	37	575	585	36	835	845	11
55	60	11	185	190	38	585	595	35	845	855	10
60	65	12	190	195	39	595	605	34	855	865	10
65	70	13	195	200	40	605	615	34	865	875	9
70	75	14	200	205	41	615	625	33	875	885	8
75	80	15	205	210	42	625	635	32	885	895	7
80	85	16	210	215	43	635	645	31	895	905	6
85	90	17	215	220	44	645	655	30	905	915	5
90	95	18	220	225	45	655	665	29	915	925	4
95	100	19	225	230	46	665	675	28	925	935	3
100	105	20	230	235	47	675	685	27	935	945	2
105	110	21	235	240	48	685	695	26	945	955	1
110	115	22	240	445	49	695	705	25	955	---	0
115	120	23	445	455	49	705	715	24			
120	125	24	455	465	48	715	725	23			
125	130	26	465	475	47	725	735	22			

BIWEEKLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$230	\$240	\$23	\$360	\$370	\$11
5	10	1	70	75	14	240	250	22	370	380	10
10	15	2	75	80	15	250	260	21	380	390	9
15	20	3	80	85	16	260	270	20	390	400	8
20	25	4	85	90	17	270	280	19	400	410	7
25	30	5	90	95	18	280	290	18	410	420	6
30	35	6	95	100	19	290	300	17	420	430	5
35	40	7	100	105	20	300	310	17	430	440	4
40	45	8	105	110	21	310	320	16	440	450	3
45	50	9	110	115	22	320	330	15	450	460	2
50	55	10	115	120	23	330	340	14	460	470	1
55	60	11	120	220	24	340	350	13	470	---	0
60	65	12	220	230	24	350	360	12			

SEMIMONTHLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$510	\$520	\$50	\$790	\$800	\$23
5	10	1	145	150	30	520	530	49	800	810	23
10	15	2	150	155	31	530	540	48	810	820	22
15	20	3	155	160	32	540	550	47	820	830	21
20	25	4	160	165	33	550	560	46	830	840	20
25	30	5	165	170	34	560	570	46	840	850	19
30	35	6	170	175	35	570	580	45	850	860	18
35	40	7	175	180	36	580	590	44	860	870	17
40	45	8	180	185	37	590	600	43	870	880	16
45	50	9	185	190	38	600	610	42	880	890	15
50	55	10	190	195	39	610	620	41	890	900	14
55	60	11	195	200	40	620	630	40	900	910	13
60	65	12	200	205	41	630	640	39	910	920	12
65	70	13	205	210	42	640	650	38	920	930	11
70	75	14	210	215	43	650	660	37	930	940	10
75	80	15	215	220	44	660	670	36	940	950	9
80	85	16	220	225	45	670	680	35	950	960	8
85	90	17	225	230	46	680	690	34	960	970	7
90	95	18	230	235	47	690	700	33	970	980	6
95	100	19	235	240	48	700	710	32	980	990	5
100	105	20	240	245	49	710	720	31	990	1,000	4
105	110	21	245	250	50	720	730	30	1,000	1,010	3
110	115	22	250	255	51	730	740	29	1,010	1,020	2
115	120	23	255	260	52	740	750	28	1,020	1,030	1
120	125	24	260	480	53	750	760	27	1,030	---	0
125	130	26	480	490	53	760	770	26			
130	135	27	490	500	52	770	780	25			
135	140	28	500	510	51	780	790	24			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$50	\$55	\$10	\$100	\$105	\$20	\$270	\$280	\$23
5	10	1	55	60	11	105	110	21	280	290	22
10	15	2	60	65	12	110	115	22	290	300	21
15	20	3	65	70	13	115	120	23	300	310	20
20	25	4	70	75	14	120	125	24	310	320	19
25	30	5	75	80	15	125	130	26	320	330	18
30	35	6	80	85	16	130	240	27	330	340	18
35	40	7	85	90	17	240	250	26	340	350	17
40	45	8	90	95	18	250	260	25	350	360	16
45	50	9	95	100	19	260	270	24	360	370	15

(continued on next page)

SEMIMONTHLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$370	\$380	\$14	\$410	\$420	\$10	\$480	\$480	\$8	\$490	\$500	\$2
380	390	13	420	430	9	480	470	5	500	510	1
390	400	12	430	440	8	470	480	4	510	---	0
400	410	11	440	450	7	480	490	3			

MONTHLY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$275	\$280	\$58	\$1,005	\$1,015	\$103	\$1,555	\$1,565	\$50
5	10	1	280	285	57	1,015	1,025	102	1,565	1,575	49
10	15	2	285	290	58	1,025	1,035	101	1,575	1,585	48
15	20	3	290	295	59	1,035	1,045	100	1,585	1,595	47
20	25	4	295	300	60	1,045	1,055	99	1,595	1,605	46
25	30	5	300	305	61	1,055	1,065	98	1,605	1,615	46
30	35	6	305	310	62	1,065	1,075	97	1,615	1,625	45
35	40	7	310	315	63	1,075	1,085	96	1,625	1,635	44
40	45	8	315	320	64	1,085	1,095	95	1,635	1,645	43
45	50	9	320	325	65	1,095	1,105	94	1,645	1,655	42
50	55	10	325	330	66	1,105	1,115	93	1,655	1,665	41
55	60	11	330	335	67	1,115	1,125	92	1,665	1,675	40
60	65	12	335	340	68	1,125	1,135	92	1,675	1,685	39
65	70	13	340	345	69	1,135	1,145	91	1,685	1,695	38
70	75	14	345	350	70	1,145	1,155	90	1,695	1,705	37
75	80	15	350	355	71	1,155	1,165	89	1,705	1,715	36
80	85	16	355	360	72	1,165	1,175	88	1,715	1,725	35
85	90	17	360	365	73	1,175	1,185	87	1,725	1,735	34
90	95	18	365	370	74	1,185	1,195	86	1,735	1,745	33
95	100	19	370	375	75	1,195	1,205	85	1,745	1,755	32
100	105	20	375	380	77	1,205	1,215	84	1,755	1,765	31
105	110	21	380	385	78	1,215	1,225	83	1,765	1,775	30
110	115	22	385	390	79	1,225	1,235	82	1,775	1,785	29
115	120	23	390	395	80	1,235	1,245	81	1,785	1,795	28
120	125	24	395	400	81	1,245	1,255	80	1,795	1,805	27
125	130	26	400	405	82	1,255	1,265	79	1,805	1,815	26
130	135	27	405	410	83	1,265	1,275	78	1,815	1,825	25
135	140	28	410	415	84	1,275	1,285	77	1,825	1,835	24
140	145	29	415	420	85	1,285	1,295	76	1,835	1,845	23
145	150	30	420	425	86	1,295	1,305	75	1,845	1,855	22
150	155	31	425	430	87	1,305	1,315	74	1,855	1,865	22
155	160	32	430	435	88	1,315	1,325	73	1,865	1,875	21
160	165	33	435	440	89	1,325	1,335	72	1,875	1,885	20
165	170	34	440	445	90	1,335	1,345	71	1,885	1,895	19
170	175	35	445	450	91	1,345	1,355	70	1,895	1,905	18
175	180	36	450	455	92	1,355	1,365	69	1,905	1,915	17
180	185	37	455	460	93	1,365	1,375	69	1,915	1,925	16
185	190	38	460	465	94	1,375	1,385	68	1,925	1,935	15
190	195	39	465	470	95	1,385	1,395	67	1,935	1,945	14
195	200	40	470	475	96	1,395	1,405	66	1,945	1,955	13
200	205	41	475	480	97	1,405	1,415	65	1,955	1,965	12
205	210	42	480	485	98	1,415	1,425	64	1,965	1,975	11
210	215	43	485	490	99	1,425	1,435	63	1,975	1,985	10
215	220	44	490	495	100	1,435	1,445	62	1,985	1,995	9
220	225	45	495	500	101	1,445	1,455	61	1,995	2,005	8
225	230	46	500	505	102	1,455	1,465	60	2,005	2,015	7
230	235	47	505	510	103	1,465	1,475	59	2,015	2,025	6
235	240	48	510	515	104	1,475	1,485	58	2,025	2,035	5
240	245	49	515	520	105	1,485	1,495	57	2,035	2,045	4
245	250	50	520	525	106	1,495	1,505	56	2,045	2,055	3
250	255	51	525	530	107	1,505	1,515	55	2,055	2,065	2
255	260	52	530	535	107	1,515	1,525	54	2,065	2,075	1
260	265	53	535	540	108	1,525	1,535	53	2,075	---	0
265	270	54	540	545	105	1,535	1,545	52			
270	275	55	545	550	104	1,545	1,555	51			

MONTHLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$510	\$520	\$50	\$790	\$800	\$24
5	10	1	145	150	30	520	530	49	800	810	23
10	15	2	150	155	31	530	540	48	810	820	22
15	20	3	155	160	32	540	550	47	820	830	21
20	25	4	160	165	33	550	560	47	830	840	20
25	30	5	165	170	34	560	570	46	840	850	19
30	35	6	170	175	35	570	580	45	850	860	18
35	40	7	175	180	36	580	590	44	860	870	17
40	45	8	180	185	37	590	600	43	870	880	16
45	50	9	185	190	38	600	610	42	880	890	15
50	55	10	190	195	39	610	620	41	890	900	14
55	60	11	195	200	40	620	630	40	900	910	13
60	65	12	200	205	41	630	640	39	910	920	12
65	70	13	205	210	42	640	650	38	920	930	11
70	75	14	210	215	43	650	660	37	930	940	10
75	80	15	215	220	44	660	670	36	940	950	9
80	85	16	220	225	45	670	680	35	950	960	8
85	90	17	225	230	46	680	690	34	960	970	7
90	95	18	230	235	47	690	700	33	970	980	6
95	100	19	235	240	48	700	710	32	980	990	5
100	105	20	240	245	49	710	720	31	990	1,000	4
105	110	21	245	250	50	720	730	30	1,000	1,010	3
110	115	22	250	255	51	730	740	29	1,010	1,020	2
115	120	23	255	260	52	740	750	28	1,020	1,030	1
120	125	24	260	265	53	750	760	27	1,030	---	0
125	130	26	480	490	53	760	770	26			
130	135	27	490	500	52	770	780	25			
135	140	28	500	510	51	780	790	24			

DAILY Payroll Period

SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$15	\$20	\$3	\$60	\$60	\$3	\$80	\$90	\$1
5	10	1	20	40	4	60	70	3	90	---	0
10	15	2	40	50	4	70	80	2			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$10	\$20	\$2	\$30	\$40	\$1	\$40	---	\$0
5	10	1	20	30	2						

Employer's Order Blank for 1996 Forms

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Enter the quantity next to the form you are ordering and fully complete the mailing label. The titles of these forms are listed below. If you need forms that are not listed on the order blank, enter the form number and quantity in the blank boxes. Use this form for ordering 1996 forms **ONLY**. **IRS will not ship these forms before January 1996.** Forms may be printed one, two, or three to a sheet. Please order the number of forms, **NOT** the number of sheets.

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Instr. W-2		W-5	
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W-3c		1098	
W-4		1099-A	
Pub. 15-A		Pub. 1494	

FORM	QUANTITY	FORM	QUANTITY
1099-B		1099-OID	
1099-C		1099-PATR	
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1099-G		1099-S	
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Forms and Publications You May Need:

Form W-2, Wage and Tax Statement (two forms per sheet)
Form W-2c, Statement of Corrected Income and Tax Amounts (two forms per sheet)
Instructions for Form W-2
Form W-3, Transmittal of Income and Tax Statements (one form per sheet)
Form W-3c, Transmittal of Corrected Income and Tax Statements (one form per sheet)
Form W-4, Employee's Withholding Allowance Certificate (one form per sheet)
Form W-4P, Withholding Certificate for Pension or Annuity Payments (one form per sheet)
Form W-4S, Request for Federal Income Tax Withholding From Sick Pay (one form per sheet)
Form W-5, Earned Income Credit Advance Payment Certificate (one form per sheet)
Form 1096, Annual Summary and Transmittal of U.S. Information Returns (one form per sheet)
Form 1098, Mortgage Interest Statement (three forms per sheet)
Form 1099-A, Acquisition or Abandonment of Secured Property (three forms per sheet)
Form 1099-B, Proceeds From Broker and Barter Exchange Transactions (three forms per sheet)
Form 1099-C, Cancellation of Debt (three forms per sheet)

Form 1099-DIV, Dividends and Distributions (three forms per sheet)
Form 1099-G, Certain Government Payments (three forms per sheet)
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Form 1099-S, Proceeds From Real Estate Transactions (three forms per sheet)
Form 5498, Individual Retirement Arrangement Information (three forms per sheet)
Instructions for Forms 1099, 1098, 5498, and W-2G
Pub. 15-A, Employer's Supplemental Tax Guide
Pub. 1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Form 668W and 668W(c))

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