



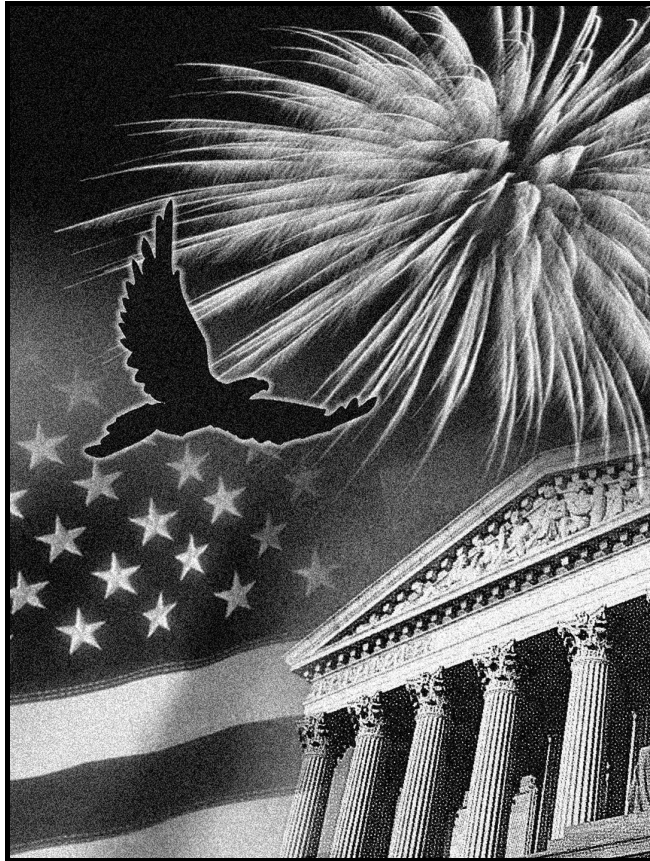
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How Do I Adjust My Tax Withholding?

For use in **2011**



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What's New for 2011

You should consider the items in this section when figuring the amount of your tax withholding for 2011.

Recent legislation (Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010) extended many of the tax provisions that were set to expire in 2010. This section lists only those provisions that were changed in addition to being extended, as well as those that were not extended. Also listed are tax benefits with adjustments for inflation. For more information, see IRS.gov.

Income limits for excluding education savings bond interest increased. In order to exclude interest, your modified adjusted gross income (MAGI) must be less than \$86,100 (\$136,650 if married filing jointly or qualifying widow(er)).

Foreign earned income exclusion. The maximum exclusion has increased to \$92,900.

Qualified charitable distribution (QCD). Tax-free treatment of distributions from traditional and Roth IRAs for charitable purposes has been extended through December 31, 2011, with the following special rule. For QCDs made during January 2011, you can elect to have the distribution deemed to have been made on December 31, 2010. If you make this election, the QCD will count toward your 2010 exclusion limit of \$100,000, as well as your 2010 minimum required distribution.

Standard mileage rate. The rate for business use of your vehicle is increased to 51 cents per mile. The rate for use of your vehicle to get medical care or move is increased to 19 cents per mile. The rate of 14 cents per mile for charitable use is unchanged.

Personal exemption increased. For tax years beginning in 2011, the personal exemption amount is increased to \$3,700.

Alternative minimum tax (AMT) exemption amount increased. The AMT exemption is increased to \$48,450 (\$74,450 if married filing jointly or a qualifying widow(er); \$37,225 if married filing separately).

Lifetime learning credit income limits increased. In order to claim a lifetime learning credit, your MAGI must be less than \$61,000 (\$122,000 if married filing jointly).

Retirement savings contribution credit income limits increased. In order to claim this credit, your MAGI must be less than \$28,250 (\$56,500 if married filing jointly; \$42,375 if head of household).

Nonbusiness energy property credit. This credit has been extended for 1 year with a reduced rate of 10%. Amounts provided by subsidized federal, state, or local energy financing do not qualify for the credit. The energy-efficiency standards for qualified natural gas, propane, or oil furnaces, or hot water boilers have been increased. For 2011, the credit is limited as follows.

- A total combined credit limit of \$500 for all tax years after 2005 (Form 5695, Part I).
- A combined credit limit of \$200 for windows for all tax years after 2005.
- A maximum credit for residential energy property costs of \$50 for any advanced main air circulating fan; \$150 for any qualified natural gas, propane, or oil furnace, or hot water boiler; and \$300 for any item of energy-efficient building property.

Adoption credit or exclusion. The maximum adoption credit or exclusion for employer-provided adoption benefits has increased to \$13,360. In order to claim either the credit or exclusion, your MAGI must be less than \$225,210.

Temporary decrease in employee's share of payroll tax. Social security tax will be withheld from an employee's wages at the rate of 4.2% (down from 6.2%) up to the social security wage limit of \$106,800. There will be no change to Medicare withholding.

The same reduction applies to net earnings from self-employment—the temporary rate will be 10.4% (down from 12.4%) up to the social security wage limit of \$106,800. The method of figuring "one-half of self-employment tax" for adjusted gross income will change slightly, and a worksheet is provided (see Worksheet 3).

Increase in additional tax on certain distributions not used for qualified medical expenses. The tax on distributions from health savings accounts (HSAs) and Archer MSAs made after December 31, 2010, that are not used for qualified medical expenses, is increased to 20%.

Earned income credit (EIC). You may be able to take the EIC if:

- Three or more children lived with you and you earned less than \$43,998 (\$49,078 if married filing jointly),
- Two children lived with you and you earned less than \$40,964 (\$46,044 if married filing jointly),
- One child lived with you and you earned less than \$36,052 (\$41,132 if married filing jointly), or
- A child did not live with you and you earned less than \$13,660 (\$18,740 if married filing jointly).

Also, the maximum AGI you can have and still get the credit has increased. You may be able to take the credit if your AGI is less than the amount in the above list that applies to you. The maximum investment income you can have and get the credit has increased to \$3,150.

Health coverage tax credit (HCTC). Beginning after February 12, 2011, the credit has decreased to 65% (from 80%) for amounts paid for qualified health insurance coverage for you, your spouse, and other qualifying family members.

Reminder

Roth IRAs. If you rolled over or converted part or all of another retirement plan to a Roth IRA in 2010, or made an in-plan rollover to a designated Roth account after September 27, 2010, and did not elect to include the resulting taxable amount in income for 2010, you must report half of that taxable amount on your 2011 return and the other half on your 2012 return. See the Instructions for Form 8606 for more information.

Photographs of missing children. The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this publication on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

The federal income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year.

As a wage earner, you pay federal income tax by having it withheld from your pay during the year. This is your “withholding.” Your withholding is based on the number of allowances you claim when you file Form W-4, Employee’s Withholding Allowance Certificate, with your employer.

The purpose of this publication is to help you check your withholding and, if necessary, prepare a new Form W-4 to adjust your withholding. When you first start a new job, you must fill out a Form W-4 and give it to your employer to establish your initial withholding. You can adjust your withholding by giving a new Form W-4 to your employer at any time.

Note. If you have not changed jobs, you generally do not have to give your employer a new Form W-4 each year unless you need to adjust your withholding.

For more detailed information about Form W-4, see chapter 1 of Publication 505, Tax Withholding and Estimated Tax.

Nonresident aliens. Before completing Form W-4, nonresident alien employees should see the Instructions for Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. Also see chapter 8 of Publication 519, U.S. Tax Guide for Aliens, for important information on withholding.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions. You can write to us at the following address:

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Checking Your Withholding

This section explains why, when, and how to check your withholding to see if you will have enough, but not too much, tax withheld for 2011. Also, you may want to use the withholding calculator on the IRS website. Go to IRS.gov and click on “Estimate Your Withholding” under “Online Services.”

Why Should I Check My Withholding?

You should try to have your withholding match your actual tax liability. If not enough tax is withheld, you will owe tax at the end of the year and may have to pay interest and a penalty. If too much tax is withheld, you will lose the use of that money until you get your refund.

Always check your withholding if there are personal or financial changes in your life or changes in the law that might change your tax liability. See Figure 1 on the next page for examples.

When Should I Check My Withholding?

The earlier in the year you check your withholding, the easier it is to get the right amount of tax withheld.

You should check your withholding when any of the following situations occur.

1. You receive a paycheck stub (statement) covering a full pay period in 2011, showing tax withheld based on 2011 tax rates.
2. You prepare your 2010 tax return and get a:
 - a. Big refund, or

- b. Balance due that is:
- More than you can comfortably pay, or
 - Subject to a penalty.

- There are changes in your life or financial situation that affect your tax liability. See Figure 1 on this page.
- There are changes in the tax law that affect your tax liability. See *Tax Law Changes*, below.



*You must give your employer a new Form W-4 to adjust your withholding within 10 days of any event that **decreases** the number of withholding allowances you can claim, or requires you to change to single status.*

Tax Law Changes

If there are tax law changes that increase your tax for 2011 and you do not increase your withholding, you may have to pay tax when you file your return. If there are changes that decrease your tax for 2011 and you do not decrease your withholding, you may get a larger refund. You can get this money back earlier by reducing your withholding.

For information about changes in the law for 2010 and 2011, visit IRS.gov and click on "Forms and Publications." Look at both links under "Important Changes."

Figure 1. **Personal and Financial Changes**

Factor	Examples
Lifestyle change	Marriage Divorce Birth or adoption of child Loss of an exemption Purchase or sale of a home Retirement Filing for bankruptcy
Wage income	You or your spouse start or stop working, or start or stop a second job
Change in the amount of taxable income not subject to withholding	Interest income Dividends Capital gains Self-employment income IRA (including certain Roth IRA) distributions
Change in the amount of adjustments to income	IRA deduction Student loan interest deduction Alimony expense
Change in the amount of itemized deductions or tax credits	Medical expenses Taxes Interest expense Gifts to charity Job expenses Dependent care expenses Education credit Child tax credit Earned income credit

How Do I Check My Withholding?

You can use the worksheets and tables in this publication to see if you are having the right amount of tax withheld. Follow these steps.

- Fill out Worksheet 1 (see page 11) to project your total federal income tax liability for 2011.
- Fill out Worksheet 7 (see page 16) to project your total federal withholding for 2011 and compare that with your projected tax liability from Worksheet 1.

If you are not having enough tax withheld, line 6 of Worksheet 7 will show you how much more to have withheld each payday.

If you are having more tax withheld than necessary, line 5 of Worksheet 7 refers you to *How Do I Decrease My Withholding*, later.

What If Not Enough Tax Is Being Withheld?

If not enough tax will be withheld, you should give your employer a new Form W-4 showing either a reduced number of withholding allowances or an additional amount to be withheld from your pay. See *How Do I Increase My Withholding* on page 5.

There is a good chance you are not having enough tax withheld if:

- You have more than one job at a time,
- Your spouse also works,
- You have taxable income not subject to withholding, such as capital gains, rental income, interest, and dividends, or
- You owe other taxes such as self-employment tax or household employment taxes.

If your employer cannot withhold enough additional tax from your pay, you may need to make estimated tax payments. This might be the case if your pay is low and you have substantial nonwage income, such as interest, dividends, capital gains, or earnings from self-employment. For more information on estimated tax payments, see chapter 2 of Publication 505.

What If Too Much Tax Is Being Withheld?

If too much tax is withheld, you may receive a large refund when you file your return. If you would prefer to receive the money during the year, you should see if you qualify to have less tax withheld. If so, give your employer a new Form W-4 showing more withholding allowances.

There is a good chance you are having too much tax withheld if:

- You got a big refund for 2010 and your income, adjustments, deductions, and credits will remain about the same this year,

- Your income will remain about the same as last year, but your adjustments, deductions, or credits will increase significantly, or
- You got a refund last year; your income, adjustments, and deductions will remain about the same as last year, but you will qualify for one or more tax credits this year that you did not qualify for last year.

Note. Adjustments to income are listed on the 2010 Form 1040 and Form 1040A near the bottom of page 1. Itemized deductions appear on Schedule A (Form 1040). Credits appear on page 2 of Form 1040 and Form 1040A. See also Figures 1 (page 4) and 2 (page 7).

Adjusting Your Withholding

If you are not having enough tax withheld or you are having too much tax withheld, you should either increase or decrease your withholding.

You increase or decrease your withholding by filling out a new Form W-4 and giving it to your employer. You can use the worksheets (see the list on page 10) and information in this publication to help you complete Form W-4. You can get a blank Form W-4 from your employer, use the Form W-4 on pages 8 and 9 of this publication, or print the form from IRS.gov.

How Do I Increase My Withholding?

There are two ways to increase your withholding. You can:

- Decrease the number of allowances you claim on Form W-4, line 5, or
- Enter an additional amount that you want withheld from each paycheck on Form W-4, line 6.

Requesting an additional amount withheld. You can request that an additional amount be withheld from each paycheck by following these steps.

1. Complete Worksheets 1 and 7.
2. Complete a new Form W-4 if the amount on Worksheet 7, line 5:
 - a. Is more than you want to pay with your tax return or in estimated tax payments throughout the year, or
 - b. Would cause you to pay a penalty when you file your tax return for 2011.
3. Enter on your new Form W-4, line 5, the same number of withholding allowances your employer now uses for your withholding. This is the number of allowances you entered on the last Form W-4 you gave your employer.
4. Enter on your new Form W-4, line 6, the amount from Worksheet 7, line 6.
5. Give your newly completed Form W-4 to your employer.

If you have this additional amount withheld from your pay each payday, you should avoid owing a large amount at the end of the year.

Example. Early in 2011, Steve Miller used Worksheets 1, 4, and 7 to project his 2011 tax liability (\$4,316) and his withholding for the year (\$3,516). Steve's tax will be underwithheld by \$800 (\$4,316 – \$3,516). His choices are to pay this amount when he files his 2011 tax return, make estimated tax payments, or increase his withholding now. Steve gets a new Form W-4 from his employer, who tells him that there are 50 paydays remaining in 2011. Steve completes the new Form W-4 as before, entering the same number of withholding allowances as before, but, in addition, entering \$16 ($\$800 \div 50$) on line 6 of the form. This is the additional amount to be withheld from his pay each payday. He gives the completed form to his employer.

What if I have more than one job or my spouse also has a job? You are more likely to need to increase your withholding if you have more than one job or if you are married filing jointly and your spouse also works. If this is the case, you can increase your withholding for one or more of the jobs.

You can apply the amount on Worksheet 7, line 5, to only one job or divide it between the jobs any way you wish. For each job, determine the extra amount that you want to apply to that job and divide that amount by the number of paydays remaining in 2011 for that job. This will give you the additional amount to enter on line 6 of the Form W-4 you will file for that job. You need to give your employer a new Form W-4 for each job for which you are changing your withholding.

Example. Meg Green works in a store and earns \$46,000 a year. Her husband, John, works full-time in manufacturing and earns \$68,000 a year. In 2011, they will also have \$184 in taxable interest and \$1,000 of other taxable income. They expect to file a joint income tax return. Meg and John complete Worksheets 1, 4, and 7. Line 5 of Worksheet 7 shows that they will owe an additional \$4,459 after subtracting their withholding for the year. They can divide the \$4,459 any way they want. They can enter an additional amount on either of their Forms W-4, or divide it between them. They decide to have the additional amount withheld from John's wages, so they enter \$91 ($\$4,459 \div 49$ remaining paydays) on line 6 of his Form W-4. Both claim the same number of allowances as before.

How Do I Decrease My Withholding?

If your completed Worksheets 1 and 7 show that you may have more tax withheld than your projected tax liability for 2011, you may be able to decrease your withholding. There are two ways to do this. You can:

- Decrease any additional amount (Form W-4, line 6) you are having withheld, or
- Increase the number of allowances you claim on Form W-4, line 5.



You can claim only the number of allowances to which you are entitled. To see if you can decrease your withholding by increasing your allowances, see the Form W-4 instructions and the rest of this publication.

Increasing the number of allowances. Figure and increase the number of withholding allowances you can claim as follows.

1. On a new Form W-4, complete the Personal Allowances Worksheet.
2. If you plan to itemize deductions, claim adjustments to income, or claim tax credits, complete a new Deductions and Adjustments Worksheet. If you plan to claim tax credits, see *Converting Credits to Withholding Allowances* below.
3. If you meet the criteria on line H of the Form W-4 Personal Allowances Worksheet, complete a new Two-Earners/Multiple Jobs Worksheet.
4. If the number of allowances you can claim on Form W-4, line 5, is different from the number you already are claiming, give the newly completed Form W-4 to your employer.

Converting Credits to Withholding Allowances

Figure 2, on page 7, shows many of the tax credits you may be able to use to decrease your withholding.

The Form W-4 Personal Allowances Worksheet provides only rough adjustments for the child and dependent care credit (line F) and the child tax credit (line G). Complete Worksheet 8 (see page 17) to figure these credits more accurately and also take other credits into account.

Include the amount from line 12 of Worksheet 8 in the total on line 5 of the Deductions and Adjustments Worksheet. Then complete the Deductions and Adjustments Worksheet and the rest of Form W-4.



If you take the child and dependent care credit into account on Worksheet 8, enter -0- on line F of the Personal Allowances Worksheet. If you take the child tax credit into account on Worksheet 8, enter -0- on line G of the Personal Allowances Worksheet.

Example. Brett and Alyssa Davis are married and expect to file a joint return for 2011. Their expected taxable income from all sources is \$68,000. They expect to have \$15,900 of itemized deductions. Their projected tax credits include a child and dependent care credit of \$960 and a residential energy credit of \$1,500.

The Davis' complete Worksheet 8, as follows, to see whether they can convert their tax credits into additional withholding allowances.

1. Line 1, expected child and dependent care credit—\$960.
2. Line 9, expected residential energy credit—\$1,500.

3. Line 10, total estimated tax credits—\$2,460.
 4. Line 11. Their combined taxable income from all sources, \$68,000, falls between \$40,001 and \$92,000 on the table for married filing jointly or qualifying widow(er). The number to the right of this range is 6.7.
 5. Line 12, multiply line 10 by line 11—\$16,482.
- Then the Davis' complete the Form W-4 worksheets.

1. Because they choose to account for their child and dependent care credit on the Deductions and Adjustments Worksheet, they enter -0- on line F of the Personal Allowances Worksheet and figure a new total for line H.
2. They take the result on line 12 of Worksheet 8, add it to their other adjustments on line 5 of the Form W-4 Deductions and Adjustments Worksheet, and complete the Form W-4 worksheets.

When Will My New Form W-4 Go Into Effect?

If the change is for the current year, your employer must put your new Form W-4 into effect no later than the start of the first payroll period ending on or after the 30th day after the day on which you give your employer your revised Form W-4.

If the change is for next year, your new Form W-4 will not take effect until next year.

IRS Review of Your Withholding

Generally, the amount your employer withholds for federal income tax must be based on your Form W-4. However, whether you are entitled to claim exempt status or a certain number of withholding allowances is subject to review by the IRS. If the IRS determines that you cannot claim more than a specified number of withholding allowances or claim a complete exemption from withholding, the IRS will issue a notice of the maximum number of withholding allowances permitted (commonly referred to as a “lock-in letter”) to both you and your employer.

If you receive a lock-in letter, the IRS has instructed your employer to begin withholding income tax from your wages based on the withholding rate (marital status) and maximum number of allowances specified in the letter. In addition, your employer has been instructed not to honor your current Form W-4 or a new Form W-4 unless it results in more withholding than the lock-in letter allows.

The IRS will provide a period of time during which you can dispute the determination before your employer adjusts your withholding. Follow the instructions in your letter if you wish to submit a new Form W-4 or contact the Withholding Compliance Unit with questions. Additional information is available at IRS.gov. Enter “withholding compliance questions” (in quotation marks) in the search box.

Retirees Returning to the Workforce

When you first began receiving your pension, you told the payer how much tax to withhold, if any, by completing Form W-4P, Withholding Certificate for Pension or Annuity Payments (or similar form). However, if your retirement pay is from the military or certain deferred compensation plans, you completed Form W-4 instead of Form W-4P. You completed either form based on your projected income at that time. Now that you are returning to the workforce, your new Form W-4 (given to your employer) and your Form W-4 or W-4P (on file with your pension plan) must work together to determine the correct amount of withholding for your new amount of income.

The worksheets that come with Forms W-4 and W-4P are basically the same, so you can use either set of worksheets to figure out how many withholding allowances you are entitled to claim. Start off with the Personal Allowances Worksheet. Then, if you will be itemizing your deductions, claiming adjustments to income, or claiming tax credits when you file your tax return, complete the Deductions and Adjustments Worksheet.

The third worksheet is the most important for this situation. Form W-4 calls it the Two-Earners/Multiple Jobs Worksheet, Form W-4P calls it the Multiple Pensions/More-Than-One-Income Worksheet—both are the same. If you have more than one source of income, in order to have enough withholding to cover the tax on your higher income you may need to claim fewer withholding allowances or request your employer to withhold an additional amount from each paycheck.

Once you have figured out how many allowances you are entitled to claim, look at the income from both your pension and your new job, and how often you receive payments. It is your decision how to divide up your withholding allowances between these sources of income. For example, you may want to “take home” most of your weekly paycheck to use as spending money and use your monthly pension to “pay the bills.” In that case, change your Form W-4P to zero allowances and claim all that you are entitled to on your Form W-4.

There are a couple of ways you can get a better idea of how much tax will be withheld when claiming a certain number of allowances.

- Use the withholding tables in Publication 15 (Circular E), Employer’s Tax Guide.
- Contact your pension provider and your employer’s payroll department.

And remember, this is not a final decision. If you do not get the correct amount of withholding with the first Forms W-4 and W-4P you submit, you should refigure your allowances (or divide them differently) using the information and worksheets in this publication, or the resources mentioned above.

You should go through this same process each time your life situation changes, whether it be for personal or financial reasons. You may need more tax withheld, or you may need less.

Figure 2. Tax Credits for 2011

For more information about the ...	See ...
Adoption credit	Form 8839 instructions
Alternative fuel vehicle refueling property credit	Form 8911, Part III, instructions
Child and dependent care expenses, credit for	Publication 503, Child and Dependent Care Expenses
Child tax credit (including additional child tax credit)	Instructions for Form 1040 or Form 1040A
District of Columbia first-time homebuyer credit	Form 8859 instructions
Earned income credit	Publication 596, Earned Income Credit
Education credits	Publication 970, Tax Benefits for Education
Elderly or the disabled, credit for the	Publication 524, Credit for the Elderly or the Disabled
First-time homebuyer credit	Form 5405 instructions
Foreign tax credit (except any credit that applies to wages not subject to U.S. income tax withholding because they are subject to income tax withholding by a foreign country)	Publication 514, Foreign Tax Credit for Individuals
General business credit	Form 3800, General Business Credit
Health coverage tax credit	Form 8885 instructions
Mortgage interest credit	Publication 530, Tax Information for First-Time Homeowners
Qualified electric vehicle passive activity credit	Form 8834, Part II, instructions
Qualified plug-in electric vehicle credit	Form 8834, Part I, instructions
Qualified plug-in electric drive motor vehicle credit	Form 8936 instructions
Prior year minimum tax, credit for (if you paid alternative minimum tax in an earlier year)	Form 8801 instructions
Residential energy credits	Form 5695 instructions
Retirement savings contributions credit (saver’s credit)	Publication 590, Individual Retirement Arrangements (IRAs)
Tax credit bonds, credit to holders of	Form 8912 instructions

Form W-4 (2011)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. If you are exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2011 expires February 16, 2012. See Pub. 505, Tax Withholding and Estimated Tax.

Note. If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$950 and includes more than \$300 of unearned income (for example, interest and dividends).

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 919, How Do I Adjust My Tax Withholding, for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using

Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or W-4P.

Two earners or multiple jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 919 for details.

Nonresident alien. If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the amount you are having withheld compares to your projected total tax for 2011. See Pub. 919, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Personal Allowances Worksheet (Keep for your records.)

A	Enter "1" for yourself if no one else can claim you as a dependent	A	
B	Enter "1" if: { <ul style="list-style-type: none"> • You are single and have only one job; or • You are married, have only one job, and your spouse does not work; or • Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less. 	B	
C	Enter "1" for your spouse . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.)	C	
D	Enter number of dependents (other than your spouse or yourself) you will claim on your tax return	D	
E	Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above)	E	
F	Enter "1" if you have at least \$1,900 of child or dependent care expenses for which you plan to claim a credit (Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	Child Tax Credit (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then less "1" if you have three or more eligible children. • If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child plus "1" additional if you have six or more eligible children 	G	
H	Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ▶	H	
	For accuracy, complete all worksheets that apply. { <ul style="list-style-type: none"> • If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2. • If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the Two-Earners/Multiple Jobs Worksheet on page 2 to avoid having too little tax withheld. • If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below. 		

----- Cut here and give Form W-4 to your employer. Keep the top part for your records. -----

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</p>	OMB No. 1545-0074 2011
1 Type or print your first name and middle initial. Last name		2 Your social security number
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 _____
6 Additional amount, if any, you want withheld from each paycheck		6 \$ _____
7 I claim exemption from withholding for 2011, and I certify that I meet both of the following conditions for exemption. <ul style="list-style-type: none"> • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ▶		7 _____
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (This form is not valid unless you sign it.) ▶		Date ▶
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional) 10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2011)

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1	Enter an estimate of your 2011 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions	1	\$ _____
2	Enter: $\left\{ \begin{array}{l} \$11,600 \text{ if married filing jointly or qualifying widow(er)} \\ \$8,500 \text{ if head of household} \\ \$5,800 \text{ if single or married filing separately} \end{array} \right\}$	2	\$ _____
3	Subtract line 2 from line 1. If zero or less, enter “-0-”	3	\$ _____
4	Enter an estimate of your 2011 adjustments to income and any additional standard deduction (see Pub. 919)	4	\$ _____
5	Add lines 3 and 4 and enter the total. (Include any amount for credits from the <i>Converting Credits to Withholding Allowances for 2011 Form W-4 Worksheet</i> in Pub. 919.)	5	\$ _____
6	Enter an estimate of your 2011 nonwage income (such as dividends or interest)	6	\$ _____
7	Subtract line 6 from line 5. If zero or less, enter “-0-”	7	\$ _____
8	Divide the amount on line 7 by \$3,700 and enter the result here. Drop any fraction	8	_____
9	Enter the number from the Personal Allowances Worksheet , line H, page 1	9	_____
10	Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earners/Multiple Jobs Worksheet , also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1	10	_____

Two-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

Note. Use this worksheet *only* if the instructions under line H on page 1 direct you here.

1	Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet)	1	_____
2	Find the number in Table 1 below that applies to the LOWEST paying job and enter it here. However , if you are married filing jointly and wages from the highest paying job are \$65,000 or less, do not enter more than “3”	2	_____
3	If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter “-0-”) and on Form W-4, line 5, page 1. Do not use the rest of this worksheet	3	_____

Note. If line 1 is **less than** line 2, enter “-0-” on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

4	Enter the number from line 2 of this worksheet	4	_____
5	Enter the number from line 1 of this worksheet	5	_____
6	Subtract line 5 from line 4	6	_____
7	Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here	7	\$ _____
8	Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed	8	\$ _____
9	Divide line 8 by the number of pay periods remaining in 2011. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2010. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck	9	\$ _____

Table 1

Table 2

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$5,000 -	0	\$0 - \$8,000 -	0	\$0 - \$65,000	\$560	\$0 - \$35,000	\$560
5,001 - 12,000 -	1	8,001 - 15,000 -	1	65,001 - 125,000	930	35,001 - 90,000	930
12,001 - 22,000 -	2	15,001 - 25,000 -	2	125,001 - 185,000	1,040	90,001 - 165,000	1,040
22,001 - 25,000 -	3	25,001 - 30,000 -	3	185,001 - 335,000	1,220	165,001 - 370,000	1,220
25,001 - 30,000 -	4	30,001 - 40,000 -	4	335,001 and over	1,300	370,001 and over	1,300
30,001 - 40,000 -	5	40,001 - 50,000 -	5				
40,001 - 48,000 -	6	50,001 - 65,000 -	6				
48,001 - 55,000 -	7	65,001 - 80,000 -	7				
55,001 - 65,000 -	8	80,001 - 95,000 -	8				
65,001 - 72,000 -	9	95,001 - 120,000 -	9				
72,001 - 85,000 -	10	120,001 and over	10				
85,001 - 97,000 -	11						
97,001 - 110,000 -	12						
110,001 - 120,000 -	13						
120,001 - 135,000 -	14						
135,001 and over	15						

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Worksheets

Use the following worksheets to figure your correct withholding and adjustments.

Use ...	To ...
Worksheet 1 Projected Tax for 2011	Project the taxable income you will have for 2011 and figure the amount of tax you will have to pay on that income.
Worksheet 2 Standard Deduction for 2011	Project your standard deduction for 2011.
Worksheet 3 Self-Employment Tax and Deduction for 2011	Figure your projected self-employment tax and deduction for 2011.
Worksheet 4 Tax Computation Worksheets for 2011	Figure the amount of tax on your projected taxable income.
Worksheet 5 Figuring 2011 Tax if You Expect to Have a Net Capital Gain or Qualified Dividends	Figure the amount of tax when your projected 2011 taxable income includes a net capital gain or qualified dividends.
Worksheet 6 Figuring 2011 Tax if You Expect to Exclude Foreign Earned Income or Exclude or Deduct Foreign Housing	Figure your tax if you expect to claim a foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555 or Form 2555-EZ.
Worksheet 7 Projected Withholding for 2011	Project the amount of federal income tax that you will have withheld in 2011, compare your projected withholding with your projected tax, and determine whether the amount withheld each payday should be adjusted.
Worksheet 8 Converting Credits to Withholding Allowances for 2011 Form W-4	Figure the adjustment to make to line 5 of the Form W-4 Deductions and Adjustments Worksheet to account for your projected tax credits that are not otherwise taken into consideration.



Use this worksheet to figure your projected tax for 2011. **Note.** Enter combined amounts if married filing jointly.

<p>1. Enter amount of adjusted gross income (AGI) you expect in 2011. (To determine this, you may want to start with the AGI on your last year's return, and add or subtract your expected changes. Also take into account items listed under <i>What's New</i>, earlier.)</p>		
<p>Note. If self-employed, first complete Worksheet 3 to figure your expected deduction for self-employment tax. Subtract the amount from Worksheet 3, line 13, to figure the line 1 entry</p>	1	
<p>2. If you:</p> <ul style="list-style-type: none"> • Do not plan to itemize deductions on Schedule A (Form 1040), use Worksheet 2 to figure your expected standard deduction and enter that amount here. • Plan to itemize deductions, enter the total itemized deductions you expect after applying any limits (such as the 7.5% limit on medical expenses) 	2	
<p>3. Subtract line 2 from line 1 (if zero or less, enter -0- and go to line 6)</p>	3	
<p>4. Multiply the number of exemptions you plan to claim on your 2011 tax return by \$3,700 and enter the result here.</p>	4	
<p>5. Expected taxable income. Subtract line 4 from line 3 (if zero or less, enter -0- here and on line 6, then go to line 7)</p>	5	
<p>6. If the amount on line 1:</p> <ul style="list-style-type: none"> • Does not include a net capital gain or qualified dividends and you did not exclude foreign earned income or exclude or deduct foreign housing in arriving at the amount on line 1, use the appropriate section of Worksheet 4 to figure the tax to enter here. • Includes a net capital gain or qualified dividends, use Worksheet 5 to figure the tax to enter here. • Was figured by excluding foreign earned income or excluding or deducting foreign housing, use Worksheet 6 to figure the tax to enter here 	6	
<p>7. Enter any expected additional taxes from an election to report your child's interest and dividends (Form 8814), lump-sum distributions (Form 4972), recapture of education credits, and alternative minimum tax (Form 6251 or the Alternative Minimum Tax Worksheet in the Form 1040A instructions)</p>	7	
<p>8. Add lines 6 and 7</p>	8	
<p>9. Enter the amount of any expected tax credits. See Figure 2 on page 7</p>	9	
<p>10. Subtract line 9 from line 8 (if zero or less, enter -0-)</p>	10	
<p>11. Self-employment tax. Enter the amount from Worksheet 3, line 10. (If you expect to file jointly and both of you are self-employed, figure the self-employment tax for each of you separately and enter the total on line 11.)</p>	11	
<p>12. Enter the total of any other expected taxes*</p>	12	
<p>13. Projected tax for 2011. Add lines 10 through 12. Enter the total here and on Worksheet 7, line 1 . . .</p>	13	

* Use the instructions for the 2010 Form 1040 to determine if you expect to owe, for 2011, any of the taxes that would have been entered on your 2010 Form 1040, lines 58 and 59 (boxes b and c), and any write-in amounts on line 60.



Caution. Do not complete this worksheet if you expect your spouse to itemize on a separate return or you expect to be a dual-status alien. In either case, your standard deduction will be zero.

1. Enter the amount shown below for your filing status.
 - Single or married filing separately—\$5,800
 - Married filing jointly or Qualifying widow(er)—\$11,600
 - Head of household—\$8,500 **1.** _____
2. Can you (or your spouse if filing jointly) be claimed as a dependent on someone else's return?
 - No.** Skip line 3; enter the amount from line 1 on line 4.
 - Yes.** Go to line 3.
3. Is your **earned income*** more than \$650?
 - Yes.** Add \$300 to your earned income. Enter the total.
 - No.** Enter \$950 **3.** _____
4. Enter the **smaller** of line 1 or line 3 **4.** _____
5. Were you (or your spouse if filing jointly) born before January 2, 1947, or blind?
 - No.** Go to line 6.
 - Yes.** Check if:
 - a. **You were** Born before January 2, 1947 Blind
 - b. **Your spouse was** Born before January 2, 1947 Blind
 - c. **Total boxes checked in 5a and 5b**

▶ Multiply \$1,150 (\$1,450 if single or head of household) by the number in the box on line 5c **5.** _____
6. **Standard deduction.** Add lines 4 and 5 and enter here and on Worksheet 1, line 2 **6.** _____

* **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Reduce your earned income by your expected deduction for self-employment tax (Worksheet 3, line 13).

Worksheet 3. **Self-Employment Tax and Deduction for 2011**



Use this worksheet to (a) figure the amount to enter on Worksheet 1, line 11, and (b) figure the expected deduction for self-employment tax to subtract when figuring your expected AGI to enter on Worksheet 1, line 1. If you are married filing jointly and you are both self-employed, complete this worksheet separately for each spouse and combine the amounts on Worksheet 1, line 11, and when figuring the entry on Worksheet 1, line 1.

1a. Enter your expected income and profits subject to self-employment tax*	1a		
b. If you will have farm income and also receive social security retirement or disability benefits, enter your expected Conservation Reserve Program payments that will be included on Schedule F (Form 1040) or listed on Schedule K-1 (Form 1065)	1b		
2. Subtract line 1b from line 1a	2		
3. Multiply line 2 by 92.35% (.9235). If less than \$400, do not complete this worksheet; you will not owe self-employment tax on your expected net earnings from self-employment	3		
4. Multiply line 3 by 2.9% (.029)		4	
5. Maximum income subject to social security tax	5	\$106,800	
6. Enter your expected wages (if subject to social security tax or the 4.2% portion of tier 1 railroad retirement tax)	6		
7. Subtract line 6 from line 5 Note. If line 7 is zero or less, enter -0- on line 9 and skip to line 10	7		
8. Enter the smaller of line 3 or line 7	8		
9. Multiply line 8 by 10.4% (.104)			9
10. Add lines 4 and 9. Enter the result here and on Worksheet 1, line 11			10
11. Multiply line 4 by 50% (.50)	11		
12. Multiply line 9 by 59.6% (.596)	12		
13. Add lines 11 and 12. This is your expected deduction for self-employment tax on Form 1040, line 27. Subtract this amount when figuring your expected AGI on Worksheet 1, line 1	13		

* Your net profit from self-employment is found on Schedule C (Form 1040), line 31; Schedule F (Form 1040), line 36; Schedule K-1 (Form 1065), box 14, code A; and Schedule K-1 (Form 1065-B), box 9, code J1.



Note. If you are figuring the tax on an amount from Worksheet 5 (line 1 or 14), or Worksheet 6 (line 2 or 3), enter the amount from that worksheet in column (a) of the row that applies to that amount of income. Enter the result on the appropriate line of the worksheet you are completing.

a. Single

Use this worksheet to figure the amount to enter on Worksheet 1, line 6, if you expect your filing status for 2011 to be Single .						
Expected Taxable Income If Worksheet 1, line 5* is — <i>Over But not over</i>		(a) Enter amount from Worksheet 1, line 5*	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	(e) Subtract (d) from (c). Enter the result here and on Worksheet 1, line 6*
\$0	\$8,500		× 10% (.10)		\$0	
8,500	34,500		× 15% (.15)		425.00	
34,500	83,600		× 25% (.25)		3,875.00	
83,600	174,400		× 28% (.28)		6,383.00	
174,400	379,150		× 33% (.33)		15,103.00	
379,150	-----		× 35% (.35)		22,686.00	

* If you are using Worksheet 5, for column (a) above use the amount from line 1 or line 14 and enter the result (from column (e)) on line 29 or line 31, as appropriate. If you are using Worksheet 6, for column (a) above use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

b. Head of Household

Use this worksheet to figure the amount to enter on Worksheet 1, line 6, if you expect your filing status for 2011 to be Head of Household .						
Expected Taxable Income If Worksheet 1, line 5* is — <i>Over But not over</i>		(a) Enter amount from Worksheet 1, line 5*	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	(e) Subtract (d) from (c). Enter the result here and on Worksheet 1, line 6*
\$0	\$12,150		× 10% (.10)		\$0	
12,150	46,250		× 15% (.15)		607.50	
46,250	119,400		× 25% (.25)		5,232.50	
119,400	193,350		× 28% (.28)		8,814.50	
193,350	379,150		× 33% (.33)		18,482.00	
379,150	-----		× 35% (.35)		26,065.00	

* If you are using Worksheet 5, for column (a) above use the amount from line 1 or line 14 and enter the result (from column (e)) on line 29 or line 31, as appropriate. If you are using Worksheet 6, for column (a) above use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

c. Married Filing Jointly or Qualifying Widow(er)

Use this worksheet to figure the amount to enter on Worksheet 1, line 6, if you expect your filing status for 2011 to be **Married Filing Jointly** or **Qualifying Widow(er)**.

Expected Taxable Income If Worksheet 1, line 5* is — <i>Over But not over</i>		(a) Enter amount from Worksheet 1, line 5*	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	(e) Subtract (d) from (c). Enter the result here and on Worksheet 1, line 6*
\$0	\$17,000		× 10% (.10)		\$0	
17,000	69,000		× 15% (.15)		850.00	
69,000	139,350		× 25% (.25)		7,750.00	
139,350	212,300		× 28% (.28)		11,930.50	
212,300	379,150		× 33% (.33)		22,545.50	
379,150	-----		× 35% (.35)		30,128.50	

* If you are using Worksheet 5, for column (a) above use the amount from line 1 or line 14 and enter the result (from column (e)) on line 29 or line 31, as appropriate. If you are using Worksheet 6, for column (a) above use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

d. Married Filing Separately

Use this worksheet to figure the amount to enter on Worksheet 1, line 6, if you expect your filing status for 2011 to be **Married Filing Separately**.

Expected Taxable Income If Worksheet 1, line 5* is — <i>Over But not over</i>		(a) Enter amount from Worksheet 1, line 5*	(b) Multiplication amount	(c) Multiply (a) by (b)	(d) Subtraction amount	(e) Subtract (d) from (c). Enter the result here and on Worksheet 1, line 6*
\$0	\$8,500		× 10% (.10)		\$0	
8,500	34,500		× 15% (.15)		425.00	
34,500	69,675		× 25% (.25)		3,875.00	
69,675	106,150		× 28% (.28)		5,965.25	
106,150	189,575		× 33% (.33)		11,272.75	
189,575	-----		× 35% (.35)		15,064.25	

* If you are using Worksheet 5, for column (a) above use the amount from line 1 or line 14 and enter the result (from column (e)) on line 29 or line 31, as appropriate. If you are using Worksheet 6, for column (a) above use the amount from line 2 or line 3 and enter the result (from column (e)) on line 4 or line 5, as appropriate.

Worksheet 5. Figuring 2011 Tax if You Expect to Have a Net Capital Gain or Qualified Dividends

Keep for Your Records



1. Enter the amount from Worksheet 1, line 5 (or the amount from Worksheet 6, line 3, if appropriate)	1.	_____
2. Enter your expected qualified dividends for 2011*	2.	_____
3. Enter the net capital gain expected for 2011*	3.	_____
4. Add lines 2 and 3	4.	_____
5. Enter your 28% rate gain or loss expected for 2011**	5.	_____
6. Enter the unrecaptured section 1250 gain expected for 2011	6.	_____
7. Add lines 5 and 6	7.	_____
8. Enter the smaller of line 3 or line 7	8.	_____
9. Subtract line 8 from line 4	9.	_____
10. Subtract line 9 from line 1. If zero or less, enter -0-	10.	_____
11. Enter the smaller of line 1 or \$69,000 (\$34,500 if single or married filing separately, or \$46,250 if head of household)	11.	_____
12. Enter the smaller of line 10 or line 11	12.	_____
13. Subtract line 4 from line 1. If zero or less, enter -0-	13.	_____
14. Enter the larger of line 12 or line 13	14.	_____
Note. If line 11 and line 12 are the same, skip line 15 and go to line 16.		
15. Subtract line 12 from line 11	15.	_____
Note. If lines 1 and 11 are the same, skip lines 16 through 28 and go to line 29.		
16. Enter the smaller of line 1 or line 9	16.	_____
17. Enter the amount from line 15. If line 15 is blank, enter -0-	17.	_____
18. Subtract line 17 from line 16. If zero or less, enter -0-	18.	_____
19. Multiply line 18 by 15% (.15)	19.	_____
Note. If line 6 is zero or blank, skip lines 20 through 25 and go to line 26.		
20. Enter the smaller of line 3 or line 6	20.	_____
21. Add lines 4 and 14	21.	_____
22. Enter the amount from line 1 above	22.	_____
23. Subtract line 22 from line 21. If zero or less, enter -0-	23.	_____
24. Subtract line 23 from line 20. If zero or less, enter -0-	24.	_____
25. Multiply line 24 by 25% (.25)	25.	_____
Note. If line 5 is zero or blank, skip lines 26 through 28 and go to line 29.		
26. Add lines 14, 15, 18, and 24	26.	_____
27. Subtract line 26 from line 1	27.	_____
28. Multiply line 27 by 28% (.28)	28.	_____
29. Figure the tax on the amount on line 14 from the appropriate section of Worksheet 4	29.	_____
30. Add lines 19, 25, 28, and 29	30.	_____
31. Figure the tax on the amount on line 1 from the appropriate section of Worksheet 4	31.	_____
32. Expected tax on all taxable income (including capital gains and qualified dividends). Enter the smaller of line 30 or line 31 here and on Worksheet 1, line 6 (or if using Worksheet 6, enter on line 4 of Worksheet 6)	32.	_____

* If you expect to deduct investment interest expense, do not include on this line any qualified dividends or net capital gain that you will elect to treat as investment income.
 ** This includes a section 1202 exclusion from eligible gain on qualified small business stock and gain or loss from the sale or exchange of collectibles. See the instructions for Schedule D (Form 1040) for more information.

Worksheet 6. Figuring 2011 Tax if You Expect to Exclude Foreign Earned Income or Exclude or Deduct Foreign Housing

Keep for Your Records



You must figure your tax using this worksheet if you claim a foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555 or Form 2555-EZ.

Before you begin: If Worksheet 1, line 5, is zero, do not complete this worksheet.

1. Enter the amount from Worksheet 1, line 5	1	
2. Enter the total foreign earned income and housing amount you (and your spouse, if filing jointly) expect to exclude or deduct in 2011 on Form 2555, lines 45 and 50, or Form 2555-EZ, line 18	2	
3. Add lines 1 and 2	3	
4. Tax on the amount on line 3. Use Worksheet 4 or Worksheet 5,* as appropriate	4	
5. Tax on the amount on line 2. Use Worksheet 4	5	
6. Subtract line 5 from line 4. Enter the result here and on Worksheet 1, line 6. If zero or less, enter -0-	6	

*If using Worksheet 5 (Figuring 2011 Tax if You Expect to Have a Net Capital Gain or Qualified Dividends), enter the amount from line 3 above on line 1 of Worksheet 5. Complete Worksheet 5 through line 9. Next, determine if you have a capital gain excess.

Figuring capital gain excess. To find out if you have a capital gain excess, subtract line 5 of Worksheet 1 from line 9 of Worksheet 5. If the result is more than zero, that amount is your capital gain excess.

No capital gain excess. If you do not have a capital gain excess, complete the rest of Worksheet 5 according to its instructions. Then complete lines 5 and 6 above.

Capital gain excess. If you have a capital gain excess, complete a second Worksheet 5 as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above.

Make these modifications only for purposes of filling out Worksheet 6 above.

- Enter the amount from line 3 above on line 1 of the second Worksheet 5.
- Reduce (but not below zero) the amount you would otherwise enter on line 3 of Worksheet 5 by your capital gain excess.
- Reduce (but not below zero) the amount you would otherwise enter on line 2 of Worksheet 5 by any of your capital gain excess not used in (b) above.
- Reduce (but not below zero) the amount you would otherwise enter on line 5 of Worksheet 5 by your capital gain excess.
- Reduce (but not below zero) the amount you would otherwise enter on line 6 of Worksheet 5, by your capital gain excess.

Worksheet 7. Projected Withholding for 2011

Keep for Your Records



Use this worksheet to figure the amount of your projected withholding for 2011, compare it to your projected tax for 2011, and, if necessary, figure an additional amount to have withheld each payday.

Note. If married filing jointly, enter combined amounts.

1. Enter your projected tax for 2011 from Worksheet 1, line 13	1	
2. Enter your total federal income tax withheld to date in 2011 from all sources of income. (For wages, you should be able to find the withholding-to-date on your last pay slip or statement.)	2	
3. Enter the federal tax withholding you expect for the rest of 2011:		
a. For each source of wages, multiply the amount of federal income tax now being withheld each payday by the number of paydays remaining in the year and enter the combined amount for all jobs	3a	
b. For all other sources of recurring taxable income, multiply the withholding amount by the remaining number of times the income is expected. For example, if you have federal income tax withheld from your monthly pension and you will receive nine more payments this year, multiply your monthly withholding amount by 9	3b	
4. Add lines 2, 3a, and 3b. This is your projected withholding for 2011	4	
5. Compare the amounts on lines 1 and 4.		
• If line 1 is more than line 4, subtract line 4 from line 1. Enter the result here and go to line 6.		
• If line 4 is more than line 1, stop here and see <i>How Do I Decrease My Withholding?</i>	5	
6. Divide line 5 by the number of paydays (or other withholding events) remaining in 2011 and enter the result. This is the additional amount you should have withheld from each remaining payment. Enter this amount on Form W-4, line 6	6	

Worksheet 8. Converting Credits to Withholding Allowances for 2011 Form W-4

Use this worksheet to figure an additional amount to enter on the Form W-4 Deductions and Allowances Worksheet, line 5. For more information on these credits, see *Converting Credits to Withholding Allowances*, earlier.

Caution. If you enter an amount on line 1 below, enter -0- on line F of the Form W-4 Personal Allowances Worksheet. If you enter an amount on line 3 below, enter -0- on line G of the Form W-4 Personal Allowances Worksheet.

For lines 1 through 9, enter the projected amount for each credit you expect to take.

- | | | |
|---|-----------|--|
| 1. Credit for child and dependent care expenses (see <i>Caution</i> above) | 1 | |
| 2. Credit for the elderly or the disabled | 2 | |
| 3. Child tax credit (including additional child tax credit) (see <i>Caution</i> above) | 3 | |
| 4. Education credits | 4 | |
| 5. Adoption credit | 5 | |
| 6. Foreign tax credit | 6 | |
| 7. Retirement savings contributions credit | 7 | |
| 8. Earned income credit | 8 | |
| 9. Other credits (see Figure 2) | 9 | |
| 10. Add lines 1 through 9. This is your total estimated tax credits | 10 | |
| 11. Using the table below that matches your filing status, find the line in the table that matches your combined taxable income from all sources. Then, enter on line 11 the multiplication factor shown next to your income. | | |

Married Filing Jointly or Qualifying Widow(er)		
If your combined taxable income from all sources is:	Multiply credits by:	
\$0 - \$40,000	10.0	
40,001 - 92,000	6.7	
92,001 - 166,000	4.0	
166,001 - 250,000	3.6	
250,001 - 420,000	3.0	
420,001 and over	2.8	

Head of Household		
If your combined taxable income from all sources is:	Multiply credits by:	
\$0 - \$28,000	10.0	
28,001 - 62,000	6.7	
62,001 - 136,000	4.0	
136,001 - 220,000	3.6	
220,001 - 410,000	3.0	
410,001 and over	2.8	

Single		
If your combined taxable income from all sources is:	Multiply credits by:	
\$0 - \$18,000	10.0	
18,001 - 44,000	6.7	
44,001 - 95,000	4.0	
95,001 - 190,000	3.6	
190,001 - 410,000	3.0	
410,001 and over	2.8	

Married Filing Separately		
If your combined taxable income from all sources is:	Multiply credits by:	
\$0 - \$20,000	10.0	
20,001 - 46,000	6.7	
46,001 - 83,000	4.0	
83,001 - 125,000	3.6	
125,001 - 210,000	3.0	
210,001 and over	2.8	

- | | | |
|---|-----------|--|
| 12. Multiply line 10 by line 11. Enter the result here and include it in the total on line 5 of the Form W-4 Deductions and Adjustments Worksheet | 12 | |
|---|-----------|--|

How To Get Tax Help

You can get help with unresolved tax issues, order free publications and forms, ask tax questions, and get information from the IRS in several ways. By selecting the method that is best for you, you will have quick and easy access to tax help.

Contacting your Taxpayer Advocate. The Taxpayer Advocate Service (TAS) is an independent organization within the IRS. We help taxpayers who are experiencing economic harm, such as not being able to provide necessities like housing, transportation, or food; taxpayers who are seeking help in resolving tax problems with the IRS; and those who believe that an IRS system or procedure is not working as it should. Here are seven things every taxpayer should know about TAS:

- The Taxpayer Advocate Service is your voice at the IRS.
- Our service is free, confidential, and tailored to meet your needs.
- You may be eligible for our help if you have tried to resolve your tax problem through normal IRS channels and have gotten nowhere, or you believe an IRS procedure just isn't working as it should.
- We help taxpayers whose problems are causing financial difficulty or significant cost, including the cost of professional representation. This includes businesses as well as individuals.
- Our employees know the IRS and how to navigate it. If you qualify for our help, we'll assign your case to an advocate who will listen to your problem, help you understand what needs to be done to resolve it, and stay with you every step of the way until your problem is resolved.
- We have at least one local taxpayer advocate in every state, the District of Columbia, and Puerto Rico. You can call your local advocate, whose number is in your phone book, in Pub. 1546, Taxpayer Advocate Service—Your Voice at the IRS, and on our website at www.irs.gov/advocate. You can also call our toll-free line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.
- You can learn about your rights and responsibilities as a taxpayer by visiting our online tax toolkit at www.taxtoolkit.irs.gov. You can get updates on hot tax topics by visiting our YouTube channel at www.youtube.com/tasnta and our Facebook page at www.facebook.com/YourVoiceAtIRS, or by following our tweets at www.twitter.com/YourVoiceAtIRS.

Low Income Taxpayer Clinics (LITCs). The Low Income Taxpayer Clinic program serves individuals who have a problem with the IRS and whose income is below a certain level. LITCs are independent from the IRS. Most LITCs can provide representation before the IRS or in

court on audits, tax collection disputes, and other issues for free or a small fee. If an individual's native language is not English, some clinics can provide multilingual information about taxpayer rights and responsibilities. For more information, see Publication 4134, Low Income Taxpayer Clinic List. This publication is available at IRS.gov, by calling 1-800-TAX-FORM (1-800-829-3676), or at your local IRS office.

Free tax services. Publication 910, IRS Guide to Free Tax Services, is your guide to IRS services and resources. Learn about free tax information from the IRS, including publications, services, and education and assistance programs. The publication also has an index of over 100 TeleTax topics (recorded tax information) you can listen to on the telephone. The majority of the information and services listed in this publication are available to you free of charge. If there is a fee associated with a resource or service, it is listed in the publication.

Accessible versions of IRS published products are available on request in a variety of alternative formats for people with disabilities.

Free help with your return. Free help in preparing your return is available nationwide from IRS-trained volunteers. The Volunteer Income Tax Assistance (VITA) program is designed to help low-income taxpayers and the Tax Counseling for the Elderly (TCE) program is designed to assist taxpayers age 60 and older with their tax returns. Many VITA sites offer free electronic filing and all volunteers will let you know about credits and deductions you may be entitled to claim. To find the nearest VITA or TCE site, call 1-800-829-1040.

As part of the TCE program, AARP offers the Tax-Aide counseling program. To find the nearest AARP Tax-Aide site, call 1-888-227-7669 or visit AARP's website at www.aarp.org/money/taxaide.

For more information on these programs, go to IRS.gov and enter keyword "VITA" in the upper right-hand corner.



Internet. You can access the IRS website at IRS.gov 24 hours a day, 7 days a week to:

- *E-file* your return. Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers.
- Check the status of your 2010 refund. Go to IRS.gov and click on *Where's My Refund*. Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2010 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund.
- Download forms, including talking tax forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.

- Search publications online by topic or keyword.
- Use the online Internal Revenue Code, regulations, or other official guidance.
- View Internal Revenue Bulletins (IRBs) published in the last few years.
- Figure your withholding allowances using the withholding calculator online at www.irs.gov/individuals.
- Determine if Form 6251 must be filed by using our Alternative Minimum Tax (AMT) Assistant.
- Sign up to receive local and national tax news by email.
- Get information on starting and operating a small business.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-TAX-FORM (1-800-829-3676) to order current-year forms, instructions, and publications, and prior-year forms and instructions. You should receive your order within 10 days.
- *Asking tax questions.* Call the IRS with your tax questions at 1-800-829-1040.
- *Solving problems.* You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call 1-800-829-4059 to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call 1-800-829-4477 to listen to pre-recorded messages covering various tax topics.
- *Refund information.* To check the status of your 2010 refund, call 1-800-829-1954 or 1-800-829-4477 (automated refund information 24 hours a day, 7 days a week). Wait at least 72 hours after the IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after mailing a paper return. If you filed Form 8379 with your return, wait 14 weeks (11 weeks if you filed electronically). Have your 2010 tax return available so you can provide your social security number, your filing status, and the exact whole dollar amount of your refund. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.

- *Other refund information.* To check the status of a prior-year refund or amended return refund, call 1-800-829-1040.

Evaluating the quality of our telephone services. To ensure IRS representatives give accurate, courteous, and professional answers, we use several methods to evaluate the quality of our telephone services. One method is for a second IRS representative to listen in on or record random telephone calls. Another is to ask some callers to complete a short survey at the end of the call.



Walk-in. Many products and services are available on a walk-in basis.

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county government offices, credit unions, and office supply stores have a collection of products available to print from a CD or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- *Services.* You can walk in to your local Taxpayer Assistance Center every business day for personal, face-to-face tax help. An employee can explain IRS letters, request adjustments to your tax account, or help you set up a payment plan. If you need to resolve a tax problem, have questions about how the tax law applies to your individual tax return, or you are more comfortable talking with someone in person, visit your local Taxpayer Assistance Center where you can spread out your records and talk with an IRS representative face-to-face. No appointment is necessary—just walk in. If you prefer, you can call your local Center and leave a message requesting an appointment to resolve a tax account issue. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience. If you have an ongoing, complex tax account problem or a special need, such as a disability, an appointment can be requested. All other issues will be handled without an appointment. To find the number of your local office, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.



Mail. You can send your order for forms, instructions, and publications to the address below. You should receive a response within 10 days after your request is received.

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613



DVD for tax products. You can order Publication 1796, IRS Tax Products DVD, and obtain:

- Current-year forms, instructions, and publications.
- Prior-year forms, instructions, and publications.
- Tax Map: an electronic research tool and finding aid.
- Tax law frequently asked questions.
- Tax Topics from the IRS telephone response system.
- Internal Revenue Code—Title 26 of the U.S. Code.
- Fill-in, print, and save features for most tax forms.

- Internal Revenue Bulletins.
- Toll-free and email technical support.
- Two releases during the year.
 - The first release will ship the beginning of January 2011.
 - The final release will ship the beginning of March 2011.

Purchase the DVD from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$30 (no handling fee) or call 1-877-233-6767 toll free to buy the DVD for \$30 (plus a \$6 handling fee).