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**Circular E,
Employer's
Tax Guide**

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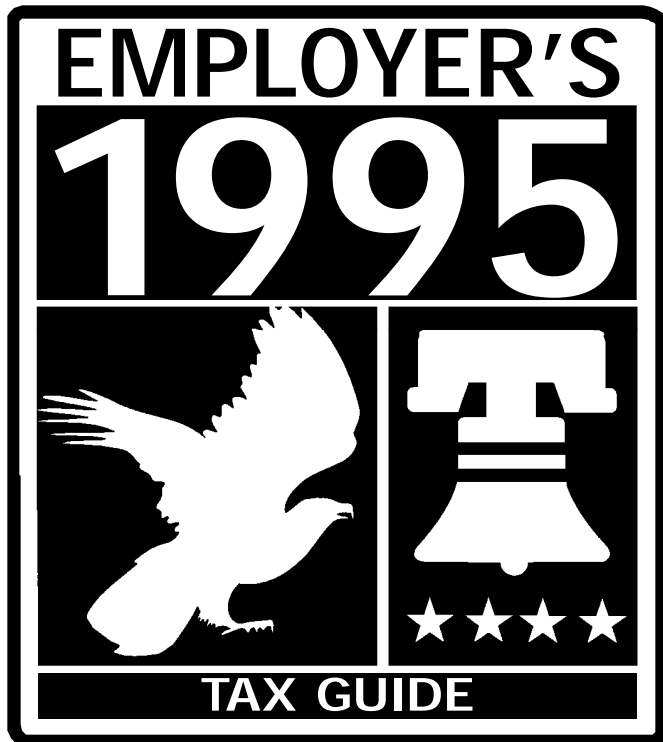


Table of Contents	Page
Calendar	2
Reminders	3
General Information	4
Section	
1. Are You an Employer?	4
2. Employer Identification Number (EIN)	5
3. Who Are Employees?	5
4. Employee's Social Security Number (SSN)	5
5. Taxable Wages	5
Partially Exempt Employment	6
Supplemental Unemployment Compensation	6
Nonqualified Deferred Compensation	6
Employee Stock Options	6
Travel and Business Expenses	6
Moving Expenses	6
Payments to Nonresident Aliens	6
Employee's Portion of Taxes Paid by Employer.	6
Fringe Benefits	6
Sick Pay	7
6. Taxable Tips	7
Allocated Tips.	7
7. Supplemental Wages	7
Tips Treated as Supplemental Wages	8
Vacation Pay	8
Backpay Under a Statute	8
8. Payroll Period	8
9. Withholding From Employees' Wages	8
Form W-4	8
Exemption From Income Tax Withholding	8
Withholding on Nonresident Aliens	8
Sending Certain Forms W-4 to the IRS	9
Filing Form W-4 on Magnetic Media	9
Invalid Forms W-4	9
Amounts Exempt From Levy on Wages	9
10. Figuring Withholding	9
11. Depositing Taxes	9
Payments With Returns	9
Nonpayroll (Form 945) Tax Liabilities	9
Federal Tax Deposit (FTD) Coupon	9
How To Make Deposits	10
Depositing Without an EIN	10
Depositing Without Form 8109	10
How To Claim Credit for Overpayments	10
Penalties	10
When To Deposit	11
Accuracy of Deposits (98% Rule)	12
Depositing Federal Unemployment (FUTA) Taxes	12
12. Filing the Employer's Quarterly Federal Tax Return (Form 941)	13
Seasonal Employers	13
Magnetic Tape Filing of Form 941	13

Penalties	13
Trust Fund Recovery Penalty	13
Successor Employer.	13
Reconciling Forms W-2, W-3, and 941	14
13. Adjustments	14
Current Period Adjustments	14
Prior Period Adjustments	15
Filing a Claim (Form 843)	16
14. Household Employees	16
15. Filing the Federal Unemployment (FUTA) Tax Return (Form 940 or 940-EZ)	17
Successor Employer.	17
Magnetic Tape Filing of Form 940	17
16. Advance Payment of the Earned Income Credit	17
Form W-5	17
Change of Status	17
Invalid Certificate.	17
How To Figure the Advance EIC Payment	18
Paying the Advance EIC to Employees	18
Advance EIC Payments More Than Taxes Due	18
Required Notice to Employees	19
17. Example of How To Figure Employment Taxes	19
18. Special Rules for Various Types of Services and Products	24
19. How to Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables	30
Percentage Method	30
Amount of One Withholding Allowance Table	30
Wage Bracket Method	30
Alternative Methods of Income Tax Withholding	30
Advance Payment Methods for the EIC	30
Whole-Dollar Withholding and Advance EIC	31
Tables:	
Income Tax Withholding Tables:	
Percentage Method	32-33
Wage Bracket Method	34-53
Advance EIC Payment Tables:	
Percentage Method	54-55
Wage Bracket Method	56-59
Federal Tax Deposit (FTD) Coupon	60
Form 7018-A (order blank)	61
Index	63

Important for 1995

Employment Tax Rates and Wage Base for 1995

- Social Security Tax—6.2% each for employers and employees
- Medicare Tax—1.45% each for employers and employees
- Federal Unemployment (FUTA) Tax—6.2% (employers only)
- 1995 Wage Base for Social Security Tax—\$61,200

Federal Tax Deposits by Electronic Funds Transfer (EFT)

Generally, taxpayers whose total deposits of withheld income, social security, and Medicare taxes during calendar year 1993 exceeded \$78 million are required to deposit all depository taxes due after 1994 by electronic funds transfer (EFT). TAXLINK, an electronic remittance processing system, must be used to make deposits by EFT. 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.

Form 945 for 1994

Income tax withholding on nonpayroll payments made during 1994 must be reported on the new **Form 945**, Annual Return of Withheld Federal Income Tax. The return for 1994 is due January 31, 1995. Nonpayroll items include backup withholding and withholding on pensions, annuities, IRAs, and gambling winnings. See page 3 for more information.

Household Employees

1994 Social Security and Medicare Taxes for Household Employees.—The tax liability threshold for cash wages paid to household employees increased from \$50 per quarter to \$1,000 per year for 1994. If you withheld and paid social security and Medicare taxes for a household employee to whom you paid less than \$1,000 in cash wages, see section 14.

Household Employees Under Age 18.—Beginning in 1995, household employment wages paid to workers under age 18 are exempt from social security and Medicare taxes unless household employment is the worker's principal occupation.

Expired Provisions

Educational assistance programs.—The provision exempting educational assistance payments from income tax withholding and employment taxes was scheduled to expire on December 31, 1994, unless extended by law.

Nonresident agricultural labor.—The provision exempting employers of nonresident aliens for temporary agricultural labor from Federal Unemployment (FUTA) tax was scheduled to expire on December 31, 1994, unless extended by law.

Calendar

The following is a list of important dates and responsibilities. Also see **Pub. 509**, Tax Calendars for 1995.

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.

Federal unemployment (FUTA) tax.—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 10.

Annual return of withheld Federal income tax.—File the new **Form 945**, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld during 1994. See the **Nonpayroll Income Tax Withholding** section on page 3 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

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. The Form W-4 previously given you claiming exemption is now expired. (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.

File Copy A of all Forms W-2 with **Form W-3**, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA).

Allocated tip reporting.—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 pay any undeposited income, social security, and Medicare taxes. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

Before December 1

Income tax withholding.—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.

Reminders

When 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 1995 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.)

When 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-4P 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 sections 5, 9, and 10, and **Pub. 937**, Employment Taxes, for more

information. **Pub. 937** includes information on withholding on pensions and annuities.

Social security and Medicare taxes.—Withhold 6.2% from each wage payment in 1995 for social security. Stop when the employee reaches \$61,200 in taxable wages. Withhold 1.45% from each wage payment in 1995 for Medicare. (If the employee reported tips, see section 6.)

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. "Other compensation" to be reported on Form W-2 is described in section 5 and the Instructions for Form W-2.

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, you may call 304-263-8700 (not a toll-free number).

Nonpayroll Income Tax Withholding

For payments made after December 31, 1993, income tax withheld on nonpayroll items can no longer be reported on Form 941. Nonpayroll items include the following:

- Pensions, Annuities, and IRAs
- Military Retirement
- Gambling Winnings
- Backup Withholding

This nonpayroll withholding must be reported on the new **Form 945**, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 1994 is due January 31, 1995. Separate deposits were required for payroll and nonpayroll (Form 945) withholding beginning January 1, 1994.

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 or 943. 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.—Payers must generally withhold 31% of taxable interest, dividends, and certain other payments if payees fail to furnish payers with their correct taxpayer identification numbers. There are other circumstances when the payer is also required to withhold. This withholding is referred to as backup withholding. Please see **Form W-9**, Request for Taxpayer Identification Number and Certification, and the Instructions for Forms 1099, 1098, 5498, and W-2G for details. Backup withholding does not apply to wages, pensions, annuities, or IRAs.

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, send **Form 8822**, Change of Address, to the IRS.

Unresolved Problems

If you have a tax problem you have been unable to resolve with the IRS, write to your local IRS district director and ask for Problem Resolution assistance. You may also call your local IRS office or call 1-800-829-1040 for Problem Resolution assistance. This office will take responsibility for your problem and ensure that it receives proper attention. Although this office cannot change the tax law or technical decisions, it can frequently clear up problems that resulted from previous contacts.

Hearing-impaired taxpayers with access to TDD equipment may call 1-800-829-4059 for Problem Resolution assistance.

Additional 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 1995 Forms, at the end of this booklet or call 1-800-TAX-FORM (1-800-829-3676).

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 the toll-free tele-tax telephone number, 1-800-829-4477, and select option 2, Recorded Tax Information. For the directory of topics, listen to topic 123. The Automated Refund Information (option 1) service applies to individual (Form 1040) refunds only.

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

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 1995.

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 18, **Special Rules for Various Types of Services and Products**. 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.—Wages of your employees are generally subject to Federal income tax withholding. In addition, wages of your employees, with certain exceptions, are subject to social security and Medicare taxes. See page 28 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. Are You an Employer?

Generally, an employer is a person or organization for whom a worker performs a service as an employee. The employer usually gives the worker the tools and place to work and has the right to fire the worker. A person or organization paying wages to a former employee after the work ends is also considered an employer.

Income tax withholding.—For income tax withholding purposes, the term "employer" includes organizations that are exempt from income, social security, Medicare, and FUTA taxes.

FUTA tax.—For FUTA tax purposes, an employer is:

- Any person or organization (other than an agricultural or household employer) that during this year or last year either:
 1. Paid wages of \$1,500 or more in any calendar quarter, or
 2. Had one or more employees at any time in each of any 20 different calendar weeks.
- Any agricultural employer who during this year or last year either:
 1. Paid cash wages of \$20,000 or more to farmworkers in any calendar quarter, or
 2. Employed 10 or more farmworkers during some part of a day for at least 1 day during any 20 different weeks.
- Any household employer who during this year or last year paid cash wages of \$1,000 or more during any calendar quarter for household service in a private home, local college club, or local chapter of a college fraternity or sorority.

2. 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. 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 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. **Use your EIN on all the items you send to the IRS and SSA.**

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. Please see **Pub. 583**, Taxpayers Starting a Business, for more information on how to file returns, etc., if due before you have received your EIN.

See **Depositing without an EIN** on page 10 if you must make a deposit and you have not received your EIN.

3. Who Are Employees?

Generally, employees can be 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. 937**, Employment Taxes, 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 whether 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.

a. An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.

b. A full-time life insurance salesperson.

c. 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.

d. 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. 937** 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. 937** 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 these taxes 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.

4. Employee's Social Security Number (SSN)

You must obtain each employee's name and SSN because you must enter them on Form W-2. 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 SSA offices or by calling 1-800-772-1213. If your employee has applied for an SSN but does not have one 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 his or her records have been updated.

5. Taxable Wages

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 pages 24 through 29 for exceptions to the general rules for wages. Information on accrued wages of a deceased employee is given on page 24. See section 6 for a discussion of tips. See the Instructions for Form W-2 for reporting other compensation not subject to withholding. Get **Pub. 937** for information on excessive termination payments (golden parachutes).

Value noncash pay (such as goods, lodging, and meals) by its fair market value. This kind of pay may be subject to tax and withholding. See pages 26 and 27.

Partially exempt employment.—If an employee spends half or more of his or her time in a pay period performing services subject to employment taxes, all the employee's pay in that pay period is taxable. If the employee spends less than half the time performing services subject to taxes, no pay in that pay period is subject to employment taxes.

Supplemental unemployment compensation benefits.—Treat these benefits as wages for income tax withholding to the extent they are includible in your employee's gross income. This applies if you pay benefits to your employee because of his or her involuntary separation from the job under a plan to which you are a party. Involuntary separation includes a reduction in force or closing a plant or operation. It does not include separation because of disciplinary problems or because of age. Also see Rev. Rul. 90-72, 1990-2 C.B. 211.

Nonqualified deferred compensation plans.—Employer contributions to nonqualified deferred compensation or nonqualified pension plans are treated as social security and Medicare wages when (1) the services are performed or (2) the employee no longer has any substantial risk of forfeiting the right to the deferred compensation, whichever is later. Generally, distributions from such plans are treated as wages for purposes of withholding and reporting. The withheld income tax must be reported on Forms W-2 and 941. Get the Instructions for Form W-2 for more information.

Employee stock options.—There are two classes of stock options, statutory (covered by a specific Code provision) and nonstatutory. Generally, statutory stock options are not taxable to the employee either when the option is granted, or when it is exercised (unless the stock is disposed of in a disqualifying disposition). However, nonstatutory stock options normally are taxable to the employee as wages when the option is exercised (see Regulation section 1.83-7). These wages are subject to social security and Medicare taxes and income tax withholding.

Travel and business expenses (nonaccountable plans).—Payments to your employee for travel and other necessary expenses of your business generally are taxable 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.

Moving expenses.—Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) are not includible in 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.

Payments to 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 the chart on page 24 for exceptions to these general rules.

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. The payments, unless exempt from tax because of a Code or U.S. tax treaty provision, are subject to withholding at a flat 30% or lower treaty rate. You must report the 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**, Withholding of Tax on Nonresident Aliens and Foreign Corporations, for more information. For information on the requirement to file Forms 1042-S on magnetic media, see Pub. 1187.

International social security agreements.—The United States has social security agreements with many countries which eliminate dual taxation and coverage under both countries' systems. Thus, items shown as taxable for social security and Medicare in this publication may be exempt under an agreement. See Pub. 937 for further information and a list of agreement countries.

Employee's portion of taxes paid by employer.—If you are not a household or agricultural employer and you pay your employee's social security and Medicare taxes without deducting them from the employee's pay, you must include the amount of the payments in the employee's wages for social security, Medicare, and FUTA taxes, and for income tax withholding. To properly calculate the wages and taxes in this situation, you must use the formula in Rev. Rul. 86-14, 1986-1 C.B. 304. See Pub. 937 for more information.

If you are a household employer or an agricultural employer, any employee social security and Medicare taxes you pay for an employee is additional income to the employee for income tax purposes. But it is not considered wages for social security, Medicare, and FUTA taxes.

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**, Business Expenses, 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.

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. 937 for more information on this election.

If you withhold less than the required amount of taxes from an employee in a calendar year but report the proper amount, you should ask the employee for the social security, Medicare, or railroad retirement and income taxes you paid on his or her behalf. You must recover income taxes before April 1 of the next year.

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.

You may reasonably estimate the value of the fringe benefits provided on the date(s) you choose, for purposes of making your deposits on time. Generally, you must figure the value of fringe benefits no later than January 31 of the next year. You may claim a refund for overpayments or have them applied to your next employment tax return. If you deposit too little, you may be subject to the failure to deposit penalty. See section 11 for details.

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. The payments are also subject to income tax.

If you make the payments, withhold on the basis of the employee's Form W-4. Include payments subject to social security and Medicare taxes on lines 6a and 7 of Form 941. Report payments subject to RRTA taxes on **Form CT-1**, Employer's Annual Railroad Retirement Tax Return. Pay FUTA tax as you normally would for any other type of taxable wages. Include the amount of sick pay payments on line 1, Part I, of Form 940 or 940-EZ.

If a third party makes the payments, the employee may request income tax withholding by giving the third-party payer a **Form W-4S**, Request for Federal Income Tax Withholding From Sick Pay. Even though the third party makes the payments, you may be responsible for paying social security and Medicare taxes and reporting on Form W-2. See **Pub. 952**, Sick Pay Reporting, for details.

6. Taxable 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 cus-

tomers. 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 social security number.
- 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 1995 reach \$61,200; 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. 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 tip allocation may be made using 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**.

Do not withhold income, social security, or Medicare taxes on allocated tips.

7. Supplemental Wages

Supplemental wages are compensation paid to an employee 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.

Backpay under a statute.—Treat backpay as wages and withhold and pay employment taxes as appropriate. If backpay was awarded by a court or government agency to enforce a Federal or State statute protecting an employee's right to employment or wages, special rules apply for reporting those wages to the SSA. These rules also apply to litigation actions, and settlement agreements or agency directives that are resolved out of court and not under a court decree or order. Examples of pertinent statutes include, but are not limited to, the National Labor Relations Act, Fair Labor Standards Act, Equal Pay Act, Civil Rights Act, and Age Discrimination in Employment Act. Get **Pub. 957**, Reporting of Backpay Awards to the Social Security Administration, for details.

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:

- a. The last wage payment made during the same calendar year,

- b. The date employment began, if during the same calendar year, or

- c. 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 calendar 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 should then figure withholding based on the daily or miscellaneous period.

9. Withholding From Employees' Wages

Form W-4.—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 below for exemption from income tax withholding, forms that must be sent to the IRS, and invalid Forms W-4.

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 get a larger tax refund 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.

Pub. 505, Tax Withholding and Estimated Tax, contains 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 1995?

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 for eligible persons.—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 may still be 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.—Employers should remind nonresident aliens when completing Form W-4 that to avoid underwithholding of income taxes they should (1) not claim exemption from income tax withholding; (2) request withholding as if they are single, regardless of their actual marital status; and (3) claim only one allowance. However, if the nonresident alien is a resident of Canada, Mexico, Japan, or Korea, he or she may claim more than one allowance. For more information, see **Pub. 515**.

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, you must send your paper Forms W-4 to the appropriate 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 Internal Revenue Service Center more often if you like. If you do so, include a cover letter giving your name, address, employer identification number, 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 that you should 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 5¼- and 3½-Inch Magnetic Diskettes. To obtain additional 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.

10. Figuring Withholding

There are several ways to figure income tax withholding:

- Percentage method (see pages 32–33).
- Wage bracket tables (see pages 34–53).
- Also see page 30 for directions on how to use the tables for employees claiming more than 10 allowances.
- Alternative formula tables for percentage withholding (see **Pub. 493**, Alternative Tax Withholding Methods and Tables).
- Wage bracket percentage method withholding tables (see **Pub. 493**).
- Combined income, employee social security, and employee Medicare tax table (see **Pub. 493**).
- Annualized wages method (see **Pub. 493**).
- Average estimated wages method (see **Pub. 493**).
- Cumulative wages and part-year employment methods (see **Pub. 493**). These may be used if your employee requests that you use them, and you agree to this.
- Other alternative methods (see page 30).

If an employee wants additional tax withheld, have the employee show the extra amount on Form W-4, line 6.

Social security and Medicare taxes, employer's and employee's share.—For wages paid in 1995, the social security tax rate is 6.2% and the Medicare tax rate is 1.45% each for the employer and the employee. Multiply each wage payment by these percentages.

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.

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.

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 (98% Rule)** provision in the deposit rules discussed on page 12. 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 on payments made after 1993. **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 Instructions for Form 945 for details.

Federal tax deposit (FTD) coupon.—Use **Form 8109**, Federal Tax Deposit Coupon, to make the deposits (see page 60). **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, contact your local IRS office. 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 for Federal taxes or to the Federal Reserve bank or branch (FRB) serving your area. An authorized depository is a financial institution (e.g., a commercial bank) which 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.—Reporting agents who make deposits for their clients should see Rev. Proc. 89-48, 1989-2 C.B. 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. Attach an explanation to 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 obtain 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 entity 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, you make deposits at an unauthorized financial institution, you pay directly to the IRS, or you pay with your return (see **Payments with returns** on page 9 for exceptions). 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 properly or 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 you asking for the tax due.

10% - Deposits made at unauthorized financial institutions or directly to the IRS (but see **Depositing without an EIN** earlier).

15% - Amounts still unpaid more than 10 days after the date of the first notice the IRS sent you asking for the tax due or the day on which you receive notice and demand for immediate payment, whichever is earlier.

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.

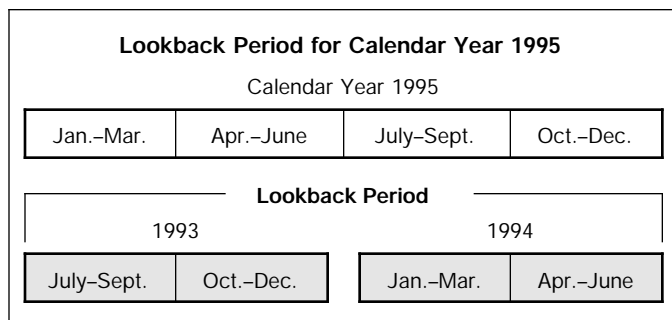
Separate accounting when deposits are not made or withheld taxes are not paid.—Separate accounting may be required if you do not pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive 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 semiweekly—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 depositor for the coming calendar year. 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 tax required to be reported on Forms 940 or 942.

Your deposit schedule for a calendar year is determined from the total taxes reported on your Form 941 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 depositor; if you reported more than \$50,000, you are a semiweekly depositor. There are two exception rules—the \$500 rule and the \$100,000 rule. The deposit rules and exceptions are discussed in the following sections.



Monthly Deposit Schedule Rule

Under the **monthly rule**, employment and other taxes withheld on payments made during a calendar month must be deposited by the 15th day of the following month. An employer is a monthly depositor for a calendar year if the total employment taxes for the four quarters in the lookback period were \$50,000 or less.

Monthly 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 depositor for the first calendar year of your business (but see the **\$100,000 One-Day Rule** exception on page 12).

Semiweekly Deposit Schedule Rule

An employer is a semiweekly depositor for a calendar year if the total employment taxes during its lookback period were more than \$50,000. Under the **semiweekly rule**, employment and other 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.

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 Rules

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

1994 Lookback Period	1995 Lookback Period
3rd Quarter 1992 - \$12,000	3rd Quarter 1993 - \$12,000
4th Quarter 1992 - \$12,000	4th Quarter 1993 - \$12,000
1st Quarter 1993 - \$12,000	1st Quarter 1994 - \$12,000
2nd Quarter 1993 - \$12,000	2nd Quarter 1994 - \$15,000
\$48,000	\$51,000

Rose Co. is a monthly depositor for 1994 because its tax liability for the four quarters in its lookback period (third quarter 1992 through second quarter 1993) was not more than \$50,000. However, for 1995, Rose Co. must follow the semiweekly rule described above because its liability exceeded \$50,000 for the four quarters in its lookback period (third quarter 1993 through second quarter 1994).

Application of Monthly and Semiweekly Rules

The terms "monthly depositor" and "semiweekly 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 rule example: Spruce Co. is a seasonal employer who has a monthly deposit schedule. It paid wages each of the four Fridays during January but did not pay any wages during February. Under the monthly rule, 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 rule 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 rule as follows: Green Inc.'s tax liability for the January 31, 1995 (Tuesday) payday must be deposited by February 3, 1995 (Friday). Under the semiweekly deposit rule, liabilities arising on Saturday through Tuesday must be deposited by the following Friday.

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 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 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 the total accumulated tax reaches \$100,000 or more on any day during a deposit period, it must be deposited by the next banking day, whether an employer is a monthly or semiweekly depositor. For monthly depositors, the deposit period is a calendar month. The deposit periods for a semiweekly 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 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 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 rule.

If a monthly depositor accumulates a \$100,000 employment tax liability on any day during a deposit period, it becomes a semiweekly depositor on that day and remains so for at least the remainder of the calendar year and for the following calendar year.

\$100,000 one-day rule example: Elm Inc. started its business on February 1, 1995. On February 9, it paid wages for the first time and accumulated a tax liability of \$60,000. On February 10, Elm Inc. paid wages and accumulated a liability of \$40,000, bringing its accumulated 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 depositor based on the lookback rules. However, since Elm Inc. accumulated \$100,000 on February 10, it became a semiweekly depositor on February 10. It will be a semiweekly depositor for the remainder of 1995 and for 1996. Elm Inc. is required to deposit the \$100,000 by February 13 (Monday), the next banking day.

Adjustments and the Lookback Rule

Determine your tax liability for the 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, 1994. The employer discovered during January 1995 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 1995 first quarter return. This employer would be a monthly depositor for 1995 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 1995 first quarter tax liability.

Accuracy of Deposits (98% 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 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 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. For example, if a semiweekly depositor has a shortfall during January 1995, the shortfall makeup date is February 15, 1995 (Wednesday).

However, if the due date of the return (e.g., Form 941) falls before the shortfall makeup date, the shortfall must be deposited by the return due date. For example, a semiweekly depositor has an employment tax liability from a March 31, 1995, pay date and deposits that liability on April 5 (Wednesday, the required date). Any shortfall must be deposited by the due date of the first quarter return (April 30) rather than the May 17 shortfall makeup date (the first Wednesday or Friday on or after May 15).

Depositing Federal Unemployment (FUTA) Taxes

FUTA amount to deposit.—For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax by multiplying by .008 that part of the first \$7,000 paid to each employee during the year. The \$7,000 amount is the Federal wage base. Your state wage base may be different. 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. Refer to section 15 for more information.

Employers not required to deposit.—If your total FUTA tax for the year is \$100 or less, you do not have to deposit the tax. Pay your FUTA tax with your Form 940 or Form 940-EZ. Beginning in 1995, you are not required to deposit FUTA taxes for household employees unless you are required to report their wages on Form 941 or 943. See section 14 for more information.

Employers required to deposit.—If your liability for any of the calendar year quarters of 1995 is over \$100 (including any undeposited amount from any earlier quarter), you must make deposits in an authorized depository using **Form 8109**, Federal Tax Deposit Coupon (see page 9 for details).

If the undeposited amount is \$100 or less, you may carry it to the next quarter. 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 it with your Form 940 or Form 940-EZ by its due date.

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

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.

12. Filing the Employer's Quarterly Federal Tax Return (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.—For wages paid after 1994, report social security and Medicare taxes and income tax withholding for household employees on your Individual Income Tax Return. These taxes will no longer be reported quarterly. See section 14 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 dead-

line), 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.

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.*

Do not file more than one Form 941 per quarter.—Employers with multiple locations or divisions must **not** file more than 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 are required to file returns for those quarters. See the Form 941 instructions for details on how to file a final return.

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 Rev. Proc. 84-77, 1984-2 C.B. 753, for the procedures used in filing returns in a predecessor-successor situation.

Common paymaster.—For information on concurrent employment by related corporations with a common paymaster, see Regulations section 31.3121(s)-1.

Modifying Form 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 1995 revision date (e.g., January or October 1995)*

can generally be used without modification for any quarter of 1995.

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, JUN95 would be for the quarter ending June 30, 1995). 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.

Social Security and Medicare Tax Rates (for 3 prior years)

Calendar Year	Wage Base (each employee)	Tax Rate on Taxable Wages and Tips
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
1992-Social Security	55,500	12.4
1992-Medicare	130,200	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 errors that can cause 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 of the four quarterly Forms 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—
 - 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.

For payments made after December 31, 1993, **do not** report on Form 941 nonpayroll items such as backup withholding and withholding on pensions, annuities, and gambling winnings. These nonpayroll items must be reported on the new Form 945 (see Instructions for Form 945 for details). Income tax withhold-

ing 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 (e.g., you paid a household employee less than \$1,000 for 1994, reported the wages on Form W-2, and refunded the social security and Medicare taxes to the employee. See section 14.) 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. Adjustments

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 **Pub. 952**, Sick Pay Reporting, 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 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** below.

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 1994 Form 941 and discovered the error during January 1995, correct the error by making an adjustment on the first quarter 1995 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 the error was discovered.

Note: You may make an income tax withholding adjustment only for previous 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 would be any error that does not change the amount of income tax withheld or deducted from an employee's wages. For example, if the total income tax actually withheld was incorrectly reported due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects only the amount reported on Form 941, not the actual amount withheld or deducted from the employee in a prior calendar year.

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 the error was discovered. You may make adjustments reported on Form 941 for previous quarters in the current and prior years. If you are also reporting current period adjustments (discussed above), also include the net prior period social security and Medicare adjustment in the "Other" adjustment entry space.

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					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		

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 ▶

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 line 17 of Form 941, Monthly Summary of Federal Tax Liability, or on **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability. If the adjustment was to correct 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. For example, Elm Co., a monthly schedule depositor, discovered on January 10, 1995, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 1995 were: January—\$4,500, February—\$4,500, and March—\$4,500. Elm Co. completed line 17 of Form 941 as shown in the **Prior Period Adjustment Example** on page 15.

The adjustment for the \$5,000 overreported liability was used to 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 in the ROFT include 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 ROFT), no additional changes to the ROFT are necessary for these adjustments.

Filing a claim for overreported prior period liabilities.—Alternatively, 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 of the amount overpaid. 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.)

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.

Filing corrected 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.

14. Household Employees

Your need to file **Form 942**, Employer's Quarterly Tax Return for Household Employees, was eliminated for periods beginning after 1994. The \$50 per calendar quarter threshold for withholding and paying social security and Medicare on cash wages paid household employees increased to \$1,000 per calendar year. This amount, which applies to all of 1994, will be indexed for inflation beginning in 1996.

Household employers and employees who paid social security and Medicare taxes on 1994 wages of less than \$1,000 are eligible for refunds. You can get a refund with interest by filing **Form 843**, Claim for Refund and Request for Abatement, or you can reduce your liability by adjusting the amount of any overpaid household employment taxes on the Form 941 you file for the fourth quarter of 1994.

Household employees are entitled to receive social security wage credits on all of their 1994 wages, even if they receive refunds because their wages were less than \$1,000. Therefore, **for 1994 only**, you must still issue a Form W-2 to any household employee you paid more than \$50 in a quarter. When completing Form W-2 for these employees, use the following instructions:

1. In boxes 1, 3, and 5, do not include the employee's share of social security and Medicare taxes you paid for the employee rather than withholding the taxes from the employee's pay.

2. Complete boxes 4 and 6 **only** if you withheld the tax but did not return this amount or agree to return it to the employee. **Do not** include the employer's share or any amount you paid for the employee on his or her behalf.

Get **Notice 587**, Preparing Form W-2 for Your Household Employee, for a filled-in example of Form W-2 for a household employee paid less than \$1,000.

The \$1,000 per calendar year threshold for withholding and paying social security and Medicare applies to cash wages you pay for services performed in or about your private home.

Generally, household work includes services performed in or about your private home by cooks, butlers, housekeepers, governesses, maids, cleaning people, janitors, caretakers, handy persons, gardeners, and drivers of cars for family use.

If you are a sole proprietor and file Form 941 for business employees, you must include taxes for household employees on your Form 941. For household employees in a private home on a farm operated for profit, file Form 943. They are considered farmworkers. For domestic service in a college club, fraternity, or sorority, file Form 941. These services are not considered to have been performed in a private home.

You are liable for social security and Medicare taxes if you pay a household employee cash wages of \$1,000 or more in a calendar year. It doesn't matter when the wages were earned. The \$1,000 test applies to each household employee. Checks, money orders, etc., are the same as cash. The value of food, lodging, clothing, bus or subway tokens, and other noncash items you give to the employee is not subject to social security and Medicare taxes. Beginning in 1995, payments for household services are exempt from social security and Medicare taxes if performed by an individual who is under age 18 during any portion of the calendar year, unless this is the principal occupation of the employee.

Get **Pub. 926**, Employment Taxes for Household Employers, for more information on the new reporting requirements for 1995.

15. Filing the Federal Unemployment (FUTA) Tax Return (Form 940 or 940-EZ)

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 state unemployment tax. Only the employer pays this tax; it is not deducted from the employee's wages. See page 12 for information on depositing FUTA tax. Use **Form 940** or **940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report Federal unemployment tax.

The IRS will mail a preaddressed Form 940 or 940-EZ to employers who filed returns the year before. If you do not receive Form 940 or 940-EZ, you can get one from the IRS.

By January 31, file Form 940 or 940-EZ and deposit or pay the balance of tax. If you deposit all FUTA tax when due, you may file Form 940 or 940-EZ by February 10.

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) you paid wages that are not subject to the state unemployment laws of a credit reduction state, and (4) all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax. (For 1994, 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.

For 1994 and 1995, 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 someone who was an employer 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 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, under Code section 3302(e) and Regulations section 31.3302(e)-(1). See Instructions for Form 940.

Magnetic tape filing of Form 940.—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.

16. Advance Payment of the Earned Income Credit

An eligible employee (defined later) who has a qualifying child is entitled to receive earned income credit (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.

Payment of the advance EIC is limited to 60% of the EIC an eligible employee would receive if he or she has only one qualifying child. For 1995, the advance payment can be as much as \$1,257. The tables that begin on page 54 reflect that limit.

Eligible employee.—Only eligible employees can get advance EIC payments. The eligibility requirements for advance EIC are shown on Form W-5 and are summarized below:

1. The employee must have a qualifying child as defined on Form W-5.

2. The employee's expected 1995 earned income and adjusted gross income (including the spouse's income if the employee files a joint return) must each be less than \$24,396.

3. The employee expects to be eligible to claim the EIC for 1995. If they expect to file **Form 2555**, Foreign Earned Income, or **Form 2555-EZ**, Foreign Earned Income Exclusion, for 1995, they **cannot** claim the EIC.

Caution: *At the time this guide went to print, Congress was considering legislation that would (1) allow certain members of the Armed Forces stationed outside the United States to claim the EIC and get advance payment of the EIC for 1995 and (2) make most nonresident aliens ineligible to claim the EIC for 1995. For later information about this legislation, get **Pub. 553**, Highlights of 1994 Tax Changes.*

Form W-5.—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.—Form W-5 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 the 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 the 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 from an employee, tell the employee that the certificate is invalid as of the date the employee 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.—You must include advance EIC payments with wages you pay to eligible employees who give you a signed and completed Form W-5. Make the initial certificate effective for the first payroll period ending (or the first wage payment made without regard to a payroll period) on or after the date the employee gives you the form.

For purposes of the advance EIC payment, wages means amounts subject to income tax withholding. For employees who claim exemption from income tax withholding on Form W-4, wages means amounts that would have been subject to income tax withholding. For household employees, wages means amounts subject to social security and Medicare taxes.

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 \$24,396, 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 54. There are separate tables for employees whose spouses have a certificate in effect. If an employee shows on Form W-5 that his or her spouse has a Form W-5 in effect with an employer, use either the wage bracket or percentage method tables titled "MARRIED With Both Spouses Filing Certificate." Otherwise, use either the wage bracket or percentage method tables titled "SINGLE or MARRIED Without Spouse Filing Certificate." Be sure to use the correct table for your pay period (i.e., weekly, biweekly, monthly, daily, etc.). The amount of advance EIC paid to an employee during 1995 cannot exceed \$1,257.

Example 1: You pay Wanda Carter \$140 a week. She has given you a Form W-5 that shows she is married and her husband has given his employer a Form W-5. You have decided to use the wage bracket method to figure your advance EIC payments. You turn to the wage bracket tables for a weekly payroll period, and look at the table "MARRIED With Both Spouses Filing Certificate." According to this table, you will include a \$9 advance EIC payment with Wanda Carter's net pay for the week.

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 the 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 2: You have 10 employees, each entitled to an advance EIC payment of \$10. The total advance payments you make for the payroll period is \$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 of the following options:

Option 1.—Reduce each employee's advance payment by an amount figured by multiplying the employee's advance payment by a fraction. The numerator is the excess advance amount, and the denominator is the total advance EIC payments for the pay period. See **Example 3** below.

Option 2.—Elect to make full payment of the advance EIC and treat the excess as an advance payment of employment taxes. The excess payment is applied first to income tax withholding, next to employee social security and Medicare taxes, and then to employer social security and Medicare taxes due for the reporting period in which the excess amount was paid.

Example 3: You have 10 employees who are each entitled to an advance EIC payment of \$10. They are all student nurses whose wages are exempt from social security and Medicare taxes. The total amount of advance EIC payments for the payroll period is \$100; the total income tax withholding is \$90. The advance EIC amount is \$10 more than the total income tax withholding.

Under Option 1, reduce the advance payment to each employee by \$1.00, or $\frac{1}{10}$ of the excess payment, figured as follows:

$$\frac{\$10 \text{ (excess advance amount)}}{\$100 \text{ (total advance payments)}} = \frac{1}{10} \times \$10 = \$1.00$$

Under Option 2, you choose to pay each employee the full advance EIC amount (\$100 total) and treat the excess advance payments (\$10) as an advance payment of employment taxes. Show the full \$100 as advance EIC on your employment tax return for the reporting period in which you made the payment.

If you elect to make full payment, you must include with your employment tax return a statement of the amount of the excess advance EIC payments and the payroll period to which the excess applies. You may make separate elections for separate pay periods. If the amount of employment taxes you owe on the return remains less than the amount of excess payment, you may claim a refund of the difference or have the credit applied to your next return.

Penalty.—You must make advance EIC payments to employees who correctly fill out Form W-5. If you do not, you may be subject to a penalty equal to the amount of the advance EIC payments not made.

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 1994 were less than \$25,296 that they may be eligible to claim the credit for 1994. 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 1994 and owes no tax, but is eligible for a \$790 EIC, can file a 1994 tax return to get a \$790 refund.

You can notify your employees by giving them one of the following:

1. The IRS Form W-2, which has the required statement about the EIC on the back of Copy C.
2. A substitute Form W-2 with the same EIC statement on the back of the employee's copy that is on Copy C of the IRS Form W-2.
3. **Notice 797**, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
4. Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required statement about the EIC on the back of the employee's copy. 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, 1995.

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

Note: For 1995, you are encouraged to notify the following employees that they may be able to claim the EIC on their 1995 returns:

- Employees with one qualifying child and wages less than \$24,396.
- Employees with two or more qualifying children and wages less than \$26,673.
- Employees without qualifying children and wages less than \$9,230.

17. Example of How To Figure Employment Taxes

Peter Cone owns a small furniture business that he runs with three part-time employees. In 1994, he paid one employee \$600 a week, one employee \$500 a week, and one employee \$400 a week. He did not hire anyone else during the year, and the employees stayed with him the entire year.

It is Peter's practice to pay his employees on Monday. If Monday is a holiday, payday is Tuesday.

The sections that follow discuss how Peter figured his employment taxes for the year. They show how he figured his deposits and how he filled out Forms 940-EZ and 941. Only the fourth quarter Form 941 is illustrated.

Peter files Form 941 quarterly. On it, he reports:

- Income tax he withholds from his employees' wages; and
- Social security and Medicare taxes, both the part he withholds from his employees' wages and the part he pays as an employer.

Before filing Form 941 for the fourth quarter, Peter must deposit the taxes at various times during the quarter because his net tax liability each quarter regularly exceeds \$500.

Each of Peter's employees has already filled out a Form W-4. Form W-4 tells him:

- How many withholding allowances the employee claims; and
- Whether to withhold at the "married" or at the "single" rate.

Using this information, Peter finds the correct amount to withhold in Circular E. He uses the wage bracket tables in the January 1994 Circular E to find the correct amount to withhold during the fourth quarter. The tables are for wages paid after December 1993.

In the fourth quarter of 1994, the first payday for Peter's employees is Monday, October 3. His income tax withholding for this payday is shown in the chart below:

Employee	Wages for the week	Withholding rate and allowances	Amount to be withheld
R. Apple	\$600	married-3	\$51.00
J. Jones	500	married-2	43.00
F. Plum	400	single-1	46.00
Total	\$1,500		\$140.00

Peter's liability for withheld income tax on this payday totals \$140.00. If any of his employees had asked him (on Form W-4) to withhold an extra amount, he would have included it with the total.

Peter also withholds 6.2% of each employee's wages as social security tax and pays a 6.2% share himself, for a total of 12.4% in 1994. In addition, he withholds 1.45% of each employee's wages as Medicare tax and pays a 1.45% share himself, for a total of 2.9%. The total social security tax for this payday is \$186.00 (\$1,500 total wages times 12.4%), and the total Medicare tax is \$43.50 (\$1,500 total wages times 2.9%).

Social security tax applies to only the first \$60,600 paid to each employee in 1994. The Medicare tax applies to all wages in 1994. If any of Peter's employees had already earned \$60,600, or reached this limit on the October 4 payday, he would have included only the Medicare tax when figuring the tax. However, none of his employees will earn more than \$60,600 in 1994.

None of the employees is eligible for advance earned income credit payments (discussed later).

On this payday, Peter's total liability for social security tax, Medicare tax, and withheld income tax is \$369.50 (\$186.00 plus \$43.50 plus \$140.00). The following chart shows his tax liability for the paydays in the fourth quarter:

Payday	Total wages paid	Income tax withheld	Social security (12.4%)	Medicare (2.9%)
Oct. 3	\$1,500.00	\$140.00	\$186.00	\$43.50
Oct. 11	1,500.00	140.00	186.00	43.50
Oct. 17	1,500.00	140.00	186.00	43.50
Oct. 24	1,500.00	140.00	186.00	43.50
Oct. 31	1,500.00	140.00	186.00	43.50
Nov. 7	1,500.00	140.00	186.00	43.50
Nov. 14	1,500.00	140.00	186.00	43.50
Nov. 21	1,500.00	140.00	186.00	43.50
Nov. 28	1,500.00	140.00	186.00	43.50
Dec. 5	1,500.00	140.00	186.00	43.50
Dec. 12	1,500.00	140.00	186.00	43.50
Dec. 19	1,500.00	140.00	186.00	43.50
Dec. 27	1,500.00	140.00	186.00	43.50
Total	\$19,500.00	\$1,820.00	\$2,418.00	\$565.50

Making Deposits

Peter's schedule for making deposits depends on whether he is a semiweekly or a monthly schedule depositor. The total

employment taxes for his lookback period (July 1, 1992, to June 30, 1993) is less than \$50,000. Therefore, he is a monthly depositor for all of 1994. The taxes accumulated for October (\$1,847.50) must be deposited by November 15.

During November, Peter's payroll remains the same. The following chart shows how the social security, Medicare, and withheld income taxes he owes add up during November:

Payday	Total wages paid on the <u>payday</u>	Taxes owed for the <u>payday</u>	Taxes owed since last deposit <u>requirement</u>
Nov. 7	\$1,500	\$369.50	\$369.50
Nov. 14	1,500	369.50	739.00
Nov. 21	1,500	369.50	1,108.50
Nov. 28	1,500	369.50	1,478.00

Because Peter is a monthly depositor for all of 1994, he must make a deposit of the taxes accumulated for November (\$1,478.00) by December 15.

During December, Peter's payroll remains the same. The following chart shows how the social security, Medicare, and withheld income taxes he owes add up during December.

Payday	Total wages paid on the <u>payday</u>	Taxes owed for the <u>payday</u>	Taxes owed since last deposit <u>requirement</u>
Dec. 5	\$1,500	\$369.50	\$369.50
Dec. 12	1,500	369.50	739.00
Dec. 19	1,500	369.50	1,108.50
Dec. 27	1,500	369.50	1,478.00

A \$1,478.00 deposit by January 17, 1995, is required. (January 15 falls on Sunday and January 16 is a holiday).

Filling Out Form 941

Peter begins filling out Form 941 by entering his name, address, employer identification number, and the date the quarter ended (December 31, 1994). Since it is a fourth quarter return, he does not have to fill in line 1. If he had gone out of business in 1994, he would fill in the final return entries above line 1 on the Form 941. Because he made all his deposits in the state shown in his address, he does not have to make an entry in the state code box.

Line 2. Peter enters the total wages he paid in the quarter, \$19,500.

Line 3. Peter enters the total income tax he withheld from his employees' wages during the quarter, \$1,820.

Line 5. Peter does not have to make any adjustments for errors in the withholding he reported for the first 3 quarters of the year (line 4). He enters the amount from line 3 on line 5.

Line 6a. None of Peter's employees earned more than the \$60,600 limit for 1994. The amount they were paid during the quarter, \$19,500, is counted as "taxable social security wages." He enters 12.4% of this amount, or \$2,418, as his social security tax on this line. This includes both his share and the amount he withheld from his employees' wages.

Line 6b. Peter's employees did not earn any taxable tips.

Line 7. Peter again enters the wages he paid. He enters 2.9% of this amount, or \$565.50, as his Medicare tax on this line. This includes both his share and the amount he withheld from his employees' wages.

Lines 8 and 10. Peter has no adjustments for errors in social security or Medicare taxes he reported previously (line 9). He enters the total amount of social security and Medicare taxes on lines 8 and 10.

Line 11. Peter adds the withheld income, social security, and Medicare taxes. He enters the total, \$4,803.50.

Line 13. None of Peter's employees received advance payments of the earned income credit (line 12). He enters the amount from line 11 on line 13.

Lines 14, 15, and 16. Peter shows that the amount of tax he owed for the quarter and the amount he deposited are the same. He does not have to make a payment with his return (line 15). Nor is he owed a refund (line 16).

Line 17. Peter completes the Monthly Summary of Federal Tax Liability section by filling in the monthly liability totals in line 17, columns (a), (b), (c), and the quarterly total in column (d). He confirms that the amount in column (d) equals the amount reported on line 13.

Signature and date. Peter signs the return, prints his name and title, and enters the date. Because Peter deposited the tax on time and in full, he has an extra 10 days to file his return.

Form 940 or Form 940-EZ

Peter must pay state as well as Federal unemployment (FUTA) tax. His state gave him an experience rate of 3.0% for 1994. Since his state bases its tax on the first \$7,000 of wages paid to each employee, and since he paid each of his employees more than that amount in 1994, he must pay the state tax on \$21,000 (\$7,000 times 3 employees). He paid \$630 (3.0% of \$21,000) in state unemployment tax during 1994.

For FUTA tax, Peter must fill out Form 940, or Form 940-EZ if he qualifies, for the year and make any deposits required. A deposit is required if an employer has more than \$100 of tax outstanding at the end of a calendar quarter.

Making Deposits

The FUTA tax rate is 6.2% of the first \$7,000 in wages paid to each employee in 1994. Peter figures his deposits under the assumption that he will receive full credit for the state unemployment tax he paid. The maximum credit allowed is 5.4%. He figures his deposits using an effective tax rate of 0.8% (6.2% minus 5.4%). Although he has a state experience rate of less than 5.4%, he is still able to take the 5.4% credit.

Peter will not know until the end of the year whether the 5.4% credit will be reduced for employers in his state. If it is reduced, he must take the reduction into account when figuring the deposit for the fourth quarter.

First quarter. There were 13 paydays for Peter's employees in the first quarter of 1994. Each employee's wages remained the same each payday. The following table shows how much of each employee's total wages for the first quarter was subject to FUTA tax:

Employee	Wages paid in first <u>quarter</u>	Wages subject to FUTA in <u>first quarter</u>
R. Apple	\$7,800	\$7,000
J. Jones	6,500	6,500
F. Plum	<u>5,200</u>	<u>5,200</u>
Total	\$19,500	\$18,700
Tax rate		<u>×.008</u>
FUTA tax liability for first quarter		<u>\$149.60</u>

Peter figures his tax for the quarter as 0.8% of \$18,700, or \$149.60. Because this is more than \$100, he must deposit it by May 2, 1994 (since April 30 falls on a Saturday).

Second quarter. There were 13 paydays for Peter's employees in the second quarter also. Each employee's wages remained the same. The following table shows how much of each employee's total wages for the second quarter were subject to FUTA tax:

Employee	Wages paid in second quarter	Wages subject to FUTA in prior quarter	Wages subject to FUTA in second quarter
R. Apple . . .	\$7,800	\$7,000	\$ -0-
J. Jones . . .	6,500	6,500	500
F. Plum . . .	<u>5,200</u>	<u>5,200</u>	<u>1,800</u>
Total . . .	<u>\$19,500</u>		<u>\$2,300</u>
Tax rate . . .			<u>×.008</u>
FUTA tax liability for second quarter . . .			<u>\$18.40</u>

The wages he paid to all his employees reached the yearly \$7,000 limit during the second quarter. For example, all the wages paid to J. Jones in the first quarter, \$6,500, were subject to the tax. Therefore, only \$500 (\$7,000 minus \$6,500) of Jones's second quarter wages are subject to the tax.

Peter's FUTA tax liability for the second quarter is \$18.40. This is figured by multiplying the total wages subject to the tax in the quarter (\$2,300) by the tax rate (0.8%). He does not have to make a deposit for the second quarter because the amount he owes is not more than \$100.

Third quarter. Peter carried over his second quarter tax liability of \$18.40 to the third quarter. However, since he already reached the \$7,000 limit for all his employees in the second quarter, none of the wages paid in the third quarter are subject to FUTA tax.

Fourth quarter. Peter carried his tax liability of \$18.40 to the fourth quarter. Since Peter did not pay wages that are subject to the unemployment compensation laws of a credit reduction state, he does not have to figure a credit reduction for the fourth quarter. He can either deposit the \$18.40 or pay it with his Form 940 or Form 940-EZ by January 31, 1995.

Peter can file Form 940-EZ, a simplified version of Form 940, because (1) he paid state unemployment taxes to only one state; (2) he paid all the state unemployment taxes by the due date of Form 940 or Form 940-EZ; (3) all his wages taxable for FUTA tax were also taxable for state unemployment tax; and (4) he paid no wages in 1994 subject to the unemployment compensation laws of a credit reduction state. If Peter did not meet these four conditions, he would have to file Form 940.

Filing Out Form 940-EZ

Peter begins filling in Form 940-EZ by entering his name, address, calendar year, and employer identification number.

Items A and B. Peter enters the amount he paid to the state unemployment fund, \$630.00. He then enters the name of his state and his state reporting number.

Part I

Line 1. Peter enters the total amount he paid to his employees during 1994. His payroll was \$78,000 for 1994.

Line 2. None of the wages he paid in 1994 were exempt from FUTA tax. Peter does not enter anything on this line. (Wages paid to a family member are an example of exempt wages.)

Line 3. Peter enters \$57,000, the amount of wages he paid that was over the \$7,000 limit for each employee. Any amount included on line 2 should not be included on this line.

Line 4. Peter enters \$57,000, the sum of lines 2 and 3.

Line 5. Peter subtracts his total exempt payments on line 4 from his total payments on line 1. He enters the difference, \$21,000, on line 5. This is the amount of his 1994 wage payments subject to FUTA tax.

Line 6. Peter enters \$168.00, 0.8% of the \$21,000 in taxable wages listed on line 5.

Line 7. Peter enters \$149.60, the amount of his FUTA tax deposit for the first quarter. He made no other deposits during the year.

Line 8. Because his deposits do not equal his tax liability for the year, Peter writes a check for the additional amount (\$18.40).

Line 9. Because he did not overpay the tax, Peter leaves this line blank.

Part II (Tax Liability Record)

Peter enters his tax for the first quarter, \$149.60, in the first column. He enters his tax for the second quarter, \$18.40, in the second column. He enters -0- in the third and fourth quarter columns because he has no tax liability for those quarters. Peter enters his total tax liability, \$168.00, in the last column.

Signature and date. Peter signs the return, enters his title as "owner," and enters the date.

Employer's Quarterly Federal Tax Return

▶ See separate instructions for information on completing this return.
 Please type or print.

Enter state code for state in which deposits made (see page 2 of instructions).

Name (as distinguished from trade name) **Peter Cone**
 Trade name, if any

Date quarter ended **Dec. 31, 1994**
 Employer identification number **10-1234567**
 City, state, and ZIP code **Pinetown, VA 23000**

Address (number and street) **362 Main Street**

OMB No. 1545-0029
T
FF
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T

If address is different from prior return, check here

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	4	4	4
5	5	5	6	7	8	8	8	8	8	8	9	9	9	10	10	10	10	10	10

If you do not have to file returns in the future, check here and enter date final wages paid ▶
 If you are a seasonal employer, see **Seasonal employers** on page 2 and check here (see instructions) ▶

1 Number of employees (except household) employed in the pay period that includes March 12th ▶			
2 Total wages and tips subject to withholding, plus other compensation	2	19500	00
3 Total income tax withheld from wages, tips, and sick pay	3	1820	00
4 Adjustment of withheld income tax for preceding quarters of calendar year	4		
5 Adjusted total of income tax withheld (line 3 as adjusted by line 4—see instructions).	5	1820	00
6a Taxable social security wages		\$ 19500	00 × 12.4% (.124) =
6b Taxable social security tips		\$	× 12.4% (.124) =
7 Taxable Medicare wages and tips		\$ 19500	00 × 2.9% (.029) =
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	2983	50
9 Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =	9		
10 Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)	10	2983	50
11 Total taxes (add lines 5 and 10)	11	4803	50
12 Advance earned income credit (EIC) payments made to employees, if any	12		
13 Net taxes (subtract line 12 from line 11). This should equal line 17, column (d) below (or line D of Schedule B (Form 941))	13	4803	50
14 Total deposits for quarter, including overpayment applied from a prior quarter	14	4803	50
15 Balance due (subtract line 14 from line 13). Pay to Internal Revenue Service	15		
16 Overpayment, if line 14 is more than line 13, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return OR <input type="checkbox"/> Refunded.			
<ul style="list-style-type: none"> • 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 ▶ <input type="checkbox"/> • Monthly depositors: Complete line 17, columns (a) through (d) and check here ▶ <input checked="" type="checkbox"/> 			

17 Monthly Summary of Federal Tax Liability.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
1847.50	1478.00	1478.00	4803.50

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 ▶ *Peter Cone* Print Your Name and Title ▶ Peter Cone, owner Date ▶ 2/5/95

Employer's Annual Federal Unemployment (FUTA) Tax Return

1994

**If incorrect,
make any
necessary
changes.** ▶

Name (as distinguished from trade name) Peter Cone	Calendar year 1994
Trade name, if any	
Address and ZIP code 362 Main Street Pinetown, VA 23000	Employer identification number 10:1234567

T	
FF	
FD	
FP	
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T	

Follow the chart under **Who May Use Form 940-EZ** on page 2. If you cannot use Form 940-EZ, you must use Form 940 instead.

A Enter the amount of contributions paid to your state unemployment fund. (See instructions for line A on page 4.) ▶ \$ 630 | 00

B (1) Enter the name of the state where you have to pay contributions ▶ Virginia

(2) Enter your state reporting number as shown on state unemployment tax return. ▶ 0-000000-0

If you will not have to file returns in the future, check here (see **Who Must File**, on page 2) **complete, and sign the return** ▶

If this is an Amended Return check here ▶

Part I Taxable Wages and FUTA Tax

1 Total payments (including payments shown on lines 2 and 3) during the calendar year for services of employees	1		78000	00
2 Exempt payments. (Explain all exempt payments, attaching additional sheets if necessary.) ▶	2	Amount paid		
3 Payments for services of more than \$7,000. Enter only amounts over the first \$7,000 paid to each employee. Do not include any exempt payments from line 2. Do not use your state wage limitation. The \$7,000 amount is the Federal wage base. Your state wage base may be different	3	57000	00	
4 Total exempt payments (add lines 2 and 3)	4		57000	00
5 Total taxable wages (subtract line 4 from line 1)	5		21000	00
6 FUTA tax. Multiply the wages on line 5 by .008 and enter here. (If the result is over \$100, also complete Part II.)	6		168	00
7 Total FUTA tax deposited for the year, including any overpayment applied from a prior year (from your records)	7		149	60
8 Amount you owe (subtract line 7 from line 6). This should be \$100 or less. Pay to "Internal Revenue Service" ▶	8		18	40
9 Overpayment (subtract line 6 from line 7). Check if it is to be: <input type="checkbox"/> Applied to next return, or <input type="checkbox"/> Refunded. ▶	9			

Part II Record of Quarterly Federal Unemployment Tax Liability (Do not include state liability.) Complete only if line 6 is over \$100.

Quarter	First (Jan. 1 – Mar. 31)	Second (Apr. 1 – June 30)	Third (July 1 – Sept. 30)	Fourth (Oct. 1 – Dec. 31)	Total for year
Liability for quarter	149.60	18.40	-0-	-0-	168.00

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, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments to employees.

Signature ▶ Peter Cone Title (Owner, etc.) ▶ Owner Date ▶ 1/25/95

18. Special Rules for Various Types of Services and Products

(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
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.	Exempt (except 2% shareholder-employees of S corporations)	Exempt	Exempt
Agricultural labor	See Circular A	See Circular A	See Circular A
Aliens: (Aliens not qualifying as resident aliens under the statutory definition contained in section 7701(b) are defined as nonresident aliens. See Pub. 515 , <i>Withholding of Tax on Nonresident Aliens and Foreign Corporations</i> , and Pub. 519 , <i>U.S. Tax Guide for Aliens</i> , for more information.)			
a. Resident			
1. Service performed in U.S.	Same as U.S. citizen	Same as U.S. citizen; service as crew member of foreign vessel or aircraft exempt if any part is performed outside U.S.	Same as U.S. citizen
2. Service performed outside U.S.	Withhold	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	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
b. Nonresident working in U.S.			
1. Canadians and Mexicans entering U.S. frequently in transportation service across boundary, or in construction or operation of waterway, bridge, etc., at boundary.	Exempt under the conditions stated in the regulations	Exempt if railroad service	Exempt if railroad service
2. Other Canadians and Mexicans entering U.S. frequently to work.	Same as U.S. citizen	Same as U.S. citizen	Same as U.S. citizen
3. Workers from any foreign country or its possession lawfully admitted on a temporary basis to perform agricultural labor (H-2(A) visas only).	Exempt	Exempt	Exempt, but counted to see if either test in section 17 of Circular A is met. Caution: This provision was scheduled to expire on December 31, 1994, unless extended by law.
4. 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 unless excepted by regulations	Exempt if service is performed for purpose specified in section 101(a)(15) (F), (J), (M), or (Q) of Immigration and Nationality Act	
5. All other nonresidents working in U.S.	Withhold unless excepted by regulations	Same as U.S. citizen; service as crew member of foreign vessel or aircraft exempt if any part performed outside U.S. and employer is not "American employer"	Same as U.S. citizen
c. Nonresident working on American vessel or aircraft outside U.S.	Exempt	Taxable if under contract made in U.S., or worker is employed on vessel or aircraft when it touches U.S. port	
Cafeteria plans under section 125.	If the employee chooses cash, subject to all employment taxes. If the employee chooses another benefit, the treatment is the same as if the benefit were provided outside the plan.		
Deceased worker:			
a. Wages paid to beneficiary or estate in same calendar year of worker's death.	Exempt	Taxable	Taxable
b. Wages paid to beneficiary or estate after the calendar year of worker's death. See Instructions for Form W-2 for details.	Exempt	Exempt	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 will be excludable from gross income under section 129		

Special classes of employment and special types of payments	Treatment under employment taxes		
	Income tax withholding	Social security and Medicare	Federal unemployment
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
Dismissal or severance pay.	Withhold	Taxable	Taxable
Domestic service in college clubs, fraternities, and sororities.	Exempt (Withhold if both employer and employee voluntarily agree)	Exempt if paid to regular student; also 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 in any calendar quarter in the current or preceding year
Educational assistance programs.	Exempt to the extent it is reasonable to believe the amounts will be excludable from gross income under section 127. Caution: <i>This provision was scheduled to expire on December 31, 1994, unless extended by law.</i>		
Employee achievement awards.	Exempt to the extent it is reasonable to believe the amounts will be excludable from gross income under section 74(c)		
Employee business expense reimbursement:			
a. Accountable plan.			
1. Amounts not exceeding specified government rate for per diem or standard mileage.	Exempt	Exempt	Exempt
2. Amounts in excess of specified government rate for per diem or standard mileage.	Withhold	Taxable	Taxable
b. Nonaccountable plan. (See page 6 for details.)	Withhold	Taxable	Taxable
Family employees:			
a. Child employed by parent (or by partnership consisting only of parents).	Withhold	Exempt until age 18	Exempt until age 21
b. Child employed by parent-owned S corporation.	Withhold	Taxable	Taxable
c. Child employed by parent for domestic work.	Exempt (Withhold if both employer and employee voluntarily agree)	Exempt until age 21	Exempt until age 21
d. Parent employed by a child.	Withhold	Taxable if in course of the child's business. For household work in private home of a child, see Pub. 926.	Exempt
e. Spouse employed by spouse.	Withhold	Taxable if in course of spouse's business	Exempt
Federal employees:			
a. Members of uniformed services; Young Adult Conservation Corps, Job Corps, or National Volunteer Antipoverty Program; Peace Corps volunteers.	Withhold	Taxable	Exempt
b. All others.	Withhold	Taxable if employee is covered by FERS or has a break in service of more than 1 year (unless the break in service was for temporary military or reserve duty). Others generally subject to Medicare tax	Exempt unless worker is a seaman performing services on or in connection with American vessel owned by or chartered to the United States and operated by general agent of Secretary of Commerce
Fishing and related activities:			
a. Salmon or halibut.	Withhold unless c. applies	Taxable unless c. applies	Taxable unless c. applies
b. Other fish, sponges, etc.	Withhold unless c. applies	Taxable unless c. applies	Exempt unless on vessel of more than 10 net tons (and c. does not apply)
c. An arrangement with the owner or operator of a boat by which the individual is not paid cash remuneration but receives a share of the boat's catch (or proceeds from the sale of the catch), the share depending on the boat's catch, and the operating crew of the boat is normally fewer than 10 individuals.*	Exempt	Exempt	Exempt
Foreign governments and international organizations.	Exempt	Exempt	Exempt

*Income derived by Native Americans exercising fishing rights is generally exempt from employment taxes.

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: a. As U.S. Government employee. b. 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 (See also Federal employees on page 25.) 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
Fringe benefits. (See pages 6 and 7.)	Subject to withholding and employment taxes on excess of fair market value of the benefit over the sum of any amount paid for it by the employee and any amount excludable by law. However, optional special valuation rules may apply.*		
Group-term life insurance costs.	Exempt	Generally, only the cost of group-term life insurance that is includible in gross income is taxable (Special rules apply for former employees.)	Exempt
Homeworkers (industrial, cottage industry): a. Common law employees. b. Statutory employees. (See page 5.)	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Household workers (domestic service in private homes; farmers, see Circular A). (Also see Domestic service in college clubs on page 25.)	Exempt (Withhold if both employer and employee voluntarily agree)	Taxable if paid \$1,000 or more in cash in calendar year. Beginning in 1995, 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.	Taxable if employer paid cash wages of \$1,000 or more in any quarter in the current or preceding calendar year
Insurance agents or solicitors: a. Full-time life insurance salesperson. b. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law Withhold only if employee under common law	Generally taxable, regardless of common law Taxable only if employee under common law	Exempt if not common law employee or if paid solely by commissions Exempt if not common law employee or if paid solely by commissions
Interns working in hospitals.	Withhold	Taxable	Exempt
Leave-sharing plans: Amounts paid to an employee pursuant to a leave-sharing plan. (See Rev. Rul. 90-29, 1990-1 C.B. 11.)	Withhold	Taxable	Taxable
Loans with below-market interest rates (for foregone interest and deemed original issue discount). (See section 7872 and related regulations for details.)	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
Meals and lodging including those furnished at a bargain charge to the employee. (For household employees, agricultural labor, and service not in the course of the employer's trade or business, see Noncash payments on page 27.)	Meals —Subject to withholding and taxable unless furnished for employer's convenience and on the employer's premises. For information on the de minimis fringe exclusion, see section 132(e)(2) Lodging —Subject to withholding and taxable unless furnished on employer's premises, for the employer's convenience, and as condition of employment		
Ministers of churches performing duties as such. (Note: Ministers are subject to self-employment tax unless Form 4361 has been filed and approved. See Pub. 517.)	Exempt (Withhold if both employer and employee voluntarily agree)	Exempt	Exempt

* **Note:** Benefits provided under cafeteria plans may qualify for exclusion from wages for social security, Medicare, and Federal unemployment taxes. Employer-provided outplacement services may also qualify for exclusion. See Rev. Rul. 92-69, 1992-2 C.B. 51.

Special classes of employment and special types of payments	Treatment under employment taxes		
	Income tax withholding	Social security and Medicare	Federal unemployment
Members of religious orders who have taken a vow of poverty and who are instructed by the order to perform services: a. For the order, agency of the supervising church, or associated institution. b. For any organization other than those described in a. above. (See Rev. Rul. 76-323, 1976-2 C.B. 18, as clarified by Rev. Rul. 77-290, 1977-2 C.B. 26, and amplified by Rev. Rul. 80-332, 1980-2 C.B. 35.)	Exempt Withhold	Exempt, unless the religious order or autonomous subdivision thereof irrevocably elects coverage for entire active membership Taxable	Exempt Taxable
Members of religious orders who have not taken a vow of poverty and who are instructed by the order to perform services: a. For the order, agency of the supervising church, or associated institution. b. For any organization other than those described in a. above. (See Rev. Ruls. 76-323, 77-290, and 80-332.)	Exempt Withhold	Exempt Taxable	Exempt Taxable
Moving expense reimbursement: a. Qualified expenses. b. Nonqualified expenses.	Exempt, unless you have knowledge that the employee deducted the expenses in a prior year. Withhold	Taxable	Taxable
Newspaper carrier under age 18.	Exempt (Withhold if both employer and employee voluntarily agree)	Exempt	Exempt
Newspaper and magazine vendors buying at fixed prices and retaining excess from sales to customers.	Exempt (Withhold if both employer and employee voluntarily agree)	Exempt	Exempt
Noncash payments: a. For household work, agricultural labor, and service not in the course of the employer's trade or business. b. 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: a. Religious, educational, charitable, etc., organizations described in section 501(c)(3) exempt from income tax under section 501(a). b. Corporations organized under Act of Congress described in section 501(c)(1). c. Other organizations exempt under section 501(a) (other than a pension, profit-sharing, or stock bonus plan described in section 401(a)) or under section 521.	Withhold Withhold Withhold	Taxable if paid \$100 or more in a year. (See Form 8274 , Certification by Churches and Qualified Church-Controlled Organizations Electing Exemption From Employer Social Security and Medicare Taxes, to elect exemption for certain churches and church-controlled organizations) Taxable if employee is paid \$100 or more in a year unless services excepted by section 3121(b)(5) or (6) Taxable if employee is paid \$100 or more in a year	Exempt Taxable if employee earns \$50 or more in a quarter unless services excepted by section 3306(c)(6) Taxable if employee earns \$50 or more in a quarter
Partners: Bona fide members of a partnership.	Exempt	Exempt	Exempt
Patients employed by hospitals.	Withhold	Taxable (Exempt for state or local government hospitals)	Exempt
Railroads, etc.—Payments subject to Railroad Retirement Tax Act.	Withhold	Exempt	Exempt
Retirement and pension plans: a. Employer contributions to a qualified plan.	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
Retirement and pension plans: <i>(continued)</i>			
b. Elective contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (e.g., 401(k)).	Generally exempt, but see section 402(g) for limitation	Taxable	Taxable
c. Employer contributions to certain nonqualified deferred compensation arrangements.	Withhold*	Taxable**	Taxable**
d. Employer contributions to individual retirement accounts under a simplified employee pension plan (SEP).	Generally exempt, but see section 402(g) for salary reduction SEP limitation	Exempt, except for amounts contributed under a salary reduction SEP agreement	Exempt, except for amounts contributed under a salary reduction SEP agreement
e. Employer contributions to section 403(b) annuity contracts.	Generally exempt, but see section 402(g) for limitation	Taxable if paid through a salary reduction agreement (written or otherwise)	Taxable if paid through a salary reduction agreement (written or otherwise)
f. Distributions from qualified retirement and pension plans and section 403(b) annuities***	Withhold, but recipient may elect exemption on Form W-4P in certain cases; 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover	Exempt	Exempt
Salespersons:			
a. Common law employees.	Withhold	Taxable	Taxable
b. Statutory employees (see page 5).	Exempt	Taxable	Taxable
c. Qualified real estate agents and direct sellers.	Exempt. Treated as if self-employed individuals if substantially all payments directly related to sales or other output and services performed as nonemployee specified in written contract. Direct sellers must be in the business of selling consumer products other than in a permanent retail place of business.		
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 below.	
Severance 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 cash 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
Sickness or injury payments under:			
a. Worker's compensation law.	Exempt	Exempt	Exempt
b. Certain employer plans.	Withhold. See page 7.	} Exempt after end of 6 calendar months after calendar month employee last worked for employer	
c. No employer plan.	Withhold. See page 7.		
State governments and political subdivisions, employees of:			
a. Fees of public officials.	Exempt	Taxable if certain transportation services or if covered by a section 218 (Social Security Act) agreement	Exempt
b. Salaries and wages.	Withhold	Taxable (for Medicare tax only) for employees, not otherwise covered by a section 218 agreement, hired after 3/31/86 Taxable for services performed by employees who are not members of retirement systems of employers. See section 3121(b)(7)(F)	Exempt
Students:			
a. Student working for private school, college, or university, if enrolled and regularly attending classes.	Withhold	Exempt	Exempt

* Withhold, for funded plans, when employee's rights to amounts are not subject to substantial risk of forfeiture or are transferable free of such risk. Withhold, for unfunded plans, generally when payments are received, either constructively or actually.

** Taxable when services are performed or when there is no substantial risk of forfeiture of the rights to these amounts, whichever is later.

*** A special effective date may apply to section 403(b) annuities.

Special classes of employment and special types of payments	Treatment under employment taxes		
	Income tax withholding	Social security and Medicare	Federal unemployment
Students: (continued)			
b. Student performing services for auxiliary nonprofit organization described in section 509(a)(3) which is organized and operated exclusively for the benefit of, and supervised or controlled by, a school, college, or university at which the student is enrolled and regularly attending classes.	Withhold	Exempt unless the school, college, or university is an institution of a state or political subdivision thereof and services performed in its employ by a student are covered under an agreement between the state and Secretary of Health and Human Services.	Exempt
c. Student working for public school, college, or university, if enrolled and regularly attending classes, and student nurse working for public hospital.	Withhold	Taxable only if covered by a section 218 (Social Security Act) agreement. Otherwise, the wages are not taxable.	Exempt
d. Spouse of student, if that spouse is advised at the time service begins that (1) the employment is provided under a program to provide financial assistance to the student by the school, college, or university, and (2) the employment will not be covered by any program of unemployment insurance.	Withhold	See Nonprofit organizations and State governments and political subdivisions, employees of , above.	Exempt
e. Student enrolled in a full-time program at a nonprofit or public educational institution. Institution must normally maintain a regular faculty and curriculum and normally have a regularly organized body of students where its educational activities are carried on. Student's service must be taken for credit at the institution. It must combine academic instruction with work experience. It must be an integral part of the program, and the institution must have so certified to the employer.	Withhold	Taxable	Exempt unless program was established for or on behalf of an employer or group of employers
f. Student nurse performing services for hospital as incidental part of student nurse's training, where employment is substantially less than full time, and total earnings are nominal.	Withhold	Exempt	Exempt
g. Students employed by organized camps.	Withhold	Taxable	Exempt (section 3306(c)(20))
Supplemental unemployment compensation plan benefits.	Withhold	Exempt	Exempt
Tips:			
a. If \$20 or more in a month.	Withhold	Taxable	Taxable, for all tips reported in writing to employer
b. If less than \$20 in a month.	Exempt	Exempt	Exempt
Wage limit:			
a. Maximum taxable wages paid each employee by same employer in same calendar year.	Unlimited	Maximum social security wage base is \$60,600 for 1994 and \$61,200 for 1995. All 1994 and 1995 wages are subject to Medicare tax. (Limit for new owner of business is reduced by predecessor's wage payments in certain cases.)	\$7,000
b. Individuals concurrently employed by two or more related corporations and paid through a common paymaster that is one of the corporations. See Regulations sections 31.3121(s)-1 and 31.3306(p)-1 for details.	Withhold	The related corporations are considered to be a single employer for purposes of paying wages subject to social security, Medicare, and FUTA taxes. (Limit for new owner of business is reduced by predecessor's wage payments in certain cases.)	
Worker's compensation.	Exempt	Exempt	Exempt

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

Percentage Method

If you do not want to use the wage bracket tables on pages 34-53 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 32 and 33.

Percentage Method—Amount for One Withholding Allowance

Payroll period	One withholding allowance
Weekly	\$48.08
Biweekly	96.15
Semimonthly	104.17
Monthly	208.33
Quarterly	625.00
Semiannually	1,250.00
Annually	2,500.00
Daily or miscellaneous (each day of the payroll period)	9.62

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 | \$48.08 |
| 3. Allowances claimed on Form W-4 | <u>2</u> |
| 4. Multiply line 2 by line 3. | <u>\$96.16</u> |
| 5. Amount subject to withholding (subtract line 4 from line 1) | \$353.84 |
| 6. Tax to be withheld on \$353.84 from Table 1—single person, page 32 | <u>\$ 45.58</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 \$10,000 (the value of four withholding allowances) for a balance of \$42,000. Using the table for the annual payroll period, \$5,340.00 is withheld. Divide the annual tax by 52. The weekly tax is \$102.69.

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 34 through 53) 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 above. Be sure to reduce wages by the amount of total withholding allowances before using the percentage method tables on pages 32 and 33.

Adjusting Wage Bracket Withholding for Employees Claiming More Than 10 Withholding Allowances

Note: The percentage method of figuring withholding adapts to any number of 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 employees with 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** above.)
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 methods described below.

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. 493**, Alternative Tax Withholding Methods and Tables, 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. 493 are annualized wages, average estimated wages, cumulative wages, and part-year employment. For more information on alternative methods, see Regulations sections 31.3402(h)(1)-1—(h)(4)-1.

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 under Other Methods in Pub. 493. See page 17 in this booklet for an explanation of the advance payment of the EIC.

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 54 and 55. 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.

Wage Bracket Method

If you use the wage bracket tables on pages 56 through 59, 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.

Whole-Dollar Withholding and Paying Advance EIC

The income tax withholding amounts in the wage bracket tables (pages 34 through 53) have been rounded to whole-dollar amounts.

When employers use the percentage method (pages 32 and 33) 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 56 through 59) have also been rounded to whole-dollar amounts. If you use the percentage method for advance EIC payments (pages 54 and 55), 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. For example, \$2.30 becomes \$2, and \$2.80 becomes \$3.

Tables for Percentage Method of Withholding
(For Wages Paid in 1995)

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 \$123		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$50	—\$476	15%	—\$50	\$123	—\$828	15%	—\$123
\$476	—\$999	\$63.90 plus 28%	—\$476	\$828	—\$1,664	\$105.75 plus 28%	—\$828
\$999	—\$2,295	\$210.34 plus 31%	—\$999	\$1,664	—\$2,839	\$339.83 plus 31%	—\$1,664
\$2,295	—\$4,960	\$612.10 plus 36%	—\$2,295	\$2,839	—\$5,011	\$704.08 plus 36%	—\$2,839
\$4,960	. . . . .	\$1,571.50 plus 39.6%	—\$4,960	\$5,011	. . . . .	\$1,486.00 plus 39.6%	—\$5,011

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 \$100		\$0		Not over \$246		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$100	—\$952	15%	—\$100	\$246	—\$1,656	15%	—\$246
\$952	—\$1,998	\$127.80 plus 28%	—\$952	\$1,656	—\$3,329	\$211.50 plus 28%	—\$1,656
\$1,998	—\$4,590	\$420.68 plus 31%	—\$1,998	\$3,329	—\$5,679	\$679.94 plus 31%	—\$3,329
\$4,590	—\$9,919	\$1,224.20 plus 36%	—\$4,590	\$5,679	—\$10,021	\$1,408.44 plus 36%	—\$5,679
\$9,919	. . . . .	\$3,142.64 plus 39.6%	—\$9,919	\$10,021	. . . . .	\$2,971.56 plus 39.6%	—\$10,021

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 \$108		\$0		Not over \$267		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$108	—\$1,031	15%	—\$108	\$267	—\$1,794	15%	—\$267
\$1,031	—\$2,165	\$138.45 plus 28%	—\$1,031	\$1,794	—\$3,606	\$229.05 plus 28%	—\$1,794
\$2,165	—\$4,973	\$455.97 plus 31%	—\$2,165	\$3,606	—\$6,152	\$736.41 plus 31%	—\$3,606
\$4,973	—\$10,746	\$1,326.45 plus 36%	—\$4,973	\$6,152	—\$10,856	\$1,525.67 plus 36%	—\$6,152
\$10,746	. . . . .	\$3,404.73 plus 39.6%	—\$10,746	\$10,856	. . . . .	\$3,219.11 plus 39.6%	—\$10,856

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 \$217		\$0		Not over \$533		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$217	—\$2,063	15%	—\$217	\$533	—\$3,588	15%	—\$533
\$2,063	—\$4,329	\$276.90 plus 28%	—\$2,063	\$3,588	—\$7,213	\$458.25 plus 28%	—\$3,588
\$4,329	—\$9,946	\$911.38 plus 31%	—\$4,329	\$7,213	—\$12,304	\$1,473.25 plus 31%	—\$7,213
\$9,946	—\$21,492	\$2,652.65 plus 36%	—\$9,946	\$12,304	—\$21,713	\$3,051.46 plus 36%	—\$12,304
\$21,492	. . . . .	\$6,809.21 plus 39.6%	—\$21,492	\$21,713	. . . . .	\$6,438.70 plus 39.6%	—\$21,713

Tables for Percentage Method of Withholding (Continued)
(For Wages Paid in 1995)

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 \$650		\$0		Not over \$1,600		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$650	—\$6,188	15%	—\$650	\$1,600	—\$10,763	15%	—\$1,600
\$6,188	—\$12,988	\$830.70 plus 28%	—\$6,188	\$10,763	—\$21,638	\$1,374.45 plus 28%	—\$10,763
\$12,988	—\$29,838	\$2,734.70 plus 31%	—\$12,988	\$21,638	—\$36,913	\$4,419.45 plus 31%	—\$21,638
\$29,838	—\$64,475	\$7,958.20 plus 36%	—\$29,838	\$36,913	—\$65,138	\$9,154.70 plus 36%	—\$36,913
\$64,475	. . . . .	\$20,427.52 plus 39.6%	—\$64,475	\$65,138	. . . . .	\$19,315.70 plus 39.6%	—\$65,138

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 \$1,300		\$0		Not over \$3,200		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$1,300	—\$12,375	15%	—\$1,300	\$3,200	—\$21,525	15%	—\$3,200
\$12,375	—\$25,975	\$1,661.25 plus 28%	—\$12,375	\$21,525	—\$43,275	\$2,748.75 plus 28%	—\$21,525
\$25,975	—\$59,675	\$5,469.25 plus 31%	—\$25,975	\$43,275	—\$73,825	\$8,838.75 plus 31%	—\$43,275
\$59,675	—\$128,950	\$15,916.25 plus 36%	—\$59,675	\$73,825	—\$130,275	\$18,309.25 plus 36%	—\$73,825
\$128,950	. . . . .	\$40,855.25 plus 39.6%	—\$128,950	\$130,275	. . . . .	\$38,631.25 plus 39.6%	—\$130,275

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 \$2,600		\$0		Not over \$6,400		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$2,600	—\$24,750	15%	—\$2,600	\$6,400	—\$43,050	15%	—\$6,400
\$24,750	—\$51,950	\$3,322.50 plus 28%	—\$24,750	\$43,050	—\$86,550	\$5,497.50 plus 28%	—\$43,050
\$51,950	—\$119,350	\$10,938.50 plus 31%	—\$51,950	\$86,550	—\$147,650	\$17,677.50 plus 31%	—\$86,550
\$119,350	—\$257,900	\$31,832.50 plus 36%	—\$119,350	\$147,650	—\$260,550	\$36,618.50 plus 36%	—\$147,650
\$257,900	. . . . .	\$81,710.50 plus 39.6%	—\$257,900	\$260,550	. . . . .	\$77,262.50 plus 39.6%	—\$260,550

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 \$10.00		\$0		Not over \$24.60		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$10.00	—\$95.20	15%	—\$10.00	\$24.60	—\$165.60	15%	—\$24.60
\$95.20	—\$199.80	\$12.78 plus 28%	—\$95.20	\$165.60	—\$332.90	\$21.15 plus 28%	—\$165.60
\$199.80	—\$459.00	\$42.07 plus 31%	—\$199.80	\$332.90	—\$567.90	\$67.99 plus 31%	—\$332.90
\$459.00	—\$991.90	\$122.42 plus 36%	—\$459.00	\$567.90	—\$1,002.10	\$140.84 plus 36%	—\$567.90
\$991.90	. . . . .	\$314.26 plus 39.6%	—\$991.90	\$1,002.10	. . . . .	\$297.15 plus 39.6%	—\$1,002.10

SINGLE Persons—WEEKLY 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	\$55	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	1	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	4	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	7	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	2	0	0	0	0	0	0	0	0
160	165	17	10	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	5	0	0	0	0	0	0	0	0
180	185	20	13	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	8	0	0	0	0	0	0	0	0
200	210	23	16	9	2	0	0	0	0	0	0	0
210	220	25	18	10	3	0	0	0	0	0	0	0
220	230	26	19	12	5	0	0	0	0	0	0	0
230	240	28	21	13	6	0	0	0	0	0	0	0
240	250	29	22	15	8	0	0	0	0	0	0	0
250	260	31	24	16	9	2	0	0	0	0	0	0
260	270	32	25	18	11	3	0	0	0	0	0	0
270	280	34	27	19	12	5	0	0	0	0	0	0
280	290	35	28	21	14	6	0	0	0	0	0	0
290	300	37	30	22	15	8	1	0	0	0	0	0
300	310	38	31	24	17	9	2	0	0	0	0	0
310	320	40	33	25	18	11	4	0	0	0	0	0
320	330	41	34	27	20	12	5	0	0	0	0	0
330	340	43	36	28	21	14	7	0	0	0	0	0
340	350	44	37	30	23	15	8	1	0	0	0	0
350	360	46	39	31	24	17	10	2	0	0	0	0
360	370	47	40	33	26	18	11	4	0	0	0	0
370	380	49	42	34	27	20	13	5	0	0	0	0
380	390	50	43	36	29	21	14	7	0	0	0	0
390	400	52	45	37	30	23	16	8	1	0	0	0
400	410	53	46	39	32	24	17	10	3	0	0	0
410	420	55	48	40	33	26	19	11	4	0	0	0
420	430	56	49	42	35	27	20	13	6	0	0	0
430	440	58	51	43	36	29	22	14	7	0	0	0
440	450	59	52	45	38	30	23	16	9	2	0	0
450	460	61	54	46	39	32	25	17	10	3	0	0
460	470	62	55	48	41	33	26	19	12	5	0	0
470	480	64	57	49	42	35	28	20	13	6	0	0
480	490	66	58	51	44	36	29	22	15	8	0	0
490	500	69	60	52	45	38	31	23	16	9	2	0
500	510	72	61	54	47	39	32	25	18	11	3	0
510	520	75	63	55	48	41	34	26	19	12	5	0
520	530	78	64	57	50	42	35	28	21	14	6	0
530	540	80	67	58	51	44	37	29	22	15	8	1
540	550	83	70	60	53	45	38	31	24	17	9	2
550	560	86	73	61	54	47	40	32	25	18	11	4
560	570	89	75	63	56	48	41	34	27	20	12	5
570	580	92	78	65	57	50	43	35	28	21	14	7
580	590	94	81	68	59	51	44	37	30	23	15	8
590	600	97	84	70	60	53	46	38	31	24	17	10

SINGLE Persons—WEEKLY 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—										
\$600	\$610	100	87	73	62	54	47	40	33	26	18	11
610	620	103	89	76	63	56	49	41	34	27	20	13
620	630	106	92	79	65	57	50	43	36	29	21	14
630	640	108	95	82	68	59	52	44	37	30	23	16
640	650	111	98	84	71	60	53	46	39	32	24	17
650	660	114	101	87	74	62	55	47	40	33	26	19
660	670	117	103	90	76	63	56	49	42	35	27	20
670	680	120	106	93	79	66	58	50	43	36	29	22
680	690	122	109	96	82	69	59	52	45	38	30	23
690	700	125	112	98	85	71	61	53	46	39	32	25
700	710	128	115	101	88	74	62	55	48	41	33	26
710	720	131	117	104	90	77	64	56	49	42	35	28
720	730	134	120	107	93	80	66	58	51	44	36	29
730	740	136	123	110	96	83	69	59	52	45	38	31
740	750	139	126	112	99	85	72	61	54	47	39	32
750	760	142	129	115	102	88	75	62	55	48	41	34
760	770	145	131	118	104	91	78	64	57	50	42	35
770	780	148	134	121	107	94	80	67	58	51	44	37
780	790	150	137	124	110	97	83	70	60	53	45	38
790	800	153	140	126	113	99	86	72	61	54	47	40
800	810	156	143	129	116	102	89	75	63	56	48	41
810	820	159	145	132	118	105	92	78	65	57	50	43
820	830	162	148	135	121	108	94	81	67	59	51	44
830	840	164	151	138	124	111	97	84	70	60	53	46
840	850	167	154	140	127	113	100	86	73	62	54	47
850	860	170	157	143	130	116	103	89	76	63	56	49
860	870	173	159	146	132	119	106	92	79	65	57	50
870	880	176	162	149	135	122	108	95	81	68	59	52
880	890	178	165	152	138	125	111	98	84	71	60	53
890	900	181	168	154	141	127	114	100	87	74	62	55
900	910	184	171	157	144	130	117	103	90	76	63	56
910	920	187	173	160	146	133	120	106	93	79	66	58
920	930	190	176	163	149	136	122	109	95	82	68	59
930	940	192	179	166	152	139	125	112	98	85	71	61
940	950	195	182	168	155	141	128	114	101	88	74	62
950	960	198	185	171	158	144	131	117	104	90	77	64
960	970	201	187	174	160	147	134	120	107	93	80	66
970	980	204	190	177	163	150	136	123	109	96	82	69
980	990	206	193	180	166	153	139	126	112	99	85	72
990	1,000	209	196	182	169	155	142	128	115	102	88	75
1,000	1,010	212	199	185	172	158	145	131	118	104	91	77
1,010	1,020	215	201	188	174	161	148	134	121	107	94	80
1,020	1,030	218	204	191	177	164	150	137	123	110	96	83
1,030	1,040	222	207	194	180	167	153	140	126	113	99	86
1,040	1,050	225	210	196	183	169	156	142	129	116	102	89
1,050	1,060	228	213	199	186	172	159	145	132	118	105	91
1,060	1,070	231	216	202	188	175	162	148	135	121	108	94
1,070	1,080	234	219	205	191	178	164	151	137	124	110	97
1,080	1,090	237	222	208	194	181	167	154	140	127	113	100
1,090	1,100	240	225	210	197	183	170	156	143	130	116	103
1,100	1,110	243	228	213	200	186	173	159	146	132	119	105
1,110	1,120	246	231	216	202	189	176	162	149	135	122	108
1,120	1,130	249	235	220	205	192	178	165	151	138	124	111
1,130	1,140	253	238	223	208	195	181	168	154	141	127	114
1,140	1,150	256	241	226	211	197	184	170	157	144	130	117
1,150	1,160	259	244	229	214	200	187	173	160	146	133	119
1,160	1,170	262	247	232	217	203	190	176	163	149	136	122
1,170	1,180	265	250	235	220	206	192	179	165	152	138	125
1,180	1,190	268	253	238	223	209	195	182	168	155	141	128
1,190	1,200	271	256	241	226	211	198	184	171	158	144	131
1,200	1,210	274	259	244	229	215	201	187	174	160	147	133
1,210	1,220	277	262	247	233	218	204	190	177	163	150	136
1,220	1,230	280	266	251	236	221	206	193	179	166	152	139
1,230	1,240	284	269	254	239	224	209	196	182	169	155	142
1,240	1,250	287	272	257	242	227	212	198	185	172	158	145

\$1,250 and over

Use Table 1(a) for a **SINGLE person** on page 32. Also see the instructions on page 30.

MARRIED Persons—WEEKLY 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	\$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	2	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	7	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	10	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	13	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	16	8	1	0	0	0	0	0	0	0
280	290	24	17	10	3	0	0	0	0	0	0	0
290	300	26	19	11	4	0	0	0	0	0	0	0
300	310	27	20	13	6	0	0	0	0	0	0	0
310	320	29	22	14	7	0	0	0	0	0	0	0
320	330	30	23	16	9	1	0	0	0	0	0	0
330	340	32	25	17	10	3	0	0	0	0	0	0
340	350	33	26	19	12	4	0	0	0	0	0	0
350	360	35	28	20	13	6	0	0	0	0	0	0
360	370	36	29	22	15	7	0	0	0	0	0	0
370	380	38	31	23	16	9	2	0	0	0	0	0
380	390	39	32	25	18	10	3	0	0	0	0	0
390	400	41	34	26	19	12	5	0	0	0	0	0
400	410	42	35	28	21	13	6	0	0	0	0	0
410	420	44	37	29	22	15	8	1	0	0	0	0
420	430	45	38	31	24	16	9	2	0	0	0	0
430	440	47	40	32	25	18	11	4	0	0	0	0
440	450	48	41	34	27	19	12	5	0	0	0	0
450	460	50	43	35	28	21	14	7	0	0	0	0
460	470	51	44	37	30	22	15	8	1	0	0	0
470	480	53	46	38	31	24	17	10	2	0	0	0
480	490	54	47	40	33	25	18	11	4	0	0	0
490	500	56	49	41	34	27	20	13	5	0	0	0
500	510	57	50	43	36	28	21	14	7	0	0	0
510	520	59	52	44	37	30	23	16	8	1	0	0
520	530	60	53	46	39	31	24	17	10	3	0	0
530	540	62	55	47	40	33	26	19	11	4	0	0
540	550	63	56	49	42	34	27	20	13	6	0	0
550	560	65	58	50	43	36	29	22	14	7	0	0
560	570	66	59	52	45	37	30	23	16	9	1	0
570	580	68	61	53	46	39	32	25	17	10	3	0
580	590	69	62	55	48	40	33	26	19	12	4	0
590	600	71	64	56	49	42	35	28	20	13	6	0
600	610	72	65	58	51	43	36	29	22	15	7	0
610	620	74	67	59	52	45	38	31	23	16	9	2
620	630	75	68	61	54	46	39	32	25	18	10	3
630	640	77	70	62	55	48	41	34	26	19	12	5
640	650	78	71	64	57	49	42	35	28	21	13	6
650	660	80	73	65	58	51	44	37	29	22	15	8
660	670	81	74	67	60	52	45	38	31	24	16	9
670	680	83	76	68	61	54	47	40	32	25	18	11
680	690	84	77	70	63	55	48	41	34	27	19	12
690	700	86	79	71	64	57	50	43	35	28	21	14
700	710	87	80	73	66	58	51	44	37	30	22	15
710	720	89	82	74	67	60	53	46	38	31	24	17
720	730	90	83	76	69	61	54	47	40	33	25	18
730	740	92	85	77	70	63	56	49	41	34	27	20

MARRIED Persons—WEEKLY 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—										
\$740	\$750	93	86	79	72	64	57	50	43	36	28	21
750	760	95	88	80	73	66	59	52	44	37	30	23
760	770	96	89	82	75	67	60	53	46	39	31	24
770	780	98	91	83	76	69	62	55	47	40	33	26
780	790	99	92	85	78	70	63	56	49	42	34	27
790	800	101	94	86	79	72	65	58	50	43	36	29
800	810	102	95	88	81	73	66	59	52	45	37	30
810	820	104	97	89	82	75	68	61	53	46	39	32
820	830	105	98	91	84	76	69	62	55	48	40	33
830	840	108	100	92	85	78	71	64	56	49	42	35
840	850	111	101	94	87	79	72	65	58	51	43	36
850	860	113	103	95	88	81	74	67	59	52	45	38
860	870	116	104	97	90	82	75	68	61	54	46	39
870	880	119	106	98	91	84	77	70	62	55	48	41
880	890	122	108	100	93	85	78	71	64	57	49	42
890	900	125	111	101	94	87	80	73	65	58	51	44
900	910	127	114	103	96	88	81	74	67	60	52	45
910	920	130	117	104	97	90	83	76	68	61	54	47
920	930	133	119	106	99	91	84	77	70	63	55	48
930	940	136	122	109	100	93	86	79	71	64	57	50
940	950	139	125	112	102	94	87	80	73	66	58	51
950	960	141	128	114	103	96	89	82	74	67	60	53
960	970	144	131	117	105	97	90	83	76	69	61	54
970	980	147	133	120	107	99	92	85	77	70	63	56
980	990	150	136	123	109	100	93	86	79	72	64	57
990	1,000	153	139	126	112	102	95	88	80	73	66	59
1,000	1,010	155	142	128	115	103	96	89	82	75	67	60
1,010	1,020	158	145	131	118	105	98	91	83	76	69	62
1,020	1,030	161	147	134	121	107	99	92	85	78	70	63
1,030	1,040	164	150	137	123	110	101	94	86	79	72	65
1,040	1,050	167	153	140	126	113	102	95	88	81	73	66
1,050	1,060	169	156	142	129	115	104	97	89	82	75	68
1,060	1,070	172	159	145	132	118	105	98	91	84	76	69
1,070	1,080	175	161	148	135	121	108	100	92	85	78	71
1,080	1,090	178	164	151	137	124	110	101	94	87	79	72
1,090	1,100	181	167	154	140	127	113	103	95	88	81	74
1,100	1,110	183	170	156	143	129	116	104	97	90	82	75
1,110	1,120	186	173	159	146	132	119	106	98	91	84	77
1,120	1,130	189	175	162	149	135	122	108	100	93	85	78
1,130	1,140	192	178	165	151	138	124	111	101	94	87	80
1,140	1,150	195	181	168	154	141	127	114	103	96	88	81
1,150	1,160	197	184	170	157	143	130	117	104	97	90	83
1,160	1,170	200	187	173	160	146	133	119	106	99	91	84
1,170	1,180	203	189	176	163	149	136	122	109	100	93	86
1,180	1,190	206	192	179	165	152	138	125	111	102	94	87
1,190	1,200	209	195	182	168	155	141	128	114	103	96	89
1,200	1,210	211	198	184	171	157	144	131	117	105	97	90
1,210	1,220	214	201	187	174	160	147	133	120	106	99	92
1,220	1,230	217	203	190	177	163	150	136	123	109	100	93
1,230	1,240	220	206	193	179	166	152	139	125	112	102	95
1,240	1,250	223	209	196	182	169	155	142	128	115	103	96
1,250	1,260	225	212	198	185	171	158	145	131	118	105	98
1,260	1,270	228	215	201	188	174	161	147	134	120	107	99
1,270	1,280	231	217	204	191	177	164	150	137	123	110	101
1,280	1,290	234	220	207	193	180	166	153	139	126	113	102
1,290	1,300	237	223	210	196	183	169	156	142	129	115	104
1,300	1,310	239	226	212	199	185	172	159	145	132	118	105
1,310	1,320	242	229	215	202	188	175	161	148	134	121	107
1,320	1,330	245	231	218	205	191	178	164	151	137	124	110
1,330	1,340	248	234	221	207	194	180	167	153	140	127	113
1,340	1,350	251	237	224	210	197	183	170	156	143	129	116
1,350	1,360	253	240	226	213	199	186	173	159	146	132	119
1,360	1,370	256	243	229	216	202	189	175	162	148	135	121
1,370	1,380	259	245	232	219	205	192	178	165	151	138	124
1,380	1,390	262	248	235	221	208	194	181	167	154	141	127

\$1,390 and over

Use Table 1(b) for a **MARRIED** person on page 32. Also see the instructions on page 30.

SINGLE Persons—BIWEEKLY 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	\$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	3	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	6	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	9	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	12	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	15	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	2	0	0	0	0	0	0	0	0	0
210	215	17	2	0	0	0	0	0	0	0	0	0
215	220	18	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	5	0	0	0	0	0	0	0	0	0
230	235	20	5	0	0	0	0	0	0	0	0	0
235	240	21	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	8	0	0	0	0	0	0	0	0	0
250	260	23	9	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	12	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	15	0	0	0	0	0	0	0	0	0
300	310	31	16	2	0	0	0	0	0	0	0	0
310	320	32	18	3	0	0	0	0	0	0	0	0
320	330	34	19	5	0	0	0	0	0	0	0	0
330	340	35	21	6	0	0	0	0	0	0	0	0
340	350	37	22	8	0	0	0	0	0	0	0	0
350	360	38	24	9	0	0	0	0	0	0	0	0
360	370	40	25	11	0	0	0	0	0	0	0	0
370	380	41	27	12	0	0	0	0	0	0	0	0
380	390	43	28	14	0	0	0	0	0	0	0	0
390	400	44	30	15	1	0	0	0	0	0	0	0
400	410	46	31	17	2	0	0	0	0	0	0	0
410	420	47	33	18	4	0	0	0	0	0	0	0
420	430	49	34	20	5	0	0	0	0	0	0	0
430	440	50	36	21	7	0	0	0	0	0	0	0
440	450	52	37	23	8	0	0	0	0	0	0	0
450	460	53	39	24	10	0	0	0	0	0	0	0
460	470	55	40	26	11	0	0	0	0	0	0	0
470	480	56	42	27	13	0	0	0	0	0	0	0
480	490	58	43	29	14	0	0	0	0	0	0	0
490	500	59	45	30	16	2	0	0	0	0	0	0
500	520	62	47	33	18	4	0	0	0	0	0	0
520	540	65	50	36	21	7	0	0	0	0	0	0
540	560	68	53	39	24	10	0	0	0	0	0	0
560	580	71	56	42	27	13	0	0	0	0	0	0
580	600	74	59	45	30	16	1	0	0	0	0	0
600	620	77	62	48	33	19	4	0	0	0	0	0
620	640	80	65	51	36	22	7	0	0	0	0	0
640	660	83	68	54	39	25	10	0	0	0	0	0
660	680	86	71	57	42	28	13	0	0	0	0	0
680	700	89	74	60	45	31	16	2	0	0	0	0
700	720	92	77	63	48	34	19	5	0	0	0	0
720	740	95	80	66	51	37	22	8	0	0	0	0
740	760	98	83	69	54	40	25	11	0	0	0	0
760	780	101	86	72	57	43	28	14	0	0	0	0
780	800	104	89	75	60	46	31	17	3	0	0	0

SINGLE Persons—BIWEEKLY 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—										
\$800	\$820	107	92	78	63	49	34	20	6	0	0	0
820	840	110	95	81	66	52	37	23	9	0	0	0
840	860	113	98	84	69	55	40	26	12	0	0	0
860	880	116	101	87	72	58	43	29	15	0	0	0
880	900	119	104	90	75	61	46	32	18	3	0	0
900	920	122	107	93	78	64	49	35	21	6	0	0
920	940	125	110	96	81	67	52	38	24	9	0	0
940	960	128	113	99	84	70	55	41	27	12	0	0
960	980	133	116	102	87	73	58	44	30	15	1	0
980	1,000	138	119	105	90	76	61	47	33	18	4	0
1,000	1,020	144	122	108	93	79	64	50	36	21	7	0
1,020	1,040	150	125	111	96	82	67	53	39	24	10	0
1,040	1,060	155	128	114	99	85	70	56	42	27	13	0
1,060	1,080	161	134	117	102	88	73	59	45	30	16	1
1,080	1,100	166	140	120	105	91	76	62	48	33	19	4
1,100	1,120	172	145	123	108	94	79	65	51	36	22	7
1,120	1,140	178	151	126	111	97	82	68	54	39	25	10
1,140	1,160	183	156	129	114	100	85	71	57	42	28	13
1,160	1,180	189	162	135	117	103	88	74	60	45	31	16
1,180	1,200	194	168	141	120	106	91	77	63	48	34	19
1,200	1,220	200	173	146	123	109	94	80	66	51	37	22
1,220	1,240	206	179	152	126	112	97	83	69	54	40	25
1,240	1,260	211	184	157	130	115	100	86	72	57	43	28
1,260	1,280	217	190	163	136	118	103	89	75	60	46	31
1,280	1,300	222	196	169	142	121	106	92	78	63	49	34
1,300	1,320	228	201	174	147	124	109	95	81	66	52	37
1,320	1,340	234	207	180	153	127	112	98	84	69	55	40
1,340	1,360	239	212	185	158	132	115	101	87	72	58	43
1,360	1,380	245	218	191	164	137	118	104	90	75	61	46
1,380	1,400	250	224	197	170	143	121	107	93	78	64	49
1,400	1,420	256	229	202	175	148	124	110	96	81	67	52
1,420	1,440	262	235	208	181	154	127	113	99	84	70	55
1,440	1,460	267	240	213	186	160	133	116	102	87	73	58
1,460	1,480	273	246	219	192	165	138	119	105	90	76	61
1,480	1,500	278	252	225	198	171	144	122	108	93	79	64
1,500	1,520	284	257	230	203	176	149	125	111	96	82	67
1,520	1,540	290	263	236	209	182	155	128	114	99	85	70
1,540	1,560	295	268	241	214	188	161	134	117	102	88	73
1,560	1,580	301	274	247	220	193	166	139	120	105	91	76
1,580	1,600	306	280	253	226	199	172	145	123	108	94	79
1,600	1,620	312	285	258	231	204	177	151	126	111	97	82
1,620	1,640	318	291	264	237	210	183	156	129	114	100	85
1,640	1,660	323	296	269	242	216	189	162	135	117	103	88
1,660	1,680	329	302	275	248	221	194	167	140	120	106	91
1,680	1,700	334	308	281	254	227	200	173	146	123	109	94
1,700	1,720	340	313	286	259	232	205	179	152	126	112	97
1,720	1,740	346	319	292	265	238	211	184	157	130	115	100
1,740	1,760	351	324	297	270	244	217	190	163	136	118	103
1,760	1,780	357	330	303	276	249	222	195	168	141	121	106
1,780	1,800	362	336	309	282	255	228	201	174	147	124	109
1,800	1,820	368	341	314	287	260	233	207	180	153	127	112
1,820	1,840	374	347	320	293	266	239	212	185	158	131	115
1,840	1,860	379	352	325	298	272	245	218	191	164	137	118
1,860	1,880	385	358	331	304	277	250	223	196	169	143	121
1,880	1,900	390	364	337	310	283	256	229	202	175	148	124
1,900	1,920	396	369	342	315	288	261	235	208	181	154	127
1,920	1,940	402	375	348	321	294	267	240	213	186	159	132
1,940	1,960	407	380	353	326	300	273	246	219	192	165	138
1,960	1,980	413	386	359	332	305	278	251	224	197	171	144
1,980	2,000	418	392	365	338	311	284	257	230	203	176	149
2,000	2,020	424	397	370	343	316	289	263	236	209	182	155
2,020	2,040	431	403	376	349	322	295	268	241	214	187	160
2,040	2,060	437	408	381	354	328	301	274	247	220	193	166
2,060	2,080	443	414	387	360	333	306	279	252	225	199	172
2,080	2,100	449	420	393	366	339	312	285	258	231	204	177

\$2,100 and over

Use Table 2(a) for a **SINGLE person** on page 32. Also see the instructions on page 30.

MARRIED Persons—BIWEEKLY 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	\$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	350	15	0	0	0	0	0	0	0	0	0	0
350	360	16	2	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	5	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	8	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	11	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	14	0	0	0	0	0	0	0	0	0
440	450	30	15	1	0	0	0	0	0	0	0	0
450	460	31	17	2	0	0	0	0	0	0	0	0
460	470	33	18	4	0	0	0	0	0	0	0	0
470	480	34	20	5	0	0	0	0	0	0	0	0
480	490	36	21	7	0	0	0	0	0	0	0	0
490	500	37	23	8	0	0	0	0	0	0	0	0
500	520	40	25	11	0	0	0	0	0	0	0	0
520	540	43	28	14	0	0	0	0	0	0	0	0
540	560	46	31	17	2	0	0	0	0	0	0	0
560	580	49	34	20	5	0	0	0	0	0	0	0
580	600	52	37	23	8	0	0	0	0	0	0	0
600	620	55	40	26	11	0	0	0	0	0	0	0
620	640	58	43	29	14	0	0	0	0	0	0	0
640	660	61	46	32	17	3	0	0	0	0	0	0
660	680	64	49	35	20	6	0	0	0	0	0	0
680	700	67	52	38	23	9	0	0	0	0	0	0
700	720	70	55	41	26	12	0	0	0	0	0	0
720	740	73	58	44	29	15	0	0	0	0	0	0
740	760	76	61	47	32	18	3	0	0	0	0	0
760	780	79	64	50	35	21	6	0	0	0	0	0
780	800	82	67	53	38	24	9	0	0	0	0	0
800	820	85	70	56	41	27	12	0	0	0	0	0
820	840	88	73	59	44	30	15	1	0	0	0	0
840	860	91	76	62	47	33	18	4	0	0	0	0
860	880	94	79	65	50	36	21	7	0	0	0	0
880	900	97	82	68	53	39	24	10	0	0	0	0
900	920	100	85	71	56	42	27	13	0	0	0	0
920	940	103	88	74	59	45	30	16	2	0	0	0
940	960	106	91	77	62	48	33	19	5	0	0	0
960	980	109	94	80	65	51	36	22	8	0	0	0
980	1,000	112	97	83	68	54	39	25	11	0	0	0
1,000	1,020	115	100	86	71	57	42	28	14	0	0	0
1,020	1,040	118	103	89	74	60	45	31	17	2	0	0
1,040	1,060	121	106	92	77	63	48	34	20	5	0	0
1,060	1,080	124	109	95	80	66	51	37	23	8	0	0
1,080	1,100	127	112	98	83	69	54	40	26	11	0	0
1,100	1,120	130	115	101	86	72	57	43	29	14	0	0
1,120	1,140	133	118	104	89	75	60	46	32	17	3	0
1,140	1,160	136	121	107	92	78	63	49	35	20	6	0
1,160	1,180	139	124	110	95	81	66	52	38	23	9	0
1,180	1,200	142	127	113	98	84	69	55	41	26	12	0
1,200	1,220	145	130	116	101	87	72	58	44	29	15	0
1,220	1,240	148	133	119	104	90	75	61	47	32	18	3
1,240	1,260	151	136	122	107	93	78	64	50	35	21	6
1,260	1,280	154	139	125	110	96	81	67	53	38	24	9
1,280	1,300	157	142	128	113	99	84	70	56	41	27	12
1,300	1,320	160	145	131	116	102	87	73	59	44	30	15
1,320	1,340	163	148	134	119	105	90	76	62	47	33	18
1,340	1,360	166	151	137	122	108	93	79	65	50	36	21
1,360	1,380	169	154	140	125	111	96	82	68	53	39	24

MARRIED Persons—BIWEEKLY 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—										
\$1,380	\$1,400	172	157	143	128	114	99	85	71	56	42	27
1,400	1,420	175	160	146	131	117	102	88	74	59	45	30
1,420	1,440	178	163	149	134	120	105	91	77	62	48	33
1,440	1,460	181	166	152	137	123	108	94	80	65	51	36
1,460	1,480	184	169	155	140	126	111	97	83	68	54	39
1,480	1,500	187	172	158	143	129	114	100	86	71	57	42
1,500	1,520	190	175	161	146	132	117	103	89	74	60	45
1,520	1,540	193	178	164	149	135	120	106	92	77	63	48
1,540	1,560	196	181	167	152	138	123	109	95	80	66	51
1,560	1,580	199	184	170	155	141	126	112	98	83	69	54
1,580	1,600	202	187	173	158	144	129	115	101	86	72	57
1,600	1,620	205	190	176	161	147	132	118	104	89	75	60
1,620	1,640	208	193	179	164	150	135	121	107	92	78	63
1,640	1,660	211	196	182	167	153	138	124	110	95	81	66
1,660	1,680	215	199	185	170	156	141	127	113	98	84	69
1,680	1,700	221	202	188	173	159	144	130	116	101	87	72
1,700	1,720	227	205	191	176	162	147	133	119	104	90	75
1,720	1,740	232	208	194	179	165	150	136	122	107	93	78
1,740	1,760	238	211	197	182	168	153	139	125	110	96	81
1,760	1,780	243	217	200	185	171	156	142	128	113	99	84
1,780	1,800	249	222	203	188	174	159	145	131	116	102	87
1,800	1,820	255	228	206	191	177	162	148	134	119	105	90
1,820	1,840	260	233	209	194	180	165	151	137	122	108	93
1,840	1,860	266	239	212	197	183	168	154	140	125	111	96
1,860	1,880	271	245	218	200	186	171	157	143	128	114	99
1,880	1,900	277	250	223	203	189	174	160	146	131	117	102
1,900	1,920	283	256	229	206	192	177	163	149	134	120	105
1,920	1,940	288	261	234	209	195	180	166	152	137	123	108
1,940	1,960	294	267	240	213	198	183	169	155	140	126	111
1,960	1,980	299	273	246	219	201	186	172	158	143	129	114
1,980	2,000	305	278	251	224	204	189	175	161	146	132	117
2,000	2,020	311	284	257	230	207	192	178	164	149	135	120
2,020	2,040	316	289	262	235	210	195	181	167	152	138	123
2,040	2,060	322	295	268	241	214	198	184	170	155	141	126
2,060	2,080	327	301	274	247	220	201	187	173	158	144	129
2,080	2,100	333	306	279	252	225	204	190	176	161	147	132
2,100	2,120	339	312	285	258	231	207	193	179	164	150	135
2,120	2,140	344	317	290	263	237	210	196	182	167	153	138
2,140	2,160	350	323	296	269	242	215	199	185	170	156	141
2,160	2,180	355	329	302	275	248	221	202	188	173	159	144
2,180	2,200	361	334	307	280	253	226	205	191	176	162	147
2,200	2,220	367	340	313	286	259	232	208	194	179	165	150
2,220	2,240	372	345	318	291	265	238	211	197	182	168	153
2,240	2,260	378	351	324	297	270	243	216	200	185	171	156
2,260	2,280	383	357	330	303	276	249	222	203	188	174	159
2,280	2,300	389	362	335	308	281	254	227	206	191	177	162
2,300	2,320	395	368	341	314	287	260	233	209	194	180	165
2,320	2,340	400	373	346	319	293	266	239	212	197	183	168
2,340	2,360	406	379	352	325	298	271	244	217	200	186	171
2,360	2,380	411	385	358	331	304	277	250	223	203	189	174
2,380	2,400	417	390	363	336	309	282	255	229	206	192	177
2,400	2,420	423	396	369	342	315	288	261	234	209	195	180
2,420	2,440	428	401	374	347	321	294	267	240	213	198	183
2,440	2,460	434	407	380	353	326	299	272	245	218	201	186
2,460	2,480	439	413	386	359	332	305	278	251	224	204	189
2,480	2,500	445	418	391	364	337	310	283	257	230	207	192
2,500	2,520	451	424	397	370	343	316	289	262	235	210	195
2,520	2,540	456	429	402	375	349	322	295	268	241	214	198
2,540	2,560	462	435	408	381	354	327	300	273	246	220	201
2,560	2,580	467	441	414	387	360	333	306	279	252	225	204
2,580	2,600	473	446	419	392	365	338	311	285	258	231	207
2,600	2,620	479	452	425	398	371	344	317	290	263	236	210
2,620	2,640	484	457	430	403	377	350	323	296	269	242	215
2,640	2,660	490	463	436	409	382	355	328	301	274	248	221
2,660	2,680	495	469	442	415	388	361	334	307	280	253	226

\$2,680 and over

Use Table 2(b) for a **MARRIED** person on page 32. Also see the instructions on page 30.

SINGLE Persons—SEMIMONTHLY 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	\$110	0	0	0	0	0	0	0	0	0	0	0
110	115	1	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	4	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	7	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	10	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	13	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	16	0	0	0	0	0	0	0	0	0	0
215	220	16	1	0	0	0	0	0	0	0	0	0
220	225	17	2	0	0	0	0	0	0	0	0	0
225	230	18	2	0	0	0	0	0	0	0	0	0
230	235	19	3	0	0	0	0	0	0	0	0	0
235	240	19	4	0	0	0	0	0	0	0	0	0
240	245	20	5	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	24	8	0	0	0	0	0	0	0	0	0
270	280	25	9	0	0	0	0	0	0	0	0	0
280	290	27	11	0	0	0	0	0	0	0	0	0
290	300	28	12	0	0	0	0	0	0	0	0	0
300	310	30	14	0	0	0	0	0	0	0	0	0
310	320	31	15	0	0	0	0	0	0	0	0	0
320	330	33	17	1	0	0	0	0	0	0	0	0
330	340	34	18	3	0	0	0	0	0	0	0	0
340	350	36	20	4	0	0	0	0	0	0	0	0
350	360	37	21	6	0	0	0	0	0	0	0	0
360	370	39	23	7	0	0	0	0	0	0	0	0
370	380	40	24	9	0	0	0	0	0	0	0	0
380	390	42	26	10	0	0	0	0	0	0	0	0
390	400	43	27	12	0	0	0	0	0	0	0	0
400	410	45	29	13	0	0	0	0	0	0	0	0
410	420	46	30	15	0	0	0	0	0	0	0	0
420	430	48	32	16	1	0	0	0	0	0	0	0
430	440	49	33	18	2	0	0	0	0	0	0	0
440	450	51	35	19	4	0	0	0	0	0	0	0
450	460	52	36	21	5	0	0	0	0	0	0	0
460	470	54	38	22	7	0	0	0	0	0	0	0
470	480	55	39	24	8	0	0	0	0	0	0	0
480	490	57	41	25	10	0	0	0	0	0	0	0
490	500	58	42	27	11	0	0	0	0	0	0	0
500	520	60	45	29	13	0	0	0	0	0	0	0
520	540	63	48	32	16	1	0	0	0	0	0	0
540	560	66	51	35	19	4	0	0	0	0	0	0
560	580	69	54	38	22	7	0	0	0	0	0	0
580	600	72	57	41	25	10	0	0	0	0	0	0
600	620	75	60	44	28	13	0	0	0	0	0	0
620	640	78	63	47	31	16	0	0	0	0	0	0
640	660	81	66	50	34	19	3	0	0	0	0	0
660	680	84	69	53	37	22	6	0	0	0	0	0
680	700	87	72	56	40	25	9	0	0	0	0	0
700	720	90	75	59	43	28	12	0	0	0	0	0
720	740	93	78	62	46	31	15	0	0	0	0	0
740	760	96	81	65	49	34	18	3	0	0	0	0
760	780	99	84	68	52	37	21	6	0	0	0	0
780	800	102	87	71	55	40	24	9	0	0	0	0
800	820	105	90	74	58	43	27	12	0	0	0	0

SINGLE Persons—SEMIMONTHLY 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—										
\$820	\$840	108	93	77	61	46	30	15	0	0	0	0
840	860	111	96	80	64	49	33	18	2	0	0	0
860	880	114	99	83	67	52	36	21	5	0	0	0
880	900	117	102	86	70	55	39	24	8	0	0	0
900	920	120	105	89	73	58	42	27	11	0	0	0
920	940	123	108	92	76	61	45	30	14	0	0	0
940	960	126	111	95	79	64	48	33	17	1	0	0
960	980	129	114	98	82	67	51	36	20	4	0	0
980	1,000	132	117	101	85	70	54	39	23	7	0	0
1,000	1,020	135	120	104	88	73	57	42	26	10	0	0
1,020	1,040	138	123	107	91	76	60	45	29	13	0	0
1,040	1,060	144	126	110	94	79	63	48	32	16	1	0
1,060	1,080	149	129	113	97	82	66	51	35	19	4	0
1,080	1,100	155	132	116	100	85	69	54	38	22	7	0
1,100	1,120	160	135	119	103	88	72	57	41	25	10	0
1,120	1,140	166	138	122	106	91	75	60	44	28	13	0
1,140	1,160	172	143	125	109	94	78	63	47	31	16	0
1,160	1,180	177	148	128	112	97	81	66	50	34	19	3
1,180	1,200	183	154	131	115	100	84	69	53	37	22	6
1,200	1,220	188	159	134	118	103	87	72	56	40	25	9
1,220	1,240	194	165	137	121	106	90	75	59	43	28	12
1,240	1,260	200	171	141	124	109	93	78	62	46	31	15
1,260	1,280	205	176	147	127	112	96	81	65	49	34	18
1,280	1,300	211	182	153	130	115	99	84	68	52	37	21
1,300	1,320	216	187	158	133	118	102	87	71	55	40	24
1,320	1,340	222	193	164	136	121	105	90	74	58	43	27
1,340	1,360	228	199	169	140	124	108	93	77	61	46	30
1,360	1,380	233	204	175	146	127	111	96	80	64	49	33
1,380	1,400	239	210	181	151	130	114	99	83	67	52	36
1,400	1,420	244	215	186	157	133	117	102	86	70	55	39
1,420	1,440	250	221	192	163	136	120	105	89	73	58	42
1,440	1,460	256	227	197	168	139	123	108	92	76	61	45
1,460	1,480	261	232	203	174	145	126	111	95	79	64	48
1,480	1,500	267	238	209	179	150	129	114	98	82	67	51
1,500	1,520	272	243	214	185	156	132	117	101	85	70	54
1,520	1,540	278	249	220	191	161	135	120	104	88	73	57
1,540	1,560	284	255	225	196	167	138	123	107	91	76	60
1,560	1,580	289	260	231	202	173	143	126	110	94	79	63
1,580	1,600	295	266	237	207	178	149	129	113	97	82	66
1,600	1,620	300	271	242	213	184	155	132	116	100	85	69
1,620	1,640	306	277	248	219	189	160	135	119	103	88	72
1,640	1,660	312	283	253	224	195	166	138	122	106	91	75
1,660	1,680	317	288	259	230	201	171	142	125	109	94	78
1,680	1,700	323	294	265	235	206	177	148	128	112	97	81
1,700	1,720	328	299	270	241	212	183	153	131	115	100	84
1,720	1,740	334	305	276	247	217	188	159	134	118	103	87
1,740	1,760	340	311	281	252	223	194	165	137	121	106	90
1,760	1,780	345	316	287	258	229	199	170	141	124	109	93
1,780	1,800	351	322	293	263	234	205	176	147	127	112	96
1,800	1,820	356	327	298	269	240	211	181	152	130	115	99
1,820	1,840	362	333	304	275	245	216	187	158	133	118	102
1,840	1,860	368	339	309	280	251	222	193	164	136	121	105
1,860	1,880	373	344	315	286	257	227	198	169	140	124	108
1,880	1,900	379	350	321	291	262	233	204	175	146	127	111
1,900	1,920	384	355	326	297	268	239	209	180	151	130	114
1,920	1,940	390	361	332	303	273	244	215	186	157	133	117
1,940	1,960	396	367	337	308	279	250	221	192	162	136	120
1,960	1,980	401	372	343	314	285	255	226	197	168	139	123
1,980	2,000	407	378	349	319	290	261	232	203	174	144	126
2,000	2,020	412	383	354	325	296	267	237	208	179	150	129
2,020	2,040	418	389	360	331	301	272	243	214	185	156	132
2,040	2,060	424	395	365	336	307	278	249	220	190	161	135
2,060	2,080	429	400	371	342	313	283	254	225	196	167	138
2,080	2,100	435	406	377	347	318	289	260	231	202	172	143
2,100	2,120	440	411	382	353	324	295	265	236	207	178	149

\$2,120 and over

Use Table 3(a) for a **SINGLE person** on page 32. Also see the instructions on page 30.

MARRIED Persons—SEMIMONTHLY 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	\$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	1	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	4	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	7	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	10	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	13	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	16	0	0	0	0	0	0	0	0	0
480	490	33	17	2	0	0	0	0	0	0	0	0
490	500	34	19	3	0	0	0	0	0	0	0	0
500	520	37	21	5	0	0	0	0	0	0	0	0
520	540	40	24	8	0	0	0	0	0	0	0	0
540	560	43	27	11	0	0	0	0	0	0	0	0
560	580	46	30	14	0	0	0	0	0	0	0	0
580	600	49	33	17	2	0	0	0	0	0	0	0
600	620	52	36	20	5	0	0	0	0	0	0	0
620	640	55	39	23	8	0	0	0	0	0	0	0
640	660	58	42	26	11	0	0	0	0	0	0	0
660	680	61	45	29	14	0	0	0	0	0	0	0
680	700	64	48	32	17	1	0	0	0	0	0	0
700	720	67	51	35	20	4	0	0	0	0	0	0
720	740	70	54	38	23	7	0	0	0	0	0	0
740	760	73	57	41	26	10	0	0	0	0	0	0
760	780	76	60	44	29	13	0	0	0	0	0	0
780	800	79	63	47	32	16	0	0	0	0	0	0
800	820	82	66	50	35	19	3	0	0	0	0	0
820	840	85	69	53	38	22	6	0	0	0	0	0
840	860	88	72	56	41	25	9	0	0	0	0	0
860	880	91	75	59	44	28	12	0	0	0	0	0
880	900	94	78	62	47	31	15	0	0	0	0	0
900	920	97	81	65	50	34	18	3	0	0	0	0
920	940	100	84	68	53	37	21	6	0	0	0	0
940	960	103	87	71	56	40	24	9	0	0	0	0
960	980	106	90	74	59	43	27	12	0	0	0	0
980	1,000	109	93	77	62	46	30	15	0	0	0	0
1,000	1,020	112	96	80	65	49	33	18	2	0	0	0
1,020	1,040	115	99	83	68	52	36	21	5	0	0	0
1,040	1,060	118	102	86	71	55	39	24	8	0	0	0
1,060	1,080	121	105	89	74	58	42	27	11	0	0	0
1,080	1,100	124	108	92	77	61	45	30	14	0	0	0
1,100	1,120	127	111	95	80	64	48	33	17	2	0	0
1,120	1,140	130	114	98	83	67	51	36	20	5	0	0
1,140	1,160	133	117	101	86	70	54	39	23	8	0	0
1,160	1,180	136	120	104	89	73	57	42	26	11	0	0
1,180	1,200	139	123	107	92	76	60	45	29	14	0	0
1,200	1,220	142	126	110	95	79	63	48	32	17	1	0
1,220	1,240	145	129	113	98	82	66	51	35	20	4	0
1,240	1,260	148	132	116	101	85	69	54	38	23	7	0
1,260	1,280	151	135	119	104	88	72	57	41	26	10	0
1,280	1,300	154	138	122	107	91	75	60	44	29	13	0
1,300	1,320	157	141	125	110	94	78	63	47	32	16	0
1,320	1,340	160	144	128	113	97	81	66	50	35	19	3
1,340	1,360	163	147	131	116	100	84	69	53	38	22	6
1,360	1,380	166	150	134	119	103	87	72	56	41	25	9
1,380	1,400	169	153	137	122	106	90	75	59	44	28	12
1,400	1,420	172	156	140	125	109	93	78	62	47	31	15

MARRIED Persons—SEMIMONTHLY 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—										
\$1,420	\$1,440	175	159	143	128	112	96	81	65	50	34	18
1,440	1,460	178	162	146	131	115	99	84	68	53	37	21
1,460	1,480	181	165	149	134	118	102	87	71	56	40	24
1,480	1,500	184	168	152	137	121	105	90	74	59	43	27
1,500	1,520	187	171	155	140	124	108	93	77	62	46	30
1,520	1,540	190	174	158	143	127	111	96	80	65	49	33
1,540	1,560	193	177	161	146	130	114	99	83	68	52	36
1,560	1,580	196	180	164	149	133	117	102	86	71	55	39
1,580	1,600	199	183	167	152	136	120	105	89	74	58	42
1,600	1,620	202	186	170	155	139	123	108	92	77	61	45
1,620	1,640	205	189	173	158	142	126	111	95	80	64	48
1,640	1,660	208	192	176	161	145	129	114	98	83	67	51
1,660	1,680	211	195	179	164	148	132	117	101	86	70	54
1,680	1,700	214	198	182	167	151	135	120	104	89	73	57
1,700	1,720	217	201	185	170	154	138	123	107	92	76	60
1,720	1,740	220	204	188	173	157	141	126	110	95	79	63
1,740	1,760	223	207	191	176	160	144	129	113	98	82	66
1,760	1,780	226	210	194	179	163	147	132	116	101	85	69
1,780	1,800	229	213	197	182	166	150	135	119	104	88	72
1,800	1,820	234	216	200	185	169	153	138	122	107	91	75
1,820	1,840	239	219	203	188	172	156	141	125	110	94	78
1,840	1,860	245	222	206	191	175	159	144	128	113	97	81
1,860	1,880	250	225	209	194	178	162	147	131	116	100	84
1,880	1,900	256	228	212	197	181	165	150	134	119	103	87
1,900	1,920	262	232	215	200	184	168	153	137	122	106	90
1,920	1,940	267	238	218	203	187	171	156	140	125	109	93
1,940	1,960	273	244	221	206	190	174	159	143	128	112	96
1,960	1,980	278	249	224	209	193	177	162	146	131	115	99
1,980	2,000	284	255	227	212	196	180	165	149	134	118	102
2,000	2,020	290	260	231	215	199	183	168	152	137	121	105
2,020	2,040	295	266	237	218	202	186	171	155	140	124	108
2,040	2,060	301	272	242	221	205	189	174	158	143	127	111
2,060	2,080	306	277	248	224	208	192	177	161	146	130	114
2,080	2,100	312	283	254	227	211	195	180	164	149	133	117
2,100	2,120	318	288	259	230	214	198	183	167	152	136	120
2,120	2,140	323	294	265	236	217	201	186	170	155	139	123
2,140	2,160	329	300	270	241	220	204	189	173	158	142	126
2,160	2,180	334	305	276	247	223	207	192	176	161	145	129
2,180	2,200	340	311	282	253	226	210	195	179	164	148	132
2,200	2,220	346	316	287	258	229	213	198	182	167	151	135
2,220	2,240	351	322	293	264	235	216	201	185	170	154	138
2,240	2,260	357	328	298	269	240	219	204	188	173	157	141
2,260	2,280	362	333	304	275	246	222	207	191	176	160	144
2,280	2,300	368	339	310	281	251	225	210	194	179	163	147
2,300	2,320	374	344	315	286	257	228	213	197	182	166	150
2,320	2,340	379	350	321	292	263	233	216	200	185	169	153
2,340	2,360	385	356	326	297	268	239	219	203	188	172	156
2,360	2,380	390	361	332	303	274	245	222	206	191	175	159
2,380	2,400	396	367	338	309	279	250	225	209	194	178	162
2,400	2,420	402	372	343	314	285	256	228	212	197	181	165
2,420	2,440	407	378	349	320	291	261	232	215	200	184	168
2,440	2,460	413	384	354	325	296	267	238	218	203	187	171
2,460	2,480	418	389	360	331	302	273	243	221	206	190	174
2,480	2,500	424	395	366	337	307	278	249	224	209	193	177
2,500	2,520	430	400	371	342	313	284	255	227	212	196	180
2,520	2,540	435	406	377	348	319	289	260	231	215	199	183
2,540	2,560	441	412	382	353	324	295	266	237	218	202	186
2,560	2,580	446	417	388	359	330	301	271	242	221	205	189
2,580	2,600	452	423	394	365	335	306	277	248	224	208	192
2,600	2,620	458	428	399	370	341	312	283	253	227	211	195
2,620	2,640	463	434	405	376	347	317	288	259	230	214	198
2,640	2,660	469	440	410	381	352	323	294	265	235	217	201
2,660	2,680	474	445	416	387	358	329	299	270	241	220	204
2,680	2,700	480	451	422	393	363	334	305	276	247	223	207
2,700	2,720	486	456	427	398	369	340	311	281	252	226	210

\$2,720 and over

Use Table 3(b) for a **MARRIED** person on page 32. Also see the instructions on page 30.

SINGLE 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	\$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	3	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	6	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	9	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	12	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	1	0	0	0	0	0	0	0	0	0
440	460	35	4	0	0	0	0	0	0	0	0	0
460	480	38	7	0	0	0	0	0	0	0	0	0
480	500	41	10	0	0	0	0	0	0	0	0	0
500	520	44	13	0	0	0	0	0	0	0	0	0
520	540	47	16	0	0	0	0	0	0	0	0	0
540	560	50	19	0	0	0	0	0	0	0	0	0
560	580	53	22	0	0	0	0	0	0	0	0	0
580	600	56	25	0	0	0	0	0	0	0	0	0
600	640	61	29	0	0	0	0	0	0	0	0	0
640	680	67	35	4	0	0	0	0	0	0	0	0
680	720	73	41	10	0	0	0	0	0	0	0	0
720	760	79	47	16	0	0	0	0	0	0	0	0
760	800	85	53	22	0	0	0	0	0	0	0	0
800	840	91	59	28	0	0	0	0	0	0	0	0
840	880	97	65	34	3	0	0	0	0	0	0	0
880	920	103	71	40	9	0	0	0	0	0	0	0
920	960	109	77	46	15	0	0	0	0	0	0	0
960	1,000	115	83	52	21	0	0	0	0	0	0	0
1,000	1,040	121	89	58	27	0	0	0	0	0	0	0
1,040	1,080	127	95	64	33	2	0	0	0	0	0	0
1,080	1,120	133	101	70	39	8	0	0	0	0	0	0
1,120	1,160	139	107	76	45	14	0	0	0	0	0	0
1,160	1,200	145	113	82	51	20	0	0	0	0	0	0
1,200	1,240	151	119	88	57	26	0	0	0	0	0	0
1,240	1,280	157	125	94	63	32	0	0	0	0	0	0
1,280	1,320	163	131	100	69	38	6	0	0	0	0	0
1,320	1,360	169	137	106	75	44	12	0	0	0	0	0
1,360	1,400	175	143	112	81	50	18	0	0	0	0	0
1,400	1,440	181	149	118	87	56	24	0	0	0	0	0
1,440	1,480	187	155	124	93	62	30	0	0	0	0	0
1,480	1,520	193	161	130	99	68	36	5	0	0	0	0
1,520	1,560	199	167	136	105	74	42	11	0	0	0	0
1,560	1,600	205	173	142	111	80	48	17	0	0	0	0
1,600	1,640	211	179	148	117	86	54	23	0	0	0	0
1,640	1,680	217	185	154	123	92	60	29	0	0	0	0
1,680	1,720	223	191	160	129	98	66	35	4	0	0	0
1,720	1,760	229	197	166	135	104	72	41	10	0	0	0
1,760	1,800	235	203	172	141	110	78	47	16	0	0	0
1,800	1,840	241	209	178	147	116	84	53	22	0	0	0
1,840	1,880	247	215	184	153	122	90	59	28	0	0	0
1,880	1,920	253	221	190	159	128	96	65	34	3	0	0
1,920	1,960	259	227	196	165	134	102	71	40	9	0	0
1,960	2,000	265	233	202	171	140	108	77	46	15	0	0
2,000	2,040	271	239	208	177	146	114	83	52	21	0	0
2,040	2,080	277	245	214	183	152	120	89	58	27	0	0
2,080	2,120	287	251	220	189	158	126	95	64	33	1	0
2,120	2,160	299	257	226	195	164	132	101	70	39	7	0
2,160	2,200	310	263	232	201	170	138	107	76	45	13	0
2,200	2,240	321	269	238	207	176	144	113	82	51	19	0
2,240	2,280	332	275	244	213	182	150	119	88	57	25	0
2,280	2,320	343	285	250	219	188	156	125	94	63	31	0
2,320	2,360	355	296	256	225	194	162	131	100	69	37	6
2,360	2,400	366	307	262	231	200	168	137	106	75	43	12
2,400	2,440	377	319	268	237	206	174	143	112	81	49	18

SINGLE 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—										
\$2,440	\$2,480	388	330	274	243	212	180	149	118	87	55	24
2,480	2,520	399	341	283	249	218	186	155	124	93	61	30
2,520	2,560	411	352	294	255	224	192	161	130	99	67	36
2,560	2,600	422	363	305	261	230	198	167	136	105	73	42
2,600	2,640	433	375	316	267	236	204	173	142	111	79	48
2,640	2,680	444	386	328	273	242	210	179	148	117	85	54
2,680	2,720	455	397	339	280	248	216	185	154	123	91	60
2,720	2,760	467	408	350	292	254	222	191	160	129	97	66
2,760	2,800	478	419	361	303	260	228	197	166	135	103	72
2,800	2,840	489	431	372	314	266	234	203	172	141	109	78
2,840	2,880	500	442	384	325	272	240	209	178	147	115	84
2,880	2,920	511	453	395	336	278	246	215	184	153	121	90
2,920	2,960	523	464	406	348	289	252	221	190	159	127	96
2,960	3,000	534	475	417	359	300	258	227	196	165	133	102
3,000	3,040	545	487	428	370	312	264	233	202	171	139	108
3,040	3,080	556	498	440	381	323	270	239	208	177	145	114
3,080	3,120	567	509	451	392	334	276	245	214	183	151	120
3,120	3,160	579	520	462	404	345	287	251	220	189	157	126
3,160	3,200	590	531	473	415	356	298	257	226	195	163	132
3,200	3,240	601	543	484	426	368	309	263	232	201	169	138
3,240	3,280	612	554	496	437	379	321	269	238	207	175	144
3,280	3,320	623	565	507	448	390	332	275	244	213	181	150
3,320	3,360	635	576	518	460	401	343	285	250	219	187	156
3,360	3,400	646	587	529	471	412	354	296	256	225	193	162
3,400	3,440	657	599	540	482	424	365	307	262	231	199	168
3,440	3,480	668	610	552	493	435	377	318	268	237	205	174
3,480	3,520	679	621	563	504	446	388	329	274	243	211	180
3,520	3,560	691	632	574	516	457	399	341	282	249	217	186
3,560	3,600	702	643	585	527	468	410	352	293	255	223	192
3,600	3,640	713	655	596	538	480	421	363	305	261	229	198
3,640	3,680	724	666	608	549	491	433	374	316	267	235	204
3,680	3,720	735	677	619	560	502	444	385	327	273	241	210
3,720	3,760	747	688	630	572	513	455	397	338	280	247	216
3,760	3,800	758	699	641	583	524	466	408	349	291	253	222
3,800	3,840	769	711	652	594	536	477	419	361	302	259	228
3,840	3,880	780	722	664	605	547	489	430	372	314	265	234
3,880	3,920	791	733	675	616	558	500	441	383	325	271	240
3,920	3,960	803	744	686	628	569	511	453	394	336	278	246
3,960	4,000	814	755	697	639	580	522	464	405	347	289	252
4,000	4,040	825	767	708	650	592	533	475	417	358	300	258
4,040	4,080	836	778	720	661	603	545	486	428	370	311	264
4,080	4,120	847	789	731	672	614	556	497	439	381	322	270
4,120	4,160	859	800	742	684	625	567	509	450	392	334	276
4,160	4,200	870	811	753	695	636	578	520	461	403	345	286
4,200	4,240	881	823	764	706	648	589	531	473	414	356	298
4,240	4,280	892	834	776	717	659	601	542	484	426	367	309
4,280	4,320	903	845	787	728	670	612	553	495	437	378	320
4,320	4,360	915	856	798	740	681	623	565	506	448	390	331
4,360	4,400	927	867	809	751	692	634	576	517	459	401	342
4,400	4,440	940	879	820	762	704	645	587	529	470	412	354
4,440	4,480	952	890	832	773	715	657	598	540	482	423	365
4,480	4,520	965	901	843	784	726	668	609	551	493	434	376
4,520	4,560	977	912	854	796	737	679	621	562	504	446	387
4,560	4,600	989	925	865	807	748	690	632	573	515	457	398
4,600	4,640	1,002	937	876	818	760	701	643	585	526	468	410
4,640	4,680	1,014	950	888	829	771	713	654	596	538	479	421
4,680	4,720	1,027	962	899	840	782	724	665	607	549	490	432
4,720	4,760	1,039	974	910	852	793	735	677	618	560	502	443
4,760	4,800	1,051	987	922	863	804	746	688	629	571	513	454
4,800	4,840	1,064	999	935	874	816	757	699	641	582	524	466
4,840	4,880	1,076	1,012	947	885	827	769	710	652	594	535	477
4,880	4,920	1,089	1,024	959	896	838	780	721	663	605	546	488
4,920	4,960	1,101	1,036	972	908	849	791	733	674	616	558	499
4,960	5,000	1,113	1,049	984	920	860	802	744	685	627	569	510
5,000	5,040	1,126	1,061	997	932	872	813	755	697	638	580	522

\$5,040 and over

Use Table 4(a) for a **SINGLE person** on page 32. Also see the instructions on page 30.

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	3	0	0	0	0	0	0	0	0	0	0
560	580	6	0	0	0	0	0	0	0	0	0	0
580	600	9	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	6	0	0	0	0	0	0	0	0	0
800	840	43	12	0	0	0	0	0	0	0	0	0
840	880	49	18	0	0	0	0	0	0	0	0	0
880	920	55	24	0	0	0	0	0	0	0	0	0
920	960	61	30	0	0	0	0	0	0	0	0	0
960	1,000	67	36	5	0	0	0	0	0	0	0	0
1,000	1,040	73	42	11	0	0	0	0	0	0	0	0
1,040	1,080	79	48	17	0	0	0	0	0	0	0	0
1,080	1,120	85	54	23	0	0	0	0	0	0	0	0
1,120	1,160	91	60	29	0	0	0	0	0	0	0	0
1,160	1,200	97	66	35	3	0	0	0	0	0	0	0
1,200	1,240	103	72	41	9	0	0	0	0	0	0	0
1,240	1,280	109	78	47	15	0	0	0	0	0	0	0
1,280	1,320	115	84	53	21	0	0	0	0	0	0	0
1,320	1,360	121	90	59	27	0	0	0	0	0	0	0
1,360	1,400	127	96	65	33	2	0	0	0	0	0	0
1,400	1,440	133	102	71	39	8	0	0	0	0	0	0
1,440	1,480	139	108	77	45	14	0	0	0	0	0	0
1,480	1,520	145	114	83	51	20	0	0	0	0	0	0
1,520	1,560	151	120	89	57	26	0	0	0	0	0	0
1,560	1,600	157	126	95	63	32	1	0	0	0	0	0
1,600	1,640	163	132	101	69	38	7	0	0	0	0	0
1,640	1,680	169	138	107	75	44	13	0	0	0	0	0
1,680	1,720	175	144	113	81	50	19	0	0	0	0	0
1,720	1,760	181	150	119	87	56	25	0	0	0	0	0
1,760	1,800	187	156	125	93	62	31	0	0	0	0	0
1,800	1,840	193	162	131	99	68	37	6	0	0	0	0
1,840	1,880	199	168	137	105	74	43	12	0	0	0	0
1,880	1,920	205	174	143	111	80	49	18	0	0	0	0
1,920	1,960	211	180	149	117	86	55	24	0	0	0	0
1,960	2,000	217	186	155	123	92	61	30	0	0	0	0
2,000	2,040	223	192	161	129	98	67	36	4	0	0	0
2,040	2,080	229	198	167	135	104	73	42	10	0	0	0
2,080	2,120	235	204	173	141	110	79	48	16	0	0	0
2,120	2,160	241	210	179	147	116	85	54	22	0	0	0
2,160	2,200	247	216	185	153	122	91	60	28	0	0	0
2,200	2,240	253	222	191	159	128	97	66	34	3	0	0
2,240	2,280	259	228	197	165	134	103	72	40	9	0	0
2,280	2,320	265	234	203	171	140	109	78	46	15	0	0
2,320	2,360	271	240	209	177	146	115	84	52	21	0	0
2,360	2,400	277	246	215	183	152	121	90	58	27	0	0
2,400	2,440	283	252	221	189	158	127	96	64	33	2	0
2,440	2,480	289	258	227	195	164	133	102	70	39	8	0
2,480	2,520	295	264	233	201	170	139	108	76	45	14	0
2,520	2,560	301	270	239	207	176	145	114	82	51	20	0
2,560	2,600	307	276	245	213	182	151	120	88	57	26	0
2,600	2,640	313	282	251	219	188	157	126	94	63	32	1
2,640	2,680	319	288	257	225	194	163	132	100	69	38	7
2,680	2,720	325	294	263	231	200	169	138	106	75	44	13
2,720	2,760	331	300	269	237	206	175	144	112	81	50	19
2,760	2,800	337	306	275	243	212	181	150	118	87	56	25
2,800	2,840	343	312	281	249	218	187	156	124	93	62	31
2,840	2,880	349	318	287	255	224	193	162	130	99	68	37
2,880	2,920	355	324	293	261	230	199	168	136	105	74	43
2,920	2,960	361	330	299	267	236	205	174	142	111	80	49
2,960	3,000	367	336	305	273	242	211	180	148	117	86	55
3,000	3,040	373	342	311	279	248	217	186	154	123	92	61
3,040	3,080	379	348	317	285	254	223	192	160	129	98	67
3,080	3,120	385	354	323	291	260	229	198	166	135	104	73
3,120	3,160	391	360	329	297	266	235	204	172	141	110	79
3,160	3,200	397	366	335	303	272	241	210	178	147	116	85
3,200	3,240	403	372	341	309	278	247	216	184	153	122	91

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—										
\$3,240	\$3,280	409	378	347	315	284	253	222	190	159	128	97
3,280	3,320	415	384	353	321	290	259	228	196	165	134	103
3,320	3,360	421	390	359	327	296	265	234	202	171	140	109
3,360	3,400	427	396	365	333	302	271	240	208	177	146	115
3,400	3,440	433	402	371	339	308	277	246	214	183	152	121
3,440	3,480	439	408	377	345	314	283	252	220	189	158	127
3,480	3,520	445	414	383	351	320	289	258	226	195	164	133
3,520	3,560	451	420	389	357	326	295	264	232	201	170	139
3,560	3,600	457	426	395	363	332	301	270	238	207	176	145
3,600	3,640	467	432	401	369	338	307	276	244	213	182	151
3,640	3,680	478	438	407	375	344	313	282	250	219	188	157
3,680	3,720	490	444	413	381	350	319	288	256	225	194	163
3,720	3,760	501	450	419	387	356	325	294	262	231	200	169
3,760	3,800	512	456	425	393	362	331	300	268	237	206	175
3,800	3,840	523	465	431	399	368	337	306	274	243	212	181
3,840	3,880	534	476	437	405	374	343	312	280	249	218	187
3,880	3,920	546	487	443	411	380	349	318	286	255	224	193
3,920	3,960	557	498	449	417	386	355	324	292	261	230	199
3,960	4,000	568	510	455	423	392	361	330	298	267	236	205
4,000	4,040	579	521	463	429	398	367	336	304	273	242	211
4,040	4,080	590	532	474	435	404	373	342	310	279	248	217
4,080	4,120	602	543	485	441	410	379	348	316	285	254	223
4,120	4,160	613	554	496	447	416	385	354	322	291	260	229
4,160	4,200	624	566	507	453	422	391	360	328	297	266	235
4,200	4,240	635	577	519	460	428	397	366	334	303	272	241
4,240	4,280	646	588	530	471	434	403	372	340	309	278	247
4,280	4,320	658	599	541	483	440	409	378	346	315	284	253
4,320	4,360	669	610	552	494	446	415	384	352	321	290	259
4,360	4,400	680	622	563	505	452	421	390	358	327	296	265
4,400	4,440	691	633	575	516	458	427	396	364	333	302	271
4,440	4,480	702	644	586	527	469	433	402	370	339	308	277
4,480	4,520	714	655	597	539	480	439	408	376	345	314	283
4,520	4,560	725	666	608	550	491	445	414	382	351	320	289
4,560	4,600	736	678	619	561	503	451	420	388	357	326	295
4,600	4,640	747	689	631	572	514	457	426	394	363	332	301
4,640	4,680	758	700	642	583	525	467	432	400	369	338	307
4,680	4,720	770	711	653	595	536	478	438	406	375	344	313
4,720	4,760	781	722	664	606	547	489	444	412	381	350	319
4,760	4,800	792	734	675	617	559	500	450	418	387	356	325
4,800	4,840	803	745	687	628	570	512	456	424	393	362	331
4,840	4,880	814	756	698	639	581	523	464	430	399	368	337
4,880	4,920	826	767	709	651	592	534	476	436	405	374	343
4,920	4,960	837	778	720	662	603	545	487	442	411	380	349
4,960	5,000	848	790	731	673	615	556	498	448	417	386	355
5,000	5,040	859	801	743	684	626	568	509	454	423	392	361
5,040	5,080	870	812	754	695	637	579	520	462	429	398	367
5,080	5,120	882	823	765	707	648	590	532	473	435	404	373
5,120	5,160	893	834	776	718	659	601	543	484	441	410	379
5,160	5,200	904	846	787	729	671	612	554	496	447	416	385
5,200	5,240	915	857	799	740	682	624	565	507	453	422	391
5,240	5,280	926	868	810	751	693	635	576	518	460	428	397
5,280	5,320	938	879	821	763	704	646	588	529	471	434	403
5,320	5,360	949	890	832	774	715	657	599	540	482	440	409
5,360	5,400	960	902	843	785	727	668	610	552	493	446	415
5,400	5,440	971	913	855	796	738	680	621	563	505	452	421
5,440	5,480	982	924	866	807	749	691	632	574	516	458	427
5,480	5,520	994	935	877	819	760	702	644	585	527	469	433
5,520	5,560	1,005	946	888	830	771	713	655	596	538	480	439
5,560	5,600	1,016	958	899	841	783	724	666	608	549	491	445
5,600	5,640	1,027	969	911	852	794	736	677	619	561	502	451
5,640	5,680	1,038	980	922	863	805	747	688	630	572	513	457
5,680	5,720	1,050	991	933	875	816	758	700	641	583	525	466
5,720	5,760	1,061	1,002	944	886	827	769	711	652	594	536	477
5,760	5,800	1,072	1,014	955	897	839	780	722	664	605	547	489
5,800	5,840	1,083	1,025	967	908	850	792	733	675	617	558	500

\$5,840 and over

Use Table 4(b) for a **MARRIED** person on page 32. Also see the instructions on page 30.

SINGLE Persons—DAILY OR MISCELLANEOUS 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	\$12	0	0	0	0	0	0	0	0	0	0	0
12	15	1	0	0	0	0	0	0	0	0	0	0
15	18	1	0	0	0	0	0	0	0	0	0	0
18	21	1	0	0	0	0	0	0	0	0	0	0
21	24	2	0	0	0	0	0	0	0	0	0	0
24	27	2	1	0	0	0	0	0	0	0	0	0
27	30	3	1	0	0	0	0	0	0	0	0	0
30	33	3	2	0	0	0	0	0	0	0	0	0
33	36	4	2	1	0	0	0	0	0	0	0	0
36	39	4	3	1	0	0	0	0	0	0	0	0
39	42	5	3	2	0	0	0	0	0	0	0	0
42	45	5	4	2	1	0	0	0	0	0	0	0
45	48	5	4	3	1	0	0	0	0	0	0	0
48	51	6	4	3	2	0	0	0	0	0	0	0
51	54	6	5	3	2	1	0	0	0	0	0	0
54	57	7	5	4	2	1	0	0	0	0	0	0
57	60	7	6	4	3	2	0	0	0	0	0	0
60	63	8	6	5	3	2	1	0	0	0	0	0
63	66	8	7	5	4	2	1	0	0	0	0	0
66	69	9	7	6	4	3	1	0	0	0	0	0
69	72	9	8	6	5	3	2	0	0	0	0	0
72	75	10	8	7	5	4	2	1	0	0	0	0
75	78	10	9	7	6	4	3	1	0	0	0	0
78	81	10	9	8	6	5	3	2	0	0	0	0
81	84	11	9	8	7	5	4	2	1	0	0	0
84	87	11	10	8	7	6	4	3	1	0	0	0
87	90	12	10	9	7	6	5	3	2	0	0	0
90	93	12	11	9	8	6	5	4	2	1	0	0
93	96	13	11	10	8	7	5	4	3	1	0	0
96	99	13	12	10	9	7	6	4	3	2	0	0
99	102	14	12	11	9	8	6	5	3	2	1	0
102	105	15	13	11	10	8	7	5	4	2	1	0
105	108	16	13	12	10	9	7	6	4	3	1	0
108	111	17	14	12	11	9	8	6	5	3	2	1
111	114	18	15	12	11	10	8	7	5	4	2	1
114	117	18	16	13	11	10	9	7	6	4	3	1
117	120	19	17	14	12	11	9	8	6	5	3	2
120	123	20	17	15	12	11	10	8	7	5	4	2
123	126	21	18	16	13	11	10	9	7	6	4	3
126	129	22	19	16	14	12	10	9	8	6	5	3
129	132	23	20	17	15	12	11	9	8	7	5	4
132	135	24	21	18	15	13	11	10	8	7	6	4
135	138	24	22	19	16	14	12	10	9	7	6	5
138	141	25	22	20	17	14	12	11	9	8	6	5
141	144	26	23	21	18	15	13	11	10	8	7	5
144	147	27	24	21	19	16	13	12	10	9	7	6
147	150	28	25	22	20	17	14	12	11	9	8	6
150	153	29	26	23	20	18	15	13	11	10	8	7
153	156	29	27	24	21	19	16	13	12	10	9	7
156	159	30	28	25	22	19	17	14	12	11	9	8
159	162	31	28	26	23	20	18	15	12	11	10	8
162	165	32	29	27	24	21	18	16	13	11	10	9
165	168	33	30	27	25	22	19	17	14	12	10	9
168	171	34	31	28	26	23	20	17	15	12	11	10
171	174	34	32	29	26	24	21	18	16	13	11	10
174	177	35	33	30	27	24	22	19	16	14	12	10
177	180	36	33	31	28	25	23	20	17	15	12	11
180	183	37	34	32	29	26	23	21	18	15	13	11
183	186	38	35	32	30	27	24	22	19	16	14	12
186	189	39	36	33	31	28	25	22	20	17	14	12
189	192	39	37	34	31	29	26	23	21	18	15	13
192	195	40	38	35	32	30	27	24	21	19	16	13
195	198	41	38	36	33	30	28	25	22	20	17	14
198	201	42	39	37	34	31	29	26	23	20	18	15
201	204	43	40	37	35	32	29	27	24	21	19	16
204	207	44	41	38	36	33	30	28	25	22	19	17
207	210	45	42	39	36	34	31	28	26	23	20	18
210	213	46	43	40	37	35	32	29	26	24	21	18
213	216	47	44	41	38	35	33	30	27	25	22	19
216	219	48	45	42	39	36	34	31	28	25	23	20

SINGLE Persons—DAILY OR MISCELLANEOUS 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—										
\$219	\$222	48	46	43	40	37	34	32	29	26	24	21
222	225	49	46	43	41	38	35	33	30	27	24	22
225	228	50	47	44	41	39	36	33	31	28	25	23
228	231	51	48	45	42	40	37	34	32	29	26	23
231	234	52	49	46	43	40	38	35	32	30	27	24
234	237	53	50	47	44	41	39	36	33	31	28	25
237	240	54	51	48	45	42	39	37	34	31	29	26
240	243	55	52	49	46	43	40	38	35	32	30	27
243	246	56	53	50	47	44	41	38	36	33	30	28
246	249	57	54	51	48	45	42	39	37	34	31	29
249	252	58	55	52	49	46	43	40	37	35	32	29
252	255	59	56	53	50	47	44	41	38	36	33	30
255	258	60	57	54	51	48	45	42	39	36	34	31
258	261	61	58	55	52	49	46	43	40	37	35	32
261	264	62	59	56	53	50	47	44	41	38	35	33
264	267	62	59	56	53	51	48	45	42	39	36	34
267	270	63	60	57	54	51	48	45	43	40	37	34
270	273	64	61	58	55	52	49	46	43	41	38	35
273	276	65	62	59	56	53	50	47	44	41	39	36
276	279	66	63	60	57	54	51	48	45	42	40	37
279	282	67	64	61	58	55	52	49	46	43	40	38
282	285	68	65	62	59	56	53	50	47	44	41	39
285	288	69	66	63	60	57	54	51	48	45	42	39
288	291	70	67	64	61	58	55	52	49	46	43	40
291	294	71	68	65	62	59	56	53	50	47	44	41
294	297	72	69	66	63	60	57	54	51	48	45	42
297	300	73	70	67	64	61	58	55	52	49	46	43
300	303	74	71	68	65	62	59	56	53	50	47	44
303	306	75	72	69	66	63	60	57	54	51	48	45
306	309	75	72	69	67	64	61	58	55	52	49	46
309	312	76	73	70	67	64	61	59	56	53	50	47
312	315	77	74	71	68	65	62	59	56	53	50	48
315	318	78	75	72	69	66	63	60	57	54	51	48
318	321	79	76	73	70	67	64	61	58	55	52	49
321	324	80	77	74	71	68	65	62	59	56	53	50
324	327	81	78	75	72	69	66	63	60	57	54	51
327	330	82	79	76	73	70	67	64	61	58	55	52
330	333	83	80	77	74	71	68	65	62	59	56	53
333	336	84	81	78	75	72	69	66	63	60	57	54
336	339	85	82	79	76	73	70	67	64	61	58	55
339	341	86	83	80	77	74	71	68	65	62	59	56
341	343	86	83	80	77	74	71	68	65	62	59	56
343	345	87	84	81	78	75	72	69	66	63	60	57
345	347	87	84	81	78	75	72	70	67	64	61	58
347	349	88	85	82	79	76	73	70	67	64	61	58
349	351	89	86	83	80	77	74	71	68	65	62	59
351	353	89	86	83	80	77	74	71	68	65	62	59
353	355	90	87	84	81	78	75	72	69	66	63	60
355	357	90	88	85	82	79	76	73	70	67	64	61
357	359	91	88	85	82	79	76	73	70	67	64	61
359	361	92	89	86	83	80	77	74	71	68	65	62
361	363	92	89	86	83	80	77	74	71	69	66	63
363	365	93	90	87	84	81	78	75	72	69	66	63
365	367	94	91	88	85	82	79	76	73	70	67	64
367	369	94	91	88	85	82	79	76	73	70	67	64
369	371	95	92	89	86	83	80	77	74	71	68	65
371	373	95	92	89	87	84	81	78	75	72	69	66
373	375	96	93	90	87	84	81	78	75	72	69	66
375	377	97	94	91	88	85	82	79	76	73	70	67
377	379	97	94	91	88	85	82	79	76	73	70	68
379	381	98	95	92	89	86	83	80	77	74	71	68
381	383	99	96	93	90	87	84	81	78	75	72	69
383	385	99	96	93	90	87	84	81	78	75	72	69
385	387	100	97	94	91	88	85	82	79	76	73	70
387	389	100	97	94	91	88	86	83	80	77	74	71

\$389 and over

Use Table 8(a) for a **SINGLE person** on page 33. Also see the instructions on page 30.

MARRIED Persons—DAILY OR MISCELLANEOUS 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	\$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	5	3	2	0	0	0	0	0	0	0
66	69	6	5	4	2	1	0	0	0	0	0	0
69	72	7	5	4	3	1	0	0	0	0	0	0
72	75	7	6	4	3	2	0	0	0	0	0	0
75	78	8	6	5	3	2	1	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	6	4	3	1	0	0	0
102	105	12	10	9	8	6	5	3	2	0	0	0
105	108	12	11	9	8	7	5	4	2	1	0	0
108	111	13	11	10	8	7	6	4	3	1	0	0
111	114	13	12	10	9	7	6	5	3	2	0	0
114	117	14	12	11	9	8	6	5	4	2	1	0
117	120	14	13	11	10	8	7	5	4	3	1	0
120	123	15	13	12	10	9	7	6	4	3	2	0
123	126	15	14	12	11	9	8	6	5	3	2	1
126	129	15	14	13	11	10	8	7	5	4	2	1
129	132	16	14	13	12	10	9	7	6	4	3	1
132	135	16	15	13	12	11	9	8	6	5	3	2
135	138	17	15	14	12	11	10	8	7	5	4	2
138	141	17	16	14	13	11	10	9	7	6	4	3
141	144	18	16	15	13	12	10	9	8	6	5	3
144	147	18	17	15	14	12	11	9	8	7	5	4
147	150	19	17	16	14	13	11	10	8	7	6	4
150	153	19	18	16	15	13	12	10	9	7	6	5
153	156	19	18	17	15	14	12	11	9	8	7	5
156	159	20	18	17	16	14	13	11	10	8	7	6
159	162	20	19	17	16	15	13	12	10	9	7	6
162	165	21	19	18	17	15	14	12	11	9	8	6
165	168	21	20	18	17	16	14	13	11	10	8	7
168	171	22	20	19	17	16	15	13	12	10	9	7
171	174	23	21	19	18	16	15	14	12	11	9	8
174	177	24	21	20	18	17	15	14	13	11	10	8
177	180	25	22	20	19	17	16	14	13	12	10	9
180	183	26	23	21	19	18	16	15	13	12	11	9
183	186	26	24	21	20	18	17	15	14	12	11	10
186	189	27	25	22	20	19	17	16	14	13	11	10
189	192	28	25	23	21	19	18	16	15	13	12	10
192	195	29	26	24	21	20	18	17	15	14	12	11
195	198	30	27	24	22	20	19	17	16	14	13	11
198	201	31	28	25	23	20	19	18	16	15	13	12
201	204	31	29	26	23	21	19	18	17	15	14	12
204	207	32	30	27	24	22	20	18	17	16	14	13
207	210	33	30	28	25	22	20	19	17	16	15	13
210	213	34	31	29	26	23	21	19	18	16	15	14
213	216	35	32	29	27	24	21	20	18	17	16	14
216	219	36	33	30	28	25	22	20	19	17	16	15
219	222	37	34	31	28	26	23	21	19	18	16	15
222	225	37	35	32	29	27	24	21	20	18	17	15
225	228	38	36	33	30	27	25	22	20	19	17	16
228	231	39	36	34	31	28	26	23	21	19	18	16
231	234	40	37	34	32	29	26	24	21	20	18	17

MARRIED Persons—DAILY OR MISCELLANEOUS 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—										
\$234	\$237	41	38	35	33	30	27	25	22	20	19	17
237	240	42	39	36	33	31	28	25	23	21	19	18
240	243	42	40	37	34	32	29	26	24	21	20	18
243	246	43	41	38	35	32	30	27	24	22	20	19
246	249	44	41	39	36	33	31	28	25	23	20	19
249	252	45	42	40	37	34	31	29	26	23	21	19
252	255	46	43	40	38	35	32	30	27	24	22	20
255	258	47	44	41	39	36	33	30	28	25	22	20
258	261	47	45	42	39	37	34	31	29	26	23	21
261	264	48	46	43	40	38	35	32	29	27	24	21
264	267	49	46	44	41	38	36	33	30	28	25	22
267	270	50	47	45	42	39	37	34	31	28	26	23
270	273	51	48	45	43	40	37	35	32	29	27	24
273	276	52	49	46	44	41	38	35	33	30	27	25
276	279	52	50	47	44	42	39	36	34	31	28	26
279	282	53	51	48	45	43	40	37	34	32	29	26
282	285	54	51	49	46	43	41	38	35	33	30	27
285	288	55	52	50	47	44	42	39	36	33	31	28
288	291	56	53	50	48	45	42	40	37	34	32	29
291	294	57	54	51	49	46	43	41	38	35	32	30
294	297	58	55	52	49	47	44	41	39	36	33	31
297	300	58	56	53	50	48	45	42	40	37	34	31
300	303	59	57	54	51	48	46	43	40	38	35	32
303	306	60	57	55	52	49	47	44	41	39	36	33
306	309	61	58	55	53	50	47	45	42	39	37	34
309	312	62	59	56	54	51	48	46	43	40	37	35
312	315	63	60	57	54	52	49	46	44	41	38	36
315	318	63	61	58	55	53	50	47	45	42	39	36
318	321	64	62	59	56	53	51	48	45	43	40	37
321	324	65	62	60	57	54	52	49	46	44	41	38
324	327	66	63	61	58	55	52	50	47	44	42	39
327	330	67	64	61	59	56	53	51	48	45	43	40
330	333	68	65	62	60	57	54	51	49	46	43	41
333	336	68	66	63	60	58	55	52	50	47	44	42
336	339	69	67	64	61	59	56	53	50	48	45	42
339	341	70	67	65	62	59	57	54	51	48	46	43
341	343	71	68	65	62	60	57	54	52	49	46	44
343	345	71	68	66	63	60	58	55	52	50	47	44
345	347	72	69	66	64	61	58	56	53	50	47	45
347	349	73	70	67	64	61	59	56	53	51	48	45
349	351	73	70	67	65	62	59	57	54	51	49	46
351	353	74	71	68	65	63	60	57	54	52	49	46
353	355	75	72	69	66	63	60	58	55	52	50	47
355	357	75	72	69	66	64	61	58	56	53	50	48
357	359	76	73	70	67	64	62	59	56	53	51	48
359	361	76	73	70	68	65	62	59	57	54	51	49
361	363	77	74	71	68	65	63	60	57	55	52	49
363	365	78	75	72	69	66	63	61	58	55	52	50
365	367	78	75	72	69	66	64	61	58	56	53	50
367	369	79	76	73	70	67	64	62	59	56	54	51
369	371	79	77	74	71	68	65	62	60	57	54	51
371	373	80	77	74	71	68	65	63	60	57	55	52
373	375	81	78	75	72	69	66	63	61	58	55	53
375	377	81	78	75	72	69	67	64	61	59	56	53
377	379	82	79	76	73	70	67	64	62	59	56	54
379	381	83	80	77	74	71	68	65	62	60	57	54
381	383	83	80	77	74	71	68	66	63	60	58	55
383	385	84	81	78	75	72	69	66	63	61	58	55
385	387	84	81	78	76	73	70	67	64	61	59	56
387	389	85	82	79	76	73	70	67	65	62	59	56
389	391	86	83	80	77	74	71	68	65	62	60	57
391	393	86	83	80	77	74	71	68	66	63	60	58
393	395	87	84	81	78	75	72	69	66	64	61	58
395	397	88	85	82	79	76	73	70	67	64	61	59
397	399	88	85	82	79	76	73	70	67	65	62	59

\$399 and over

Use Table 8(b) for a **MARRIED** person on page 33. Also see the instructions on page 30.

Tables for Percentage Method of Advance EIC Payments
(For Wages Paid in 1995)

Table 1. WEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$118 . .	20.40% of wages
\$118	\$217 . .	\$24
\$217	. . . .	\$24 less 9.588% of wages in excess of \$217

(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:
Over—	But not over—	
\$0	\$59 . . .	20.40% of wages
\$59	\$108 . .	\$12
\$108	. . . .	\$12 less 9.588% of wages in excess of \$108

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$236 . .	20.40% of wages
\$236	\$434 . .	\$48
\$434	. . . .	\$48 less 9.588% of wages in excess of \$434

(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:
Over—	But not over—	
\$0	\$118 . .	20.40% of wages
\$118	\$217 . .	\$24
\$217	. . . .	\$24 less 9.588% of wages in excess of \$217

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$256 . .	20.40% of wages
\$256	\$470 . .	\$52
\$470	. . . .	\$52 less 9.588% of wages in excess of \$470

(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:
Over—	But not over—	
\$0	\$128 . .	20.40% of wages
\$128	\$235 . .	\$26
\$235	. . . .	\$26 less 9.588% of wages in excess of \$235

Table 4. MONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$513 . .	20.40% of wages
\$513	\$940 . .	\$105
\$940	. . . .	\$105 less 9.588% of wages in excess of \$940

(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:
Over—	But not over—	
\$0	\$256 . .	20.40% of wages
\$256	\$470 . .	\$52
\$470	. . . .	\$52 less 9.588% of wages in excess of \$470

Tables for Percentage Method of Advance EIC Payments (Continued)

(For Wages Paid in 1995)

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	\$1,540 . . .	20.40% of wages	\$0	\$770 . . .	20.40% of wages
\$1,540	\$2,822 . . .	\$314	\$770	\$1,411 . . .	\$157
\$2,822	. . . . .	\$314 less 9.588% of wages in excess of \$2,822	\$1,411	. . . . .	\$157 less 9.588% of wages in excess of \$1,411

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	\$3,080 . . .	20.40% of wages	\$0	\$1,540 . . .	20.40% of wages
\$3,080	\$5,645 . . .	\$628	\$1,540	\$2,822 . . .	\$314
\$5,645	. . . . .	\$628 less 9.588% of wages in excess of \$5,645	\$2,822	. . . . .	\$314 less 9.588% of wages in excess of \$2,822

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	\$6,160 . . .	20.40% of wages	\$0	\$3,080 . . .	20.40% of wages
\$6,160	\$11,290 . . .	\$1,257	\$3,080	\$5,645 . . .	\$628
\$11,290	. . . . .	\$1,257 less 9.588% of wages in excess of \$11,290	\$5,645	. . . . .	\$628 less 9.588% of wages in excess of \$5,645

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	\$23	20.40% of wages	\$0	\$11	20.40% of wages
\$23	\$43	\$5	\$11	\$21	\$2
\$43	. . . . .	\$5 less 9.588% of wages in excess of \$43	\$21	. . . . .	\$2 less 9.588% of wages in excess of \$21

Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 1995)

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	\$255	\$265	\$20	\$395	\$405	\$6
5	10	1	75	80	15	265	275	19	405	415	5
10	15	2	80	85	16	275	285	18	415	425	4
15	20	3	85	90	17	285	295	17	425	435	3
20	25	4	90	95	18	295	305	16	435	445	2
25	30	5	95	100	19	305	315	15	445	455	1
30	35	6	100	105	20	315	325	14	455	---	0
35	40	7	105	110	21	325	335	13			
40	45	8	110	115	22	335	345	12			
45	50	9	115	215	23	345	355	11			
50	55	10	215	225	23	355	365	10			
55	60	11	225	235	22	365	375	9			
60	65	12	235	245	21	375	385	8			
65	70	13	245	255	21	385	395	7			

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	\$125	\$135	\$10	\$195	\$205	\$3
5	10	1	40	45	8	135	145	9	205	215	2
10	15	2	45	50	9	145	155	8	215	225	1
15	20	3	50	55	10	155	165	7	225	---	0
20	25	4	55	105	11	165	175	6			
25	30	5	105	115	11	175	185	5			
30	35	6	115	125	11	185	195	4			

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	\$140	\$145	\$29	\$510	\$520	\$40	\$790	\$800	\$13
5	10	1	145	150	30	520	530	39	800	810	12
10	15	2	150	155	31	530	540	38	810	820	11
15	20	3	155	160	32	540	550	37	820	830	10
20	25	4	160	165	33	550	560	36	830	840	9
25	30	5	165	170	34	560	570	35	840	850	8
30	35	6	170	175	35	570	580	34	850	860	8
35	40	7	175	180	36	580	590	33	860	870	7
40	45	8	180	185	37	590	600	32	870	880	6
45	50	9	185	190	38	600	610	31	880	890	5
50	55	10	190	195	39	610	620	31	890	900	4
55	60	11	195	200	40	620	630	30	900	910	3
60	65	12	200	205	41	630	640	29	910	920	2
65	70	13	205	210	42	640	650	28	920	930	1
70	75	14	210	215	43	650	660	27	930	---	0
75	80	15	215	220	44	660	670	26			
80	85	16	220	225	45	670	680	25			
85	90	17	225	230	46	680	690	24			
90	95	18	230	235	47	690	700	23			
95	100	19	235	430	48	700	710	22			
100	105	20	430	440	48	710	720	21			
105	110	21	440	450	47	720	730	20			
110	115	22	450	460	46	730	740	19			
115	120	23	460	470	45	740	750	18			
120	125	24	470	480	44	750	760	17			
125	130	26	480	490	43	760	770	16			
130	135	27	490	500	42	770	780	15			
135	140	28	500	510	41	780	790	14			

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	\$70	\$75	\$14	\$255	\$265	\$20	\$395	\$405	\$6
5	10	1	75	80	15	265	275	19	405	415	5
10	15	2	80	85	16	275	285	18	415	425	4
15	20	3	85	90	17	285	295	17	425	435	3
20	25	4	90	95	18	295	305	16	435	445	2
25	30	5	95	100	19	305	315	15	445	455	1
30	35	6	100	105	20	315	325	14	455	---	0
35	40	7	105	110	21	325	335	13			
40	45	8	110	115	22	335	345	12			
45	50	9	115	215	23	345	355	11			
50	55	10	215	225	23	355	365	10			
55	60	11	225	235	22	365	375	9			
60	65	12	235	245	21	375	385	8			
65	70	13	245	255	21	385	395	7			

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	\$150	\$155	\$31	\$550	\$560	\$44	\$850	\$860	\$15
5	10	1	155	160	32	560	570	43	860	870	14
10	15	2	160	165	33	570	580	42	870	880	13
15	20	3	165	170	34	580	590	41	880	890	12
20	25	4	170	175	35	590	600	40	890	900	11
25	30	5	175	180	36	600	610	39	900	910	10
30	35	6	180	185	37	610	620	38	910	920	9
35	40	7	185	190	38	620	630	37	920	930	8
40	45	8	190	195	39	630	640	36	930	940	7
45	50	9	195	200	40	640	650	35	940	950	6
50	55	10	200	205	41	650	660	34	950	960	5
55	60	11	205	210	42	660	670	33	960	970	4
60	65	12	210	215	43	670	680	32	970	980	4
65	70	13	215	220	44	680	690	31	980	990	3
70	75	14	220	225	45	690	700	30	990	1,000	2
75	80	15	225	230	46	700	710	29	1,000	1,010	1
80	85	16	230	235	47	710	720	28	1,010	---	0
85	90	17	235	240	48	720	730	27			
90	95	18	240	245	49	730	740	27			
95	100	19	245	250	50	740	750	26			
100	105	20	250	255	51	750	760	25			
105	110	21	255	470	52	760	770	24			
110	115	22	470	480	51	770	780	23			
115	120	23	480	490	50	780	790	22			
120	125	24	490	500	50	790	800	21			
125	130	26	500	510	49	800	810	20			
130	135	27	510	520	48	810	820	19			
135	140	28	520	530	47	820	830	18			
140	145	29	530	540	46	830	840	17			
145	150	30	540	550	45	840	850	16			

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	\$275	\$285	\$21
5	10	1	55	60	11	105	110	21	285	295	20
10	15	2	60	65	12	110	115	22	295	305	19
15	20	3	65	70	13	115	120	23	305	315	19
20	25	4	70	75	14	120	125	24	315	325	18
25	30	5	75	80	15	125	235	26	325	335	17
30	35	6	80	85	16	235	245	25	335	345	16
35	40	7	85	90	17	245	255	24	345	355	15
40	45	8	90	95	18	255	265	23	355	365	14
45	50	9	95	100	19	265	275	22	365	375	13

(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
\$375	\$385	\$12	\$415	\$425	\$8	\$445	\$455	\$5	\$475	\$485	\$2
385	395	11	425	435	7	455	465	4	485	495	1
395	405	10	435	445	6	465	475	3	495	---	0
405	415	9									

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	\$56	\$1,010	\$1,020	\$97	\$1,560	\$1,570	\$44
5	10	1	280	285	57	1,020	1,030	96	1,570	1,580	43
10	15	2	285	290	58	1,030	1,040	95	1,580	1,590	43
15	20	3	290	295	59	1,040	1,050	94	1,590	1,600	42
20	25	4	295	300	60	1,050	1,060	93	1,600	1,610	41
25	30	5	300	305	61	1,060	1,070	92	1,610	1,620	40
30	35	6	305	310	62	1,070	1,080	91	1,620	1,630	39
35	40	7	310	315	63	1,080	1,090	90	1,630	1,640	38
40	45	8	315	320	64	1,090	1,100	89	1,640	1,650	37
45	50	9	320	325	65	1,100	1,110	89	1,650	1,660	36
50	55	10	325	330	66	1,110	1,120	88	1,660	1,670	35
55	60	11	330	335	67	1,120	1,130	87	1,670	1,680	34
60	65	12	335	340	68	1,130	1,140	86	1,680	1,690	33
65	70	13	340	345	69	1,140	1,150	85	1,690	1,700	32
70	75	14	345	350	70	1,150	1,160	84	1,700	1,710	31
75	80	15	350	355	71	1,160	1,170	83	1,710	1,720	30
80	85	16	355	360	72	1,170	1,180	82	1,720	1,730	29
85	90	17	360	365	73	1,180	1,190	81	1,730	1,740	28
90	95	18	365	370	74	1,190	1,200	80	1,740	1,750	27
95	100	19	370	375	75	1,200	1,210	79	1,750	1,760	26
100	105	20	375	380	77	1,210	1,220	78	1,760	1,770	25
105	110	21	380	385	78	1,220	1,230	77	1,770	1,780	24
110	115	22	385	390	79	1,230	1,240	76	1,780	1,790	23
115	120	23	390	395	80	1,240	1,250	75	1,790	1,800	22
120	125	24	395	400	81	1,250	1,260	74	1,800	1,810	21
125	130	26	400	405	82	1,260	1,270	73	1,810	1,820	20
130	135	27	405	410	83	1,270	1,280	72	1,820	1,830	19
135	140	28	410	415	84	1,280	1,290	71	1,830	1,840	19
140	145	29	415	420	85	1,290	1,300	70	1,840	1,850	18
145	150	30	420	425	86	1,300	1,310	69	1,850	1,860	17
150	155	31	425	430	87	1,310	1,320	68	1,860	1,870	16
155	160	32	430	435	88	1,320	1,330	67	1,870	1,880	15
160	165	33	435	440	89	1,330	1,340	66	1,880	1,890	14
165	170	34	440	445	90	1,340	1,350	66	1,890	1,900	13
170	175	35	445	450	91	1,350	1,360	65	1,900	1,910	12
175	180	36	450	455	92	1,360	1,370	64	1,910	1,920	11
180	185	37	455	460	93	1,370	1,380	63	1,920	1,930	10
185	190	38	460	465	94	1,380	1,390	62	1,930	1,940	9
190	195	39	465	470	95	1,390	1,400	61	1,940	1,950	8
195	200	40	470	475	96	1,400	1,410	60	1,950	1,960	7
200	205	41	475	480	97	1,410	1,420	59	1,960	1,970	6
205	210	42	480	485	98	1,420	1,430	58	1,970	1,980	5
210	215	43	485	490	99	1,430	1,440	57	1,980	1,990	4
215	220	44	490	495	100	1,440	1,450	56	1,990	2,000	3
220	225	45	495	500	101	1,450	1,460	55	2,000	2,010	2
225	230	46	500	505	102	1,460	1,470	54	2,010	2,020	1
230	235	47	505	510	103	1,470	1,480	53	2,020	---	0
235	240	48	510	940	104	1,480	1,490	52			
240	245	49	940	950	104	1,490	1,500	51			
245	250	50	950	960	103	1,500	1,510	50			
250	255	51	960	970	102	1,510	1,520	49			
255	260	52	970	980	101	1,520	1,530	48			
260	265	53	980	990	100	1,530	1,540	47			
265	270	54	990	1,000	99	1,540	1,550	46			
270	275	55	1,000	1,010	98	1,550	1,560	45			

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	\$150	\$155	\$31	\$550	\$560	\$44	\$850	\$860	\$15
5	10	1	155	160	32	560	570	43	860	870	14
10	15	2	160	165	33	570	580	42	870	880	13
15	20	3	165	170	34	580	590	41	880	890	12
20	25	4	170	175	35	590	600	40	890	900	11
25	30	5	175	180	36	600	610	39	900	910	10
30	35	6	180	185	37	610	620	38	910	920	9
35	40	7	185	190	38	620	630	37	920	930	8
40	45	8	190	195	39	630	640	36	930	940	7
45	50	9	195	200	40	640	650	35	940	950	6
50	55	10	200	205	41	650	660	34	950	960	5
55	60	11	205	210	42	660	670	33	960	970	4
60	65	12	210	215	43	670	680	32	970	980	3
65	70	13	215	220	44	680	690	31	980	990	3
70	75	14	220	225	45	690	700	30	990	1,000	2
75	80	15	225	230	46	700	710	29	1,000	1,010	1
80	85	16	230	235	47	710	720	28	1,010	---	0
85	90	17	235	240	48	720	730	27			
90	95	18	240	245	49	730	740	26			
95	100	19	245	250	50	740	750	26			
100	105	20	250	255	51	750	760	25			
105	110	21	255	470	52	760	770	24			
110	115	22	470	480	51	770	780	23			
115	120	23	480	490	50	780	790	22			
120	125	24	490	500	49	790	800	21			
125	130	26	500	510	49	800	810	20			
130	135	27	510	520	48	810	820	19			
135	140	28	520	530	47	820	830	18			
140	145	29	530	540	46	830	840	17			
145	150	30	540	550	45	840	850	16			

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	\$50	\$60	\$3	\$80	---	\$0
5	10	1	20	40	4	60	70	2			
10	15	2	40	50	4	70	80	1			

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 1995 Forms

▶ See instructions on back.

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W-2		W-4P		1099-B		1099-OID	
W-2c		W-4S		1099-C		1099-PATR	
Instr. W-2		W-5		1099-DIV		1099-R	
W-3		1096		1099-G		1099-S	
W-3c		1098		1099-INT		5498	
W-4		1099-A		1099-MISC		Instr. 1099	
Pub. 937		Pub. 1494					

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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 Wage 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)
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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. 937, Employment Taxes
 Pub. 1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Form 668W and 668W(c))

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The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 3 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Attention: Tax Forms Committee PC:FP, Washington, DC 20224. **DO NOT** send the order blank to this address. Instead, see **Where To Send Your Order** below.

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Index to Instructions

A

Adjustments, Form 941 14-16
Advance earned income credit
(EIC) payments 3, 17-18, 30-31
Aliens 6, 8, 24

B

Backup withholding 3
Bonuses 5, 7
Business expenses, employee
reimbursement 6, 25

C

Calendar of important dates 2-3
Change of address 4

D

Deceased worker's wages 24
Dependent care benefits 24
Deposit coupon 60
Deposit rules 9-13, 19-20
 Electronic deposits (TAXLINK) 2
 Nonpayroll withholding 9
 FTD coupons 9-10
 FUTA tax 12-13, 20-21

E

Earned income credit, advance
payments 3, 17-18, 30-31
Employees—
 Common law 5
 New, employer responsibilities
 when hiring 3
 Statutory 5
 Treated as nonemployees 5
Employer—
 Federal Government 4
 Nongovernment 4
 State and local government 4
Employer identification number 5
Employment, partially exempt from
tax 6

F

Federal Government employers 4
Form W-2 2
Form W-4 3, 8-9
Form W-5 3, 17-18
Form 940 and
 940-EZ 2, 12-13, 17, 20-21, 23
 Filing requirements 17
Form 941 3, 9, 13-16, 19-20, 22
 Adjustments 14-16
 Filing requirements 3, 13-14
 Successor employer 13
Form 941 modifications 13-14

Form 945 2, 3, 9, 14
Form 1099-R 2
Form 8109 9-10, 60
Fringe benefits 6-7, 26
FTD coupon 9-10, 60
FUTA tax 2, 12-13, 17, 20-21, 23

G

Golden parachutes 5
Group-term life insurance costs 14, 26

H

Household employees 2, 14, 16, 26

I

Income tax withholding methods 9, 30
Information returns 2, 3

L

Levies 9

M

Magnetic media filing—
 Forms W-2 and 1099 3
 Form W-4 9
 Form 940 17
Moving expenses 6, 27

N

Nonemployee, statutory 5
Nonresident aliens 6, 8, 24

O

Order form, Form 7018-A 61-62

P

Payroll period 8
Penalties—
 Failure to deposit 10
 Failure to withhold or pay to
 IRS (Trust Fund
 Recovery penalty) 13
Pensions and annuities 3

R

Reconciling Forms W-2, W-3,
and 941 14
Recordkeeping 3-4
Reporting agents 10

S

Scholarships and fellowship
grants 28
Sick pay 7, 28
Social security number of
employee 5
Social security and
Medicare rates 2, 3, 9, 14

Social security totalization
agreements 6
Successor employer 13, 17
Supplemental unemployment
compensation benefits 5, 29
Supplemental wages 7-8

T

Tables—
 Advance EIC, percentage
 method 54-55
 Advance EIC, wage
 bracket method 56-59
 Income tax withholding,
 percentage method 32-33
 Income tax withholding,
 wage bracket
 method 34-53
 Value of one withholding
 allowance 30
Tax treatment of special classes
of employment and special
types of payments 24-29
Third-party sick pay 7, 28
Tips 7, 8
 Allocated 7
Travel expenses 6

V

Vacation pay 8

W

Wages, taxable 5-7
 Supplemental 7-8
Withholding—
 Certificate 3, 8-9
 Chart 24-29
 Methods 9, 30
 Nonresident aliens 6, 8, 24
 Pensions and annuities 3
 Reporting, Form
 941 3, 9, 13-16, 19-20, 22
 Reporting, information
 returns 2-3
Tables 32-59
Taxes paid by employer 6

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