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Circular E, Employer's Tax Guide

**(Including 2004 Wage
Withholding and Advance
Earned Income Credit
Payment Tables)**



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Changes To Note

Proposed change to FUTA tax deposit rules. As this publication was being prepared for print, the Treasury Department proposed new rules that would provide an additional exception to the Federal Unemployment Tax Act (FUTA) tax deposit requirements for employers. When the

rules become final, they will be published in the Internal Revenue Bulletin and will be available on the IRS website at www.irs.gov.

Social security and Medicare tax for 2004. The social security wage base for 2004 is \$87,900. There is no wage base limit for Medicare tax. The tax rate remains 6.2% for social security and 1.45% for Medicare tax.

Web-based application for an EIN. You may now apply for an employer identification number (EIN) online by visiting the IRS website at www.irs.gov/smallbiz.

Zero Wage return. Beginning in April 2004, all U.S.-based (domestic) taxpayers may file their "Zero Wage" Forms 941 by telephone using the 941TeleFile system. (**Note:** If you received **Publication 3950**, 941TeleFile, as an insert in your 2003 fourth quarter Form 941 Package, you may file your 2003 fourth quarter "Zero Wage" Form 941 in January 2004 using 941TeleFile.) Eligible filers must have had **(a)** no withholding, **(b)** no Federal tax deposits, and **(c)** no taxes to report for the quarter. Dial 1-800-583-5345 (toll free) to use 941TeleFile.

Calendar

The following is a list of important dates. Also see **Pub. 509**, Tax Calendars for 2004.

***Note:** If any date shown below falls on a Saturday, Sunday, or Federal holiday, use the next business day. A statewide legal holiday delays a filing due date only if the IRS office where you are required to file is located in that state. For any due date, you will meet the "file" or "furnish" requirement if the form is properly addressed and mailed First-Class or sent by an IRS-designated private delivery service on or before the due date. See **Private Delivery Services** on page 5 for more information on IRS-designated private delivery services.*

By January 31

Furnish Forms 1099 and W-2. 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).

File Form 940 or 940-EZ. File **Form 940** or **Form 940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all of the FUTA tax when due, you have ten additional days to file.

File Form 945. File **Form 945**, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 2003. See **Nonpayroll Income Tax Withholding** on page 4 for more information.

By February 15

Request a new Form W-4 from exempt employees. Ask for a new **Form W-4**, Employee's Withholding Allow-

ance Certificate, from each employee who claimed exemption from income tax withholding last year.

On February 16

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

By February 28 or 29

File Forms 1099 and 1096. File Copy A of all Forms 1099 with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns, with the IRS. For electronically filed returns, see **By March 31** below.

File Forms W-2 and W-3. File Copy A of all Forms W-2 with **Form W-3**, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA). For electronically filed returns, see **By March 31** below.

File Form 8027. File **Form 8027**, Employer's Annual Information Return of Tip Income and Allocated Tips, with the Internal Revenue Service. (See section 6.) For electronically filed returns, see **By March 31** below.

By March 31

File electronic (not magnetic media) Forms 1099, W-2, and 8027. File electronic (not magnetic media) Forms 1099 and 8027 with the IRS. File electronic (not magnetic media) Forms W-2 with the Social Security Administration. For information on reporting Form W-2 information to the SSA electronically, visit the Social Security's Employer Reporting Instructions and Information page at www.socialsecurity.gov/employer.

By April 30, July 31, October 31, and January 31

Deposit FUTA taxes. Deposit Federal unemployment (FUTA) tax due if it is more than \$100.

File Form 941. File **Form 941**, Employer's Quarterly Federal Tax Return, and **deposit** any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$2,500 and the taxes are paid in full with a timely filed return. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

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

New Employees:	Page	Quarterly (By April 30, July 31, October 31, and January 31):	Page
<input type="checkbox"/> Verify work eligibility of employees	3	<input type="checkbox"/> Deposit FUTA tax in an authorized financial institution if undeposited amount is over \$100	28
<input type="checkbox"/> Record employees' names and SSNs from social security cards	4	<input type="checkbox"/> File Form 941 (pay tax with return if not required to deposit)	22
<input type="checkbox"/> Ask employees for 2004 Form W-4	13		
Each Payday:		Annually (See Calendar for due dates):	
<input type="checkbox"/> Withhold Federal income tax based on each employee's Form W-4	33	<input type="checkbox"/> Remind employees to submit a new Form W-4 if they need to change their withholding.	13
<input type="checkbox"/> Withhold employee's share of social security and Medicare taxes	15	<input type="checkbox"/> Ask for a new Form W-4 from employees claiming exemption from income tax withholding	14
<input type="checkbox"/> Include advance earned income credit payment in paycheck if employee requested it on Form W-5	16	<input type="checkbox"/> Reconcile Forms 941 with Forms W-2 and W-3	24
<input type="checkbox"/> Deposit:		<input type="checkbox"/> Furnish each employee a Form W-2	2
• Withheld income tax		<input type="checkbox"/> File Copy A of Forms W-2 and the transmittal Form W-3 with the SSA.	2
• Withheld and employer social security taxes		<input type="checkbox"/> Furnish each recipient a Form 1099 (e.g., Forms 1099-R and 1099-MISC).	2
• Withheld and employer Medicare taxes	17	<input type="checkbox"/> File Forms 1099 and the transmittal Form 1096	2
Note: <i>Due date of deposit generally depends on your deposit schedule (monthly or semiweekly).</i>		<input type="checkbox"/> File Form 940 or 940-EZ	28
		<input type="checkbox"/> File Form 945 for any nonpayroll income tax withholding	4

Before December 1

New Forms W-4. 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 expires. Form W-5, Earned Income Credit Advance Payment Certificate, expires. Eligible employees who want to receive advance payments of the earned income credit next year must give you a new Form W-5.

Important Reminders

Electronic Filing

Forms 940 and 941 may be filed electronically. You may use your personal computer to transmit tax return information through an approved third-party transmitter. Visit the IRS website at www.irs.gov/efile for a list of approved business providers. Certain employers may file Form 941 using their telephone. A Form 941TeleFile package is automatically mailed to eligible employers each quarter.

Electronic Deposits

You may deposit your taxes electronically using the Electronic Federal Tax Payment System (EFTPS). Although use of EFTPS is required for certain employers (see section 11 for details), all employers are encouraged to use EFTPS. Using EFTPS, you can transmit your tax payment information by telephone or your personal computer. To get more information or to enroll in EFTPS, call 1-800-555-4477 or 1-800-945-8400. You can also visit the EFTPS website at www.eftps.gov.

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 U.S. Citizenship and Immigration Services (USCIS) **Form I-9**, Employment Eligibility Verification. You can get the form from USCIS offices or by calling 1-800-870-3676. Contact the USCIS at 1-800-375-5283, or visit the USCIS website at www.uscis.gov for further information.

New hire reporting. You are required to report any new employee to a designated state new hire registry. Many states accept a copy of Form W-4 with employer information added. Call the Office of Child Support Enforcement at 202-401-9267 or access its website at www.acf.dhhs.gov/programs/cse/newhire for more information.

Income tax withholding. Ask each new employee to complete the 2004 Form W-4. (See section 9.)

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

Paying Wages, Pensions, or Annuities

Income tax withholding. Withhold tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding rate. (If you have nonresident alien employees, see section 9.) Withhold from periodic pension and annuity payments as if the recipient is married claiming three withholding allowances, unless he or she has provided **Form W-4P**, Withholding Certificate for Pension or Annuity Payments, either electing no withholding or giving a different number of allowances, marital status, or an additional amount to be withheld. Do not withhold on direct rollovers from qualified plans or governmental section 457(b) plans. See section 9 and **Pub. 15-A**, Employer's Supplemental Tax Guide. Pub. 15-A includes information about withholding on pensions and annuities.

Information Returns

You may be required 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 electronic or magnetic media filing, see the **2004 General Instructions for Forms 1099, 1098, 5498, and W-2G** for general information and the separate, specific instructions for each information return that you file (for example, **2004 Instructions for Forms 1099-MISC**). Do not use Forms 1099 to report wages and other compensation that you paid to employees; report these on Form W-2. See the separate **Instructions for Forms W-2 and W-3** for details about filing Form W-2 and for information about required magnetic media or electronic filing. If you file 250 or more Forms W-2 or 1099, you must file them on magnetic media or electronically.

Information reporting call site. The IRS operates a centralized call site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions related to reporting on information returns, call 1-866-455-7438 (toll free) or 304-263-8700 (not toll free). The call site can also be reached by email at mccirp@irs.gov.

Nonpayroll Income Tax Withholding

Nonpayroll income tax withholding must be reported on **Form 945**, Annual Return of Withheld Federal Income Tax.

Form 945 is an annual tax return and the return for 2003 is due February 2, 2004. Separate deposits are required for payroll (Form 941) and nonpayroll (Form 945) withholding. Nonpayroll items include:

- Pensions, annuities, and IRAs.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.
- Voluntary withholding on certain government payments.
- Backup withholding.

All income tax withholding reported on Forms 1099 or W-2G must be reported on Form 945. All income tax withholding reported on Form W-2 must be reported on Form 941, Form 943, or Schedule H (Form 1040).

Note: *Because distributions to participants from some nonqualified pension plans and deferred compensation plans are treated as wages and are reported on Form W-2, income tax withheld must be reported on Form 941, not Form 945. However, since distributions from such plans to a beneficiary or estate of a deceased employee are not wages and are reported on Forms 1099-R, income tax withheld must be reported on Form 945.*

For details on depositing and reporting nonpayroll income tax withholding, see the separate **Instructions for Form 945**.

Backup withholding. You generally must withhold 28% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number (TIN). This withholding is referred to as "backup withholding."

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments that you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding.

Note: *Backup withholding does not apply to wages, pensions, annuities, IRAs (including simplified employee pension (SEP) and SIMPLE retirement plans), section 404(k) distributions from an employee stock ownership plan (ESOP), medical savings accounts, long-term-care benefits, or real estate transactions.*

You can use **Form W-9**, Request for Taxpayer Identification Number and Certification, to request that payees furnish a TIN and to certify that the number furnished is correct. You can also use Form W-9 to get certifications from payees that they are not subject to backup withholding or that they are exempt from backup withholding. The **Instructions for the Requester of Form W-9** includes a list of types of payees who are exempt from backup withholding. For more information, see **Pub. 1679**, A Guide to Backup Withholding For Missing and Incorrect Name/TIN(s).

Recordkeeping

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

- Your employer identification number (EIN).
- Amounts and dates of all wage, annuity, and pension payments.
- Amounts of tips reported.
- Records of allocated tips.
- The fair market value of in-kind wages paid.
- Names, addresses, social security numbers, and occupations of employees and recipients.
- Any employee copies of Forms W-2 and W-2c 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, W-4S, and W-4V).
- Dates and amounts of tax deposits that you made and acknowledgment numbers for deposits made by EFTPS.
- Copies of returns filed, including Form 941TeleFile Tax Records and confirmation numbers.
- Records of fringe benefits provided, including substantiation.

Change of Address

To notify the IRS of a new business mailing address or business location, file **Form 8822**, Change of Address. For information on how to change your address for deposit coupons, see **Making deposits with FTD coupons** in section 11.

Private Delivery Services

You can use certain private delivery services designated by the IRS to mail tax returns and payments. If you mail by the due date using any of these services, you are considered to have filed on time. The most recent list of designated private delivery services was published in September 2002. The list includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, Second Day Service.
- DHL Worldwide Express (DHL): DHL "Same Day" Service, DHL USA Overnight.

- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority, FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

Your private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Telephone Help

Tax questions. You can call the IRS with your employment tax questions at 1-800-829-4933.

Help for people with disabilities. Telephone help is available using TTY/TDD equipment. You may call 1-800-829-4059 with any tax question or to order forms and publications. You may also use this number for assistance with unresolved tax problems.

Recorded tax information (TeleTax). The IRS TeleTax service provides recorded tax information on topics that answer many individual and business Federal tax questions. You can listen to up to three topics on each call that you make. Touch-tone service is available 24 hours a day, 7 days a week. TeleTax topics are also available using a personal computer (connect to **www.irs.gov/taxtopics**).

A list of employment tax topics is provided below. Select, by number, the topic you want to hear and call 1-800-829-4477. For the directory of all topics, listen to topic 123.

TeleTax 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 and 940-EZ—Deposit Requirements
760	Form 940 and 940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Tips—Withholding and Reporting
762	Independent contractor vs. Employee

Unresolved Tax Issues

If you have attempted to deal with an IRS problem unsuccessfully, you should contact the Taxpayer Advocate. The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels.

While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

Your assigned personal advocate will listen to your point of view and will work with you to address your concerns. You can expect the advocate to provide:

- A “fresh look” at a new or ongoing problem.
- Timely acknowledgement.
- The name and phone number of the individual assigned to your case.
- Updates on progress.
- Timeframes for action.
- Speedy resolution.
- Courteous service.

When contacting the Taxpayer Advocate, you should provide the following information:

- Your name, address, and employer identification number (EIN).
- The name and telephone number of an authorized contact person and the hours when he or she can be reached.
- The type of tax return and year(s) involved.
- A detailed description of the problem.
- Previous attempts to solve the problem and the office that had been contacted.
- A description of the hardship that you are facing (if applicable).

You may contact a Taxpayer Advocate online at www.irs.gov/advocate or by calling a toll-free number, **1-877-777-4778**. Persons who have access to TTY/TDD equipment may call 1-800-829-4059 and ask for Taxpayer Advocate assistance. If you prefer, you may call, write, or fax the Taxpayer Advocate office in your area. See **Pub. 1546**, The Taxpayer Advocate Service of the IRS, for a list of addresses and fax numbers.

Filing Addresses. Generally, your filing address for Forms 940, 940-EZ, 941, 943, and 945 depends on the location of your residence or principal place of business and whether or not you included a payment with your return. There are separate filing addresses for these returns if you are an exempt organization or government entity. If you are located in the United States and do not include a payment with your return, you should file at either the Cincinnati or Ogden Service Centers. File Form CT-1

(for railroad retirement taxes) at the Cincinnati Service Center. See Form CT-1 for details on where to file.

Introduction

This publication explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying employment taxes. It explains the forms that you must give to your employees, those that your employees must give to you, and those that you must send to the IRS and SSA. This guide also has tax tables that you need to figure the taxes to withhold from each employee for 2004.

Additional employment tax information is available in **Pub. 15-A**, Employer’s Supplemental Tax Guide. Pub. 15-A includes specialized information supplementing the basic employment tax information provided in this publication. **Pub. 15-B**, Employer’s Tax Guide to Fringe Benefits, contains information about the employment tax treatment and valuation of various types of noncash compensation.

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

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

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

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

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

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official. To find your State Social Security Administrator, contact the National Conference of State Social Security Administrators website at www.ncsssa.org.

Comments and Suggestions. We welcome your comments about this publication and your suggestions for future editions. You can email us at *taxforms@irs.gov. Please put “Publications Comment” on the subject line.

You can write to us at the following address:

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

1. Employer Identification Number (EIN)

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

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

If you do not have an EIN, request one on **Form SS-4**, Application for Employer Identification Number. Form SS-4 has information on how to apply for an EIN by mail, fax, or by telephone. You may also apply for an EIN online by visiting the IRS website at www.irs.gov/smallbiz.

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 office where you file your return. Give the numbers that you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use.

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

See **Depositing without an EIN** on page 21 if you must make a tax deposit and you do not have an EIN.

2. Who Are Employees?

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

Employee status under common law. Generally, a worker who performs services for you is your employee if you 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 right to control the details of how the services are performed. See **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an independent contractor or an employee.

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. However, if the business is incor-

porated, corporate officers who work in the business are employees.

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

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

- An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- A full-time life insurance salesperson who sells primarily for one company.
- 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.
- 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.

See Pub. 15-A for details on statutory employees.

Statutory nonemployees. Direct sellers and qualified real estate agents are by law considered nonemployees. They are instead treated as **self-employed** for all Federal tax purposes, including income and employment taxes. See Pub. 15-A for details.

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

Relief provisions. If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker. To get this relief, you must file all required information returns (Form 1099-MISC) on a basis consistent with your treatment of the worker. You (or your predecessor) must not have treated any worker holding a substantially similar position as an employee for any periods beginning after 1977.

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

3. Family Employees

Child employed by parents. Payments for the services of a child under age 18 who works for his or her parent in a trade or business are not subject to social security and Medicare taxes if the trade or business is a sole proprietorship or a partnership in which each partner is a parent of the child. If these services are for work other than in a trade or business, such as domestic work in the parent's private home, they are not subject to social security and Medicare taxes until the child reaches age 21. However, see **Covered services of a child or spouse** later. Payments for the services of a child under age 21 who works for his or her parent whether or not in a trade or business are not subject to Federal unemployment (FUTA) tax. Although not subject to FUTA tax, the wages of a child may be subject to income tax withholding.

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

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

- A corporation, even if it is controlled by the child's parent or the individual's spouse,
- A partnership, even if the child's parent is a partner, unless each partner is a parent of the child,
- A partnership, even if the individual's spouse is a partner, or
- An estate, even if it is the estate of a deceased parent.

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

- The parent cares for a child who lives with a son or daughter and who is under age 18 or requires adult supervision for at least 4 continuous weeks in a calendar quarter due to a mental or physical condition, and
- The son or daughter is a widow or widower, divorced, or married to a person who, because of a physical or mental condition, cannot care for the child during such period.

Wages paid to a parent employed by his or her child are not subject to FUTA tax, regardless of the type of services provided.

4. Employee's Social Security Number (SSN)

You are required to get each employee's name and SSN and to enter them on Form W-2. (This requirement also applies to resident and nonresident alien employees.) You should ask your employee to show you his or her social security card. The employee may show the card if it is available. You may, but are not required to, photocopy the social security card if the employee provides it. If you do not provide the correct employee name and SSN on Form W-2, you may owe a penalty unless you have reasonable cause. See **Pub. 1586**, Reasonable Cause Regulations and Requirements for Missing and Incorrect Name/TINs.

Any employee without a social security card can get one by completing **Form SS-5**, Application for a Social Security Card and submitting the necessary documentation. You can get this form at any Social Security Administration (SSA) office or by calling 1-800-772-1213. Form SS-5 can also be obtained from the SSA website at **www.socialsecurity.gov**. The employee must complete and sign Form SS-5; it cannot be filed by the employer. If your employee applied for an SSN but does not have it when you must file Form W-2, enter "Applied For" on the form. When the employee receives the SSN, file Copy A of **Form W-2c**, Corrected Wage and Tax Statement, with SSA to show the employee's SSN. Advise your employee to correct the SSN on his or her original Form W-2.

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 (for example, because of marriage or divorce), the employee should request a new card from the SSA. Continue to use the old name until the employee shows you the new social security card with the new name.

If your employee was given a new social security card following an adjustment to his or her resident status that shows a different name or SSN, file a Form W-2c for the most current year only.

IRS individual taxpayer identification numbers (ITINs) for aliens. Do not accept an ITIN in place of an SSN for employee identification or for work. An ITIN is only available to resident and nonresident aliens who are not eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a 9-digit number, beginning with the number "9" and is formatted like an SSN (NNN-NN-NNNN).



An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN.

Verification of social security numbers. The Social Security Administration (SSA) offers employers and authorized reporting agents two methods for verifying employee SSNs. Both methods match employee names and SSNs.

- **Telephone verification.** To verify up to five names and numbers, call 1-800-772-6270. To verify up to 50 names and numbers, contact your local Social Security office.

- **Large volume verification.** The **Enumeration Verification Service (EVS)** may be used to verify more than 50 employee names and SSNs. Preregistration is required for EVS or for requests made on magnetic media. For more information, call the EVS information line at 410-965-7140 or visit SSA's website for employers at www.socialsecurity.gov/employer.

5. Wages and Other Compensation

Wages subject to Federal employment taxes include all pay that you give to 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. Also, compensation paid to a former employee for services performed while still employed is wages subject to employment taxes. See section 6 for a discussion of tips and section 7 for a discussion of supplemental wages. Also, see section 15 for exceptions to the general rules for wages. **Pub. 15-A**, Employer's Supplemental Tax Guide, provides additional information on wages and other compensation. **Pub. 15-B**, Employer's Tax Guide to Fringe Benefits, provides information on other forms of compensation, including:

- Accident and health benefits
- Achievement awards
- Adoption assistance
- Athletic facilities
- De minimis (minimal) benefits
- Dependent care assistance
- Educational assistance
- Employee discounts
- Employee stock options
- Group-term life insurance coverage
- Lodging on your business premises
- Meals
- Moving expense reimbursements
- No-additional-cost services
- Retirement planning services
- Transportation (commuting) benefits
- Tuition reduction
- Working condition benefits

Employee business expense reimbursements. A reimbursement or allowance arrangement is a system by which you substantiate and pay the advances, reimbursements, and charges for your employees' business expenses. How you report a reimbursement or allowance amount depends

on whether you have an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

These rules apply to all ordinary and necessary employee business expenses that would otherwise qualify for a deduction by the employee.

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

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

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

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

A reasonable period of time depends on the facts and circumstances. Generally, it is considered reasonable if your employees receive their advance within 30 days of the time that they incur the expenses, adequately account for the expenses within 60 days after the expenses were paid or incurred, and return any amounts in excess of expenses within 120 days after the expenses were paid or incurred. Also, it is considered reasonable if you give your employees a periodic statement (at least quarterly) that asks them to either return or adequately account for outstanding amounts and they do so within 120 days.

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

- Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation or
- 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.

See section 7 for more information on supplemental wages.

Per diem or other fixed allowance. You may reimburse your employees by travel days, miles, or some other fixed allowance. In these cases, your employee is considered to have accounted to you if your reimbursement does not exceed rates established by the Federal Government. The 2003 standard mileage rate for auto expenses was 36.0 cents per mile. The rate for 2004 is 37.5 cents per mile. The government per diem rates for meals and lodging in the continental United States are listed in **Pub. 1542, Per Diem Rates**. Other than the amount of these expenses, your employees' business expenses must be substantiated (for example, the business purpose of the travel or the number of business miles driven).

If the per diem or allowance paid exceeds the amounts specified, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and FUTA taxes. Show the amount equal to the specified amount (i.e., the nontaxable portion) in box 12 of Form W-2 using code L.

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

However, noncash payments for household work, agricultural labor, and service not in the employer's trade or business are exempt from social security, Medicare, and FUTA taxes. Withhold income tax on these payments only if you and the employee agree to do so. Nonetheless, noncash payments for agricultural labor, such as commodity wages, are treated as cash payments subject to employment taxes if the substance of the transaction is a cash payment.

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

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

"For the convenience of the employer" means that you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals that you provide at the place of work so that an employee is available for

emergencies during his or her lunch period are generally considered to be for your convenience.

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

50% test. If over 50% of the employees who are provided meals on an employer's business premises receive these meals for the convenience of the employer, all meals provided on the premises are treated as furnished for the convenience of the employer. If this 50% test is met, the value of the meals is excludable from income for all employees and is not subject to income tax withholding or employment taxes.

For more information, see **Pub. 15-B, Employer's Tax Guide to Fringe Benefits**.

Health insurance plans. If you pay the cost of an accident or health insurance plan for your employees, that may include an employee's spouse and dependents, your payments are not wages and are not subject to social security, Medicare, and FUTA taxes, or income tax withholding. Generally, this exclusion also applies to qualified long-term care insurance contracts. However, the cost of health insurance benefits must be included in the wages of S corporation employees who own more than 2% of the S corporation (2% shareholders).

Archer medical savings accounts. Your contributions to an employee's medical savings account (Archer MSA) are not subject to social security, Medicare, or FUTA taxes, or income tax withholding if it is reasonable to believe at the time of payment of the contributions that they will be excludable from the income of the employee. To the extent that it is **not** reasonable to believe that they will be excludable, your contributions are subject to these taxes. Employee contributions to their Archer MSAs through a payroll deduction plan must be included in wages and are subject to social security, Medicare, and FUTA taxes, and income tax withholding.

Medical care reimbursements. Generally, medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and FUTA taxes, or income tax withholding. See **Pub. 15-B** for an exception for highly compensated employees.

Fringe benefits. You generally must include fringe benefits in an employee's gross income (but see **Nontaxable fringe benefits** next). The benefits are subject to income tax withholding and employment taxes. Fringe benefits include cars that you provide, flights on aircraft that 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 that 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 that the law excludes. There are other special rules that you and your employees may use to value certain fringe benefits. See **Pub. 15-B** for more information.

Nontaxable fringe benefits. Some fringe benefits are not taxable (or are minimally taxable) if certain conditions are met. See Pub. 15-B for details. Examples are:

- 1) Services provided to your employees at no additional cost to you.
- 2) Qualified employee discounts.
- 3) Working condition fringes that are property or services that the employee could deduct as a business expense if he or she had paid for it. Examples include a company car for business use and subscriptions to business magazines.
- 4) 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 that you provide at eating places that you run for your employees if the meals are not furnished at below cost).
- 5) Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking).
- 6) Qualified moving expense reimbursement. See page 10 for details.
- 7) The use of on-premises athletic facilities if substantially all of the use is by employees, their spouses, and their dependent children.
- 8) Qualified tuition reduction that an educational organization provides to its employees for education. For more information, see **Pub. 520**, Scholarships and Fellowships.

However, do not exclude the following fringe benefits from the income of **highly compensated employees** unless the benefit is available to other employees on a non-discriminatory basis.

- No-additional-cost services (item 1 above).
- Qualified employee discounts (item 2 above).
- Meals provided at an employer operated eating facility (included in item 4 above).
- Reduced tuition for education (item 8 above).

For more information, including the definition of a highly compensated employee, see Pub. 15-B.

When fringe benefits are treated as paid. You may choose to treat certain noncash fringe benefits as paid by the pay period, by the quarter, or on any other basis that you choose as long as you treat the benefits as paid at least once a year. You do not have to make a formal choice of payment dates or notify the IRS of the dates that 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. 15-B for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

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

Withholding on fringe benefits. You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold Federal income tax on the value of the fringe benefits at the flat 25% supplemental wage rate.

You may choose not to withhold income tax on the value of an employee's personal use of a vehicle that you provide. You must, however, withhold social security and Medicare taxes on the use of the vehicle. See Pub. 15-B for more information on this election.

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

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

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

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

6. Tips

Tips that your employee receives from customers are generally subject to withholding. Your employee must report cash tips to you by the 10th of the month after the month that the tips are received. The report should include tips that you paid over to the employee for charge customers and tips that the employee received directly from customers. No report is required for months when tips are less than \$20. Your employee reports the tips on **Form 4070**, Employee's Report of Tips to Employer, or on a similar statement. The statement must be signed by the employee and must show the following:

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

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 that 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 2004 reach \$87,900; 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 that you received an employee's report on tips, you do not have enough employee funds available to deduct the employee tax, you no longer have to collect it. If there are not enough funds available, withhold taxes in the following order:

- 1) Withhold on regular wages and other compensation.
- 2) Withhold social security and Medicare taxes on tips.
- 3) Withhold income tax on tips.

Show these tips and any uncollected social security and Medicare taxes on Form W-2 and on lines 6c, 6d, 7a, and 7b of Form 941. Report an adjustment on line 9 of Form 941 for the uncollected social security and Medicare taxes. Enter the amount of uncollected social security and Medicare taxes in box 12 of Form W-2 with codes A and B. (See section 13 and the **Instructions for Forms W-2 and W-3**.)

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

Note: *You are permitted to establish a system for electronic tip reporting by employees. See Regulations section 31.6053-1.*

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

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

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

Tip Rate Determination and Education Program. Employers may participate in the Tip Rate Determination and Education Program. The program consists of two voluntary agreements developed to improve tip income reporting by helping taxpayers to understand and meet their tip reporting responsibilities. The two agreements are the **Tip Rate Determination Agreement** (TRDA) and the **Tip Reporting Alternative Commitment** (TRAC). To find out more about this program, or to identify the IRS Tip Coordinator for your state, call the IRS at 1-800-829-4933. To get more information about TRDA or TRAC agreements, access the IRS website at **www.irs.gov** and search for Market Segment Understanding (MSU) agreements.

7. Supplemental Wages

Supplemental wages are compensation paid in addition to an employee's regular wages. They include, but are not limited to, bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay 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. How you withhold on supplemental payments depends on whether the supplemental payment is identified as a separate payment from regular wages.

Supplemental wages combined with regular wages. 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.

Supplemental wages identified separately from regular wages. 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 you withhold income tax from your employee's regular wages:

- 1) If you **withheld** income tax from an employee's regular wages, you can use one of the following methods for the **supplemental wages**:
 - a) Withhold a flat 25% (no other percentage allowed).
 - 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 was a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
- 2) If you **did not withhold** income tax from the employee's regular wages, use method **1-b** above. (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 that you use to withhold income tax on supplemental wages, they are subject to social security, Medicare, and FUTA taxes.

Example 1. You pay John Peters a base salary on the 1st of each month. He is single and claims one withholding allowance. In January of 2004, he is paid \$1,000. Using the wage bracket tables, you withhold \$54 from this amount. In February 2004, he receives salary of \$1,000 plus a commission of \$2,000, which you include in regular wages. You figure the withholding based on the total of \$3,000. The correct withholding from the tables is \$371.

Example 2. You pay Sharon Warren a base salary on the 1st of each month. She is single and claims one allowance. Her May 1, 2004, pay is \$2,000. Using the wage bracket tables, you withhold \$202. On May 14, 2004, she receives a bonus of \$2,000. Electing to use supplemental payment method **1-b**, you:

- 1) Add the bonus amount to the amount of wages from the most recent pay date ($\$2,000 + \$2,000 = \$4,000$).
- 2) Determine the amount of withholding on the combined \$4,000 amount to be \$621 using the wage bracket tables.
- 3) Subtract the amount withheld from wages on the most recent pay date from the combined withholding amount ($\$621 - \$202 = \$419$).
- 4) Withhold \$419 from the bonus payment.

Example 3. The facts are the same as in Example 2, except that you elect to use the flat rate method of withholding on the bonus. You withhold 25% of \$2,000, or \$500, from Sharon's bonus payment.

Tips treated as supplemental wages. Withhold income tax on tips from wages or from other funds that 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 **1-a** or **1-b** above.

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

8. Payroll Period

Your 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 do not have a regular payroll period, withhold the tax as if you paid wages for 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:

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

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

9. Withholding From Employees' Wages

Income Tax Withholding

To know how much income tax to withhold from employees' wages, you should have a **Form W-4**, Employee's Withholding Allowance Certificate, on file for each employee. Encourage your employees to file an updated Form W-4 for 2004, especially if they owed taxes or received a large refund when filing their 2003 tax return. Advise your employees to use the **Withholding Calculator** on the IRS website at www.irs.gov/individuals for help in determining how many withholding allowances to claim on their Form W-4.

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 income tax as if he or she is single, with no withholding allowances.

You may establish a system to electronically receive Forms W-4 from your employees. See Regulations section 31.3402(f)(5)-1(c) for more information.

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 when you received the replacement Form W-4. For exceptions, see **Exemption from income tax withholding, Sending certain Forms W-4 to the IRS, and Invalid Forms W-4** later.

The amount of any income tax withholding must be based on marital status and withholding allowances. Your employees may **not** base their withholding amounts on a fixed dollar amount or percentage. However, an employee may specify a dollar amount to be withheld **in addition** to the amount of withholding based on filing status and withholding allowances claimed on Form W-4.

Employees may claim **fewer** withholding allowances than they are entitled to claim. They may wish to claim fewer allowances to ensure that they have enough with-

holding or to offset the tax on 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.

See **Pub. 505**, Tax Withholding and Estimated Tax, for detailed instructions for completing Form W-4. Along with Form W-4, you may wish to order Pub. 505 and **Pub. 919**, How Do I Adjust My Tax Withholding? for use by your employees.

When you receive a new Form W-4 from an employee, do not adjust withholding for pay periods before the effective date of the new form. 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. Generally, 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. See the Form W-4 instructions for more information. However, the wages are still subject to social security and Medicare taxes.

A Form W-4 claiming exemption from withholding is valid for only one calendar year. To continue to be exempt from withholding in the next year, an employee must file a new Form W-4 by February 15 of that year. If the employee does not give you a new Form W-4, withhold tax as if the employee is single with zero withholding allowances.

Withholding on nonresident aliens. In general, if you pay wages to nonresident aliens, you must withhold income tax, social security, and Medicare taxes as you would for a U.S. citizen. However, see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign Entities, for exceptions to these general rules.

Form W-4. When completing Form W-4, nonresident aliens are required to:

- Not claim exemption from income tax withholding.
- Request withholding as if they are single, regardless of their actual marital status.
- Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, Japan, or South Korea, he or she may claim more than one allowance).
- Request an additional income tax withholding amount, depending on the payroll period, as follows:

<u>Payroll Period</u>	<u>Additional Withholding</u>
Weekly	7.60
Biweekly	15.30
Semimonthly	16.60
Monthly	33.10
Quarterly	99.40
Semiannually	198.80
Annually	397.50
Daily or Miscellaneous (each day of the payroll period)	1.50

Note: Nonresident alien students from India are not subject to the additional income tax withholding requirement.

Form 8233. If a nonresident alien employee claims a tax treaty exemption from withholding, the employee must submit **Form 8233**, Exemption from Withholding or Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, with respect to the income exempt under the treaty, instead of Form W-4 (see Pub. 515 for details).

Sending certain Forms W-4 to the IRS. Generally, you must send to the IRS copies of certain Forms W-4 that you received during the quarter from employees still employed by you at the end of the quarter. Send copies of Form W-4 when the employee claims **(a)** more than 10 withholding allowances or **(b)** exemption from withholding and his or her wages would normally be more than \$200 per week. Send the copies to the IRS office where you file your Form 941. 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. Complete boxes 8 and 10 on any Forms W-4 that 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 their 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 the IRS more often if you like. If you do so, include a cover letter giving your name, address, EIN, and the number of forms included. In certain cases, the IRS may notify you in writing that you must submit specified Forms W-4 more frequently, separate from your Form 941.

Note: Please make sure that the copies of Form W-4 that you send to the IRS are clear and legible.

If your Forms 941 are filed on magnetic media or electronically, this Form W-4 information also should be filed with the IRS on magnetic media or electronically. (See **Filing Form W-4 on magnetic media or electronically** below.) Magnetic media or electronic filers of Form 941 may send paper Forms W-4 to the IRS with a cover letter if they are unable to file them on magnetic media or electronically. If you file Form 941 by TeleFile, send your paper Forms W-4 to the IRS with a cover letter.

Note: Any Form W-4 that you send to the IRS without a Form 941 should be mailed to the "Return Without A Payment" address on the back of Form 941.

Base any employee income tax withholding on the Forms W-4 that you send in unless the IRS notifies you in writing to do otherwise. If the IRS notifies you about a particular employee, base his or her income tax withholding on the number of withholding allowances shown in the IRS notice. 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: **(a)** exempt status is not claimed or **(b)** the number of withholding allowances is equal to or lower 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 an 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 or electronically.

Form W-4 information may be filed with the IRS on magnetic media or electronically. If you wish to file on magnetic media or electronically, you must submit **Form 4419**, Application for Filing Information Returns Electronically/Magnetically, to request authorization. See **Pub. 1245**, Specification for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically. To get more information about magnetic media or electronic filing, call the IRS Martinsburg Computing Center at 1-866-455-7438 (toll free) or 304-263-8700 (not toll free).

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

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. An employee who files a false Form W-4 may be subject to a \$500 penalty.

When you get an invalid Form W-4, do not use it to figure withholding. Tell the employee that it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee was 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 668-W(c), or 668-W(c)(DO)), 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 668-W(c) and 668-W(c)(DO)) 2004, shows the exempt amount. If a levy issued in a prior year is still in effect and the taxpayer submits a new Statement of Exemptions and Filing Status, use the current year Pub. 1494 to compute the exempt amount.

Social Security and Medicare Taxes

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

Generally, you are required to withhold social security and Medicare taxes from your employees' wages and you must also pay a matching amount of these taxes. Certain types of wages and compensation are not subject to social security taxes (see sections 5 and 15 for details). Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age or whether he or she is receiving social security benefits. (If the employee reported tips, see section 6.)

Tax rates and the social security wage base limit.

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

The employee tax rate for social security is 6.2% (amount withheld). The employer tax rate for social security is also 6.2% (12.4% total). The 2003 wage base limit was \$87,000. For 2004, the wage base limit is \$87,900.

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

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 that the other employer paid to your employees when you figure the annual wage base limit for social security. See Regulations section 31.3121(a)(1)-1(b) for more information. Also see Rev. Proc. 96-60 for the procedures used in filing returns in a predecessor-successor situation. You can find Rev. Proc. 96-60 on page 24 of Internal Revenue Bulletin 1996-53 at www.irs.gov/pub/irs-irbs/irb96-53.pdf.

Example: Early in 2004, you bought all of the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. The wages that you paid to Mr. Brown are subject to social security taxes on the first \$85,900 (\$87,900 less \$2,000). Medicare tax is due on all of the wages that you pay him during the calendar year.

International social security agreements. The United States has social security agreements with many countries that eliminate dual taxation and dual coverage. Compensation subject to social security and Medicare taxes may be exempt under one of these agreements. You can get more information and a list of agreement countries from SSA at www.socialsecurity.gov/international or see section 7 of **Pub. 15-A**, Employer's Supplemental Tax Guide.

Part-Time Workers

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

10. Advance Earned Income Credit (EIC) Payment

An employee who is eligible for the earned income credit (EIC) and has a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must provide to you a properly completed **Form W-5**, Earned Income Credit Advance Payment Certificate, using either the paper form or an approved electronic format. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5. You may establish a system to electronically receive Forms W-5 from your employees. See Announcement 99-3 for information on electronic requirements for Form W-5. You can find Announcement 99-3 on page 15 of Internal Revenue Bulletin 1999-3 at www.irs.gov/pub/irs-irbs/irb99-03.pdf.

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

For 2004, the advance payment can be as much as \$1,563. The tables that begin on page 57 reflect that limit.

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

- Whether he or she expects to have a qualifying child.
- Whether he or she will file a joint return.
- If the employee is married, whether his or her spouse has a Form W-5 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 is effective for the first payroll period ending on or after the date the employee gives you the form (or the first wage payment made without regard to a payroll period). It remains in effect until the end of the calendar year unless the employee revokes it or files another one. Eligible employees must file a new Form W-5 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 Form W-5 within 10 days after learning about the change of circumstances. The employee must give you a new Form W-5 stating that he or she is no longer eligible for or no longer wants advance EIC payments.

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

If an employee's spouse has filed a Form W-5 that is no longer in effect, the employee may file a new Form W-5 with you, but is not required to do so. A new form will certify that the spouse does not have a Form W-5 in effect and will increase the maximum amount of advance payments you can make to that employee.

Invalid Form W-5. 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 Form W-5 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 form, tell the employee that it is invalid as of the date that he or she made the oral or written statement. For advance EIC payment purposes, the invalid Form W-5 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 if you have reason to believe that it contains an incorrect statement.

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

- Wages, including reported tips, for the same period. Generally, figure advance EIC payments using the amount of wages subject to income tax withholding. If an employee's wages are not subject to income tax withholding, use the amount of wages subject to withholding for social security and Medicare taxes.
- Whether the employee is married or single.
- 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 \$30,338 (\$31,338 if married filing jointly), 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 57. There are separate tables for employees whose spouses have a Form W-5 in effect. See page 34 for instructions on using the advance EIC payment tables. The amount of advance EIC paid to an employee during 2004 cannot exceed \$1,563.

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 that 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 box 9 on Form W-2. Do not include this amount as wages in box 1.

Employer's returns. Show the total payments that you made to employees on the advance EIC line (line 12) of your Form 941. Subtract this amount from your total taxes on line 11 (see the separate **Instructions for Form 941**). Reduce the amounts reported on line 17 of Form 941 or on appropriate lines of **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability, by any advance EIC paid to your 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 treated as deposits of these taxes on the day that you pay wages (including the advance EIC payment) to your employees. The payments are treated as deposits of these taxes in the following order: **(1)** income tax withholding, **(2)** withheld employee social security and Medicare taxes, and **(3)** the employer's share of social security and Medicare taxes.

Example: You have 10 employees, each entitled to an advance EIC payment of \$10. The total amount of advance EIC payments that you make for the payroll period is \$100. The total amount of 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 that you paid wages. The \$100 is treated as if you deposited the \$90 total income tax withholding and \$10 of the employee social security and Medicare taxes. You remain liable for depositing the remaining \$112.60 of the social security and Medicare taxes (\$51.30 + \$61.30 = \$112.60).

Advance EIC payments more than taxes due. For any payroll period, if 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 to:

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

Example: You have 10 employees who are each entitled to an advance EIC payment of \$10. The total amount of advance EIC payable for the payroll period is \$100. The total employment tax for the payroll period is \$90 (including

income tax withholding and social security and Medicare taxes). The advance EIC payable is \$10 more than the total employment tax. The \$10 excess is 10% of the advance EIC payable (\$100). You may—

- Reduce each employee's payment by 10% (to \$9 each) so that the advance EIC payments equal your total employment tax (\$90) or
- Pay each employee \$10, and treat the excess \$10 as an advance payment of employment taxes. Attach a statement to Form 941 showing the excess advance EIC payments and the pay period(s) to which the excess applies.

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

Required Notice to Employees

You must notify employees who have no income tax withheld that they may be able to claim a tax refund because of the EIC. Although you do not have to notify employees who claim exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate, about the EIC, you are encouraged to notify any employees whose wages for 2003 were less than \$33,692 (\$34,692 if married filing jointly) that they may be eligible to claim the credit for 2003. This is because eligible employees may get a refund of the amount of EIC that is more than the tax that they owe.

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

If a substitute Form W-2 is given to the employee on time but does not have the required statement, you must notify the employee within one week of the date that the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date that Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 9, 2004.

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 a financial institution that is an authorized depository for Federal taxes. However, some taxpayers are required to deposit using the Electronic Federal Tax Deposit System (EFTPS). See **How To Deposit** on page 20 for information on electronic deposit requirements for 2004.

Payment with return. You may make a **payment** with Form 941 instead of depositing if:

- You accumulate less than a \$2,500 tax liability (reduced by any advance earned income credit) during the quarter (line 13 of Form 941), and you pay in full with a timely filed return. (However, if you are unsure that you will accumulate less than \$2,500, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties.), or
- You are a **monthly schedule depositor** (defined below) and make a payment in accordance with the **Accuracy of Deposits Rule** discussed on page 20. This payment may be \$2,500 or more.

Separate deposit requirements for nonpayroll (Form 945) tax liabilities. Separate deposits are required for nonpayroll and payroll income tax withholding. **Do not** combine deposits for Forms 941 and 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below, except that the rules apply to an annual rather than a quarterly return period. Thus, the \$2,500 threshold for the deposit requirement discussed above applies to Form 945 on an annual basis. See the separate **Instructions for Form 945** for more information.

When To Deposit

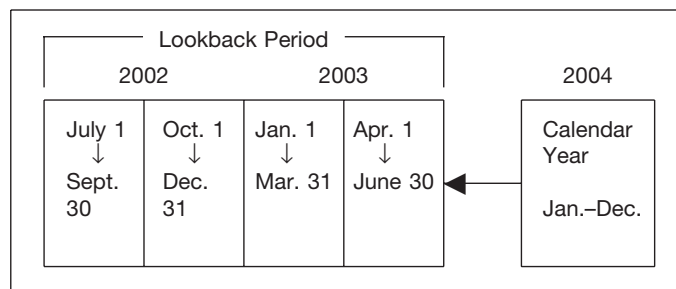
There are two deposit schedules—**monthly** or **semi-weekly**—for determining when you deposit social security, Medicare, and withheld income taxes. These schedules tell you when a deposit is due after a tax liability arises (e.g., when you have a payday). Prior to the beginning of each calendar year, you must determine which of the two deposit schedules that you are required to use. The deposit schedule that you must use is based on the total tax liability that you reported on Form 941 during a four-quarter **lookback period** discussed below. Your deposit schedule is **not** determined by how often you pay your employees or make deposits (see **Application of Monthly and Semiweekly Schedules** on page 19).



These rules do not apply to Federal unemployment (FUTA) tax. See section 14 for information on depositing FUTA tax.

Lookback period. Your deposit schedule for a calendar year is determined from the total taxes (i.e., not reduced by any advance EIC payments) reported on line 11 of your Forms 941 in a four-quarter lookback period. The lookback period begins July 1 and ends June 30 as shown in Table 1 below. If you reported **\$50,000 or less** of taxes for the lookback period, you are a **monthly** schedule depositor; if you reported **more than \$50,000**, you are a **semiweekly** schedule depositor.

Table 1. Lookback Period for Calendar Year 2004



Adjustments and the lookback rule. Determine your tax liability for the four quarters in the lookback period based on the tax liability as **originally** reported on your Form 941. If you made adjustments to correct errors on previously filed Forms 941, these adjustments do not affect the amount of tax liability for purposes of the lookback rule.

If you report adjustments on your current Form 941 to correct errors on prior Forms 941, 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 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, 2003. The employer discovered during January 2004 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 2004 first quarter return. This employer is a monthly schedule depositor for 2004 because the lookback period tax liabilities are based on the amounts originally reported, and they were less than \$50,000. The \$10,000 adjustment is part of the 2004 first quarter tax liability.

Deposit period. The term **deposit period** refers to the period during which tax liabilities are accumulated for each required deposit due date. For **monthly schedule depositors**, the deposit period is a **calendar month**. The deposit periods for **semiweekly schedule depositors** are **Wednesday through Friday** and **Saturday through Tuesday**.

Monthly Deposit Schedule

You are a monthly schedule depositor for a calendar year if the total taxes on **line 11** of Form 941 for the four quarters in your lookback period were \$50,000 or less. Under the monthly deposit schedule, deposit Form 941 taxes on payments made during a month by the 15th day of the following month. See also **Deposits on Banking Days Only** later.

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

New employers. During the first calendar year of your business, your tax liability for each quarter in the lookback

period is considered to be zero. Therefore, you are a **monthly schedule depositor** for the first calendar year of your business (but see the **\$100,000 Next-Day Deposit Rule** on page 20).

Semiweekly Deposit Schedule

You are a semiweekly schedule depositor for a calendar year if the total taxes on **line 11** of Form 941 during your lookback period were more than \$50,000. Under the semiweekly deposit schedule, deposit Form 941 taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit amounts accumulated for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday. See also **Deposits on Banking Days Only** later.

Note: Semiweekly schedule depositors **must complete Schedule B (Form 941), Employer's Record of Federal Tax Liability, and submit it with Form 941.**

Table 2. Semiweekly Deposit Schedule

IF the payday falls on a . . .	THEN deposit taxes by the following . . .
Wednesday, Thursday, and/or Friday	Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Friday

Semiweekly deposit period spanning two quarters. If you have more than one pay date during a semiweekly period and the pay dates fall in different calendar quarters, you will need to make **separate deposits** for the separate liabilities. For example, if you have a pay date on Wednesday, March 31, 2004 (first quarter), and another pay date on Friday, April 2, 2004 (second quarter), two separate deposits would be required even though the pay dates fall within the same semiweekly period. Both deposits would be due Wednesday, April 7, 2004 (three banking days from the end of the semiweekly deposit period).

Summary of Steps To Determine Your Deposit Schedule							
1. Identify your lookback period (see Table 1). 2. Add the total taxes (line 11 of Form 941) you reported during the lookback period. 3. Determine if you are a monthly or semiweekly schedule depositor:							
<table border="1"> <thead> <tr> <th>If the total taxes you reported in the lookback period were . . .</th> <th>Then you are a . . .</th> </tr> </thead> <tbody> <tr> <td>\$50,000 or less</td> <td>Monthly Schedule Depositor</td> </tr> <tr> <td>More than \$50,000</td> <td>Semiweekly Schedule Depositor</td> </tr> </tbody> </table>	If the total taxes you reported in the lookback period were . . .	Then you are a . . .	\$50,000 or less	Monthly Schedule Depositor	More than \$50,000	Semiweekly Schedule Depositor	
If the total taxes you reported in the lookback period were . . .	Then you are a . . .						
\$50,000 or less	Monthly Schedule Depositor						
More than \$50,000	Semiweekly Schedule Depositor						

Example of Monthly and Semiweekly Schedules

Rose Co. reported Form 941 taxes as follows:

2003 Lookback Period		2004 Lookback Period	
3rd Quarter 2001	\$12,000	3rd Quarter 2002	\$12,000
4th Quarter 2001	\$12,000	4th Quarter 2002	\$12,000
1st Quarter 2002	\$12,000	1st Quarter 2003	\$12,000
2nd Quarter 2002	\$12,000	2nd Quarter 2003	\$15,000
	\$48,000		\$51,000

Rose Co. is a monthly schedule depositor for 2003 because its tax liability for the four quarters in its lookback period (third quarter 2001 through second quarter 2002) was not more than \$50,000. However, for 2004, Rose Co. is a semiweekly schedule depositor because the total taxes exceeded \$50,000 for the four quarters in its lookback period (third quarter 2002 through second quarter 2003).

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 (if that Monday is a banking day).

Semiweekly schedule depositors have at least three banking days to make a deposit. That is, if any of the three weekdays after the end of a semiweekly period is a banking holiday, you will have one additional banking day to deposit. For example, if a semiweekly schedule depositor accumulated taxes for payments made on Friday and the following Monday is not a banking day, the deposit normally due on Wednesday may be made on Thursday (allowing three banking days to make the deposit).

Application of Monthly and Semiweekly Schedules

The terms "monthly schedule depositor" and "semiweekly schedule depositor" **do not** refer to how often your business pays its employees or even how often you are required to make deposits. The terms identify which set of deposit rules that you must follow when an employment tax liability arises. The deposit rules are based on the dates when wages are paid (i.e., cash basis); **not** on when tax liabilities are accrued for accounting purposes.

Monthly schedule example. Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each Friday. During March it paid wages but did not pay any wages during April. Under the monthly deposit schedule, Spruce Co. must deposit the combined tax liability

ities for the four March paydays by April 15. Spruce Co. does not have a deposit requirement for April (due by May 15) because no wages were paid and, therefore, it did not have a tax liability for April.

Semiweekly schedule example. Green, Inc., which has a semiweekly deposit schedule, pays wages once each month on the last day of the month. Although Green, Inc. has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green, Inc.'s tax liability for the April 30, 2004 (Friday) payday must be deposited by May 5, 2004 (Wednesday). Under the semiweekly deposit schedule, liabilities for wages paid on Wednesday through Friday must be deposited by the following Wednesday.

\$100,000 Next-Day Deposit Rule

If you accumulate a tax liability (reduced by any advance EIC payments) of \$100,000 or more on any day **during a deposit period**, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor.

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

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



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

Example: Elm, Inc. started its business on April 1, 2004. On April 15, it paid wages for the first time and accumulated a tax liability of \$40,000. On April 22, 2004, Elm, Inc. paid wages and accumulated a liability of \$60,000, bringing its accumulated tax liability to \$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm, Inc. accumulated a \$100,000 liability on April 22, it became a semiweekly schedule depositor on April 23. It will be a semiweekly schedule depositor for the remainder of 2004 and for 2005.

Elm, Inc. is required to deposit the \$100,000 by April 23, the next banking day.

Accuracy of Deposits Rule

You are required to deposit 100% of your tax liability on or before the deposit due date. However, penalties will not be applied for depositing less than 100% if **both** of the following conditions are met:

- Any deposit shortfall does not exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited and
- The deposit shortfall is paid or deposited by the shortfall makeup date as described below.

Makeup Date for Deposit Shortfall:

- 1) **Monthly schedule depositor.** Deposit the shortfall or pay it with your return by the **due date** of your Form 941 for the quarter in which the shortfall occurred. You may pay the shortfall with Form 941 even if the amount is \$2,500 or more.
- 2) **Semiweekly schedule depositor.** Deposit by the **earlier of**:
 - a) The first Wednesday or Friday (whichever comes first) that falls on or after the 15th of the month following the month in which the shortfall occurred or
 - b) The due date of Form 941 (for the quarter of the tax liability).

For example, if a **semiweekly schedule depositor** has a deposit shortfall during January 2004, the shortfall makeup date is February 18, 2004 (Wednesday). However, if the shortfall occurred on the required April 2 (Friday) deposit due date for a March 29 (Monday) pay date, the return due date for the March 29 pay date (April 30) would come before the May 19 (Wednesday) shortfall makeup date. In this case, the shortfall must be deposited by April 30.

How To Deposit

The two methods of depositing employment taxes, including Form 945 taxes, are discussed below. See **Payment with return** on page 18 for exceptions explaining when taxes may be paid with the tax return instead of being deposited.

Electronic deposit requirement. You must make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using the Electronic Federal Tax Payment System (EFTPS) in 2004 if:

- Your total deposits of such taxes in 2002 were more than \$200,000 or
- You were required to use EFTPS in 2003.

If you are required to use EFTPS and fail to do so, you may be subject to a 10% penalty. EFTPS is a free service provided by the Department of Treasury. If you are not required to use EFTPS, you may participate voluntarily. To get more information or to enroll in EFTPS, call 1-800-555-4477 or 1-800-945-8400. You can also visit the EFTPS website at www.eftps.gov.

New employers that have a Federal tax obligation will be pre-enrolled in EFTPS. Call the toll-free number located in your Employer Identification Number (EIN) Package to activate your enrollment and begin making your tax deposit payments.

Depositing on time. For deposits made by EFTPS to be on time, you must initiate the transaction at least one business day before the date that the deposit is due.

Deposit record. For your records an Electronic Funds Transfer (EFT) Trace Number will be provided with each successful payment that can be used as a receipt or to trace the payment.

Making deposits with FTD coupons. If you are not making deposits by EFTPS, use **Form 8109**, Federal Tax Deposit Coupon, to make the deposits at an authorized financial institution.

For new employers, if you would like to receive a Federal Tax Deposit (FTD) coupon booklet, call 1-800-829-4933. Allow 5 to 6 weeks for delivery. The IRS will keep track of the number of FTD coupons that you use and **automatically** will send you additional coupons when you need them. If you do not receive your resupply of FTD coupons, call 1-800-829-4933. 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 8109-C**, FTD Address Change, which is in the FTD coupon book. (Filing Form 8109-C 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 that 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 a 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 **Deposit Penalties** below for penalty amounts.

How to deposit with an FTD coupon. Mail or deliver each FTD coupon and a single payment covering the taxes to be deposited to an authorized depository. An authorized depository is a financial institution (e.g., a commercial bank) that is authorized to accept Federal tax deposits. Follow the instructions in the FTD coupon book. Make your check or money order payable to the depository. To help ensure proper crediting of your account, include your EIN, the type of tax (e.g., Form 941), and the tax period to which the payment applies on your check or money order.

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 may deposit taxes with a check drawn on another financial institution only if the depository is willing to accept that form of payment. 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.

If you prefer, you may mail your coupon and payment to: Financial Agent, Federal Tax Deposit Processing, P.O. Box 970030, St. Louis, MO 63197. Make your check or money order payable to **Financial Agent**.

Depositing on time. The IRS determines whether deposits are on time by the date that they are received by an authorized depository. To be considered timely, the funds must be available to the depository on the deposit due date before the institution's daily cutoff deadline. Contact your local depository for information concerning check clearance and cutoff schedules. However, a deposit received by the authorized depository after the due date will be considered timely if the taxpayer establishes that it was mailed in the United States at least two 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 received by the authorized depository by its due date to be timely. See section 7502(e)(3).*

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 the IRS. **Do not** make the deposit at an authorized depository. Make it payable to the "United States Treasury" and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. Send your deposit with an explanation to your local IRS office or the service center where you will file Form 941. The service center addresses are on the back of Form 941 and are also available on the IRS website at www.irs.gov. **Do not** use **Form 8109-B**, Federal Tax Deposit Coupon, in this situation.

Depositing without Form 8109. If you have an EIN but do not have a preprinted Form 8109, you may use Form 8109-B to make deposits. Form 8109-B is an over-the-counter FTD coupon that is not preprinted with your identifying information. You may get this form by calling 1-800-829-4933. Be sure to have your EIN ready when you call. You will **not** be able to obtain Form 8109-B by calling 1-800-TAX-FORM.

Use Form 8109-B to make deposits **only if**—

- You are a new employer **and** you have been assigned an EIN, but you have not received your initial supply of Forms 8109 or
- 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 choose 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 EFTPS to request a refund from the IRS for you.

Deposit Penalties

Penalties may apply if you do not make required deposits on time, if you make deposits for less than the required amount, or if you do not use EFTPS when required. 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 within 10 days of the date of the first notice the IRS sent asking for the tax due.
- 10% - Deposits made at an unauthorized financial institution, paid directly to the IRS, or paid with your tax return (but see **Depositing without an EIN** on page 21 and **Payment with return** on page 18 for exceptions).
- 10% - Amounts subject to electronic deposit requirements but not deposited using EFTPS.
- 15% - Amounts still unpaid more than 10 days after the date of the first notice that the IRS sent asking for the tax due or the day on which you received notice and demand for immediate payment, whichever is earlier.

Note: Late deposit penalty **amounts** are determined using **calendar days**, starting from the due date of the liability.

Order in which deposits are applied. Deposits generally are applied to the **most recent** tax liability within the quarter. If you receive a failure-to-deposit penalty notice, you **may designate** how your payment is to be applied in order to minimize the amount of the penalty. Follow the instructions on the penalty notice that you received. For more information on designating deposits, see Rev. Proc. 2001-58. You can find Rev. Proc. 2001-58 on page 579 of Internal Revenue Bulletin 2001-50 at www.irs.gov/pub/irs-irbs/irb01-50.pdf.

Example: Cedar, Inc. is required to make a deposit of \$1,000 on June 15 and \$1,500 on July 15. It does not make the deposit on June 15. On July 15, Cedar, Inc. deposits \$2,000. Under the deposits rule, which applies deposits to the most recent tax liability, \$1,500 of the deposit is applied to the July 15 deposit and the remaining \$500 is applied to the June deposit. Accordingly, \$500 of the June 15 liability remains undeposited. The penalty on this underdeposit will apply as explained above.

Trust fund recovery penalty. If income, social security, and Medicare taxes that must be withheld are not withheld or are not deposited or paid to the United States Treasury, 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 that the required actions are not taking place.

Separate accounting when deposits are not made or withheld taxes are not paid. Separate accounting may be required if you do not pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive written notice from the IRS requiring you to deposit taxes into 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.

12. Filing Form 941

Each quarter, all employers who pay wages 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, by the last day of the month that follows the end of the quarter. See the **Calendar** on page 2. However, the following **exceptions** apply:

- **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, check 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 forms will not include the date that the quarter ended. You must enter the date that the quarter ended when you file the return. Generally, the IRS will not inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the "Seasonal employer" box on **every** Form 941 you file. Otherwise, the IRS will expect a return to be filed for each quarter.
- **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you are a sole proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941. Otherwise, report social security and Medicare taxes and income tax withholding for household employees on **Schedule H (Form 1040)**, Household Employment Taxes. See **Pub. 926**, Household Employer's Tax Guide, for more information.

- **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 your employees are not subject to U.S. income tax withholding, use Form 941-SS. Employers in Puerto Rico use Form 941-PR.
- **Agricultural employers reporting social security, Medicare, and withheld income taxes.** Report these taxes on **Form 943**, Employer's Annual Federal Tax Return for Agricultural Employees.

Form 941 e-file. The Form 941 e-file program allows a taxpayer to electronically file Form 941 using a personal computer, modem, and commercial tax preparation software. Contact the IRS at 1-800-829-4933 or visit the IRS website at www.irs.gov/efile for more information. See **Pub. 1855**, Technical Specifications Guide for the Electronic Filing of Form 941, Employee's Quarterly Federal Tax Return, for technical specifications.

941TeleFile. You may be able to file Form 941 and pay any balance due by phone. If you received 941TeleFile materials with your Form 941 Package, check page TEL-1 of the 941TeleFile Instructions to see if you qualify for this method of filing. If you have questions related to filing Form 941 using 941TeleFile, call 1-800-829-4933. This phone number is for 941TeleFile information only and is not the number used to file the return.

Electronic and magnetic tape filing by reporting agents. Reporting agents filing Forms 941 for groups of taxpayers can file them electronically or on magnetic tape. See **Reporting Agents** in section 7 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

Penalties. For each whole or part month that a return is not filed when required (disregarding any extensions of the filing deadline), there is a penalty of 5% of the unpaid tax due with that return. The maximum penalty is 25% of the tax due. Also, for each whole or part month that the tax is paid late (disregarding any extensions of the payment deadline), a penalty of 0.5% per month of the amount of tax generally applies. (This penalty is 0.25% per month, and applies to individual filers only, if an installment agreement is in effect. You must have filed your return on or before the due date of the return to qualify for the reduced penalty.) The maximum amount of this penalty is also 25% of the tax due. If both penalties apply in any month, the failure-to-file penalty is reduced by the amount of the failure-to-pay penalty. The penalties will not be charged if you have a reasonable cause for failing to file or pay. If you file or pay late, attach an explanation to your Form 941. (**Note:** In addition to any penalties, interest accrues from the due date of the tax on any unpaid balance.)

If income, social security, or Medicare taxes that must be withheld are not withheld or are not paid, you may be personally liable for the trust fund recovery penalty. See **Trust fund recovery penalty** in section 11.

Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that tax returns are filed and all taxes are paid or deposited correctly and on time.

Do not file more than one Form 941 per quarter. Employers with multiple locations or divisions must file only one Form 941 per quarter. Filing more than one return may result in processing delays and may require correspondence between you and the IRS. For information on making corrections to previously filed returns, see section 13.

Hints on filing.

- Do not report more than one calendar quarter on a return.
- Use the preaddressed form mailed to you. If you do not have the form, get one from the IRS in time to file the return when due.
- If you use a form that is not preaddressed, show your name and EIN on it. Be sure that they are exactly as they appeared on earlier returns.
- See the **Instructions for Form 941** for information on preparing the form.

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

Note: *If you are required to file a final Form 941, you are also required to furnish Forms W-2 to your employees by the due date of your final Form 941. File Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of your final Form 941. Do not send an original or copy of Form 941 to the SSA. See the **Instructions for Forms W-2 and W-3** for more information.*

Filing late Forms 941 for prior years. If possible, get a copy of Form 941 (and separate instructions) with a revision date showing the year for which your delinquent return is being filed. See **Quick and Easy Access to Tax Help and Forms** on page 68 for various ways to secure any necessary forms and instructions.

However, 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. A form for a particular year generally can be used without modification for any quarter within that year. For example, a form with any 2004 revision date (e.g., January or October 2004) generally can be used without modification for any quarter of 2004.

In all cases, be sure to correctly fill out the "Date quarter ended" section at the top of the form. If you are modifying a form with preprinted information, change the date (the date is shown with the month and year the quarter ends; for example, JUN04 would be for the quarter ending June 30, 2004). Cross out any inapplicable tax rate(s) shown on the form and write in the rate from Table 3 below. You can get tax rates and wage base limits for years not shown in the table from the IRS.



The instructions on the form may be inappropriate for the year that you are reporting taxes because of changes in the law, regulations, or procedures. 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. Contact the IRS if you have any questions.

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

Calendar Year	Wage Base Limit (each employee)	Tax Rate on Taxable Wages and Tips
2003–Social Security	\$87,000	12.4%
2003–Medicare	All Wages	2.9%
2002–Social Security	\$84,900	12.4%
2002–Medicare	All Wages	2.9%
2001–Social Security	\$80,400	12.4%
2001–Medicare	All Wages	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, the IRS must contact you to resolve the discrepancies. This costs time and money for the Government and for you.

To help reduce discrepancies:

- Report bonuses as wages and as social security and Medicare wages on Forms W-2 and 941.
- Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941.
- Report social security taxes on Form W-2 in the box for social security tax withheld (box 4), **not** as social security wages.
- Report Medicare taxes on Form W-2 in the box for Medicare tax withheld (box 6), **not** as Medicare wages.
- Make sure the social security wage amount for each employee does not exceed the annual social security wage base limit (e.g., \$87,000 for 2003).
- Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages.
- If you used an EIN on any Form 941 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for “Other EIN used this year.”

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

- Be sure that the amounts on Form W-3 are the total of amounts from Forms W-2.
- Reconcile Form W-3 with your four quarterly Forms 941 by comparing amounts reported for —

- 1) Income tax withholding.

- 2) 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).
- 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.
- 4) Advance earned income credit.

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

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

13. Reporting Adjustments on Form 941

There are two types of adjustments: current period adjustments and prior period adjustments to correct errors. 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 6b, 6d, and 7b 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. However, report the **entire amount** of these tips on lines 6c (social security tips) and 7a (Medicare wages and tips). Include as an adjustment in the “Other” space on line 9 the total uncollected employee share of the social security and Medicare taxes.

Adjustment of tax on 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 6b and 7b (social security and Medicare taxes), and back out the amount of the employee share of these taxes as an adjustment in the "Other" space on line 9. See Pub. 15-B for more information on group-term life insurance.

Note: For the above adjustments, provide a brief supporting statement explaining the nature and amount of the adjustments (see the example of reporting current period adjustments below). **Do not use Form 941c as the supporting statement for current period adjustments.**

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 6b and 7b of Form 941. Deduct on line 9 the social security and Medicare taxes withheld on sick pay by a third-party payer. Also enter the sick pay tax adjustment in the "Sick Pay" adjustment entry space. No additional statement for this adjustment is required. See section 6 of Pub. 15-A for more information.

Fractions of cents adjustment. If there is a small difference between net taxes (line 13) and total deposits (line 14), it may have been caused, all or in part, by rounding to the nearest cent each time you computed payroll. This rounding occurs when you figure the amount of social security and Medicare tax to be withheld and deposited from each employee's wages. (If you pay your taxes with Form 941 instead of making deposits because your total taxes for the quarter are less than \$2,500, you also may report a fractions-of-cents adjustment.)

To determine if you have a fractions-of-cents adjustment, multiply the total wages and tips for the quarter subject to:

- Social security tax (reported on lines 6a and 6c) by 6.2% (.062).
- Medicare tax (reported on line 7a) by 1.45% (.0145).

Compare these amounts (the employee share of social security and Medicare taxes) with the total social security and Medicare taxes actually withheld from employees for the quarter (from your payroll records). The difference, positive or negative, is your fractions-of-cents adjustment. If the actual amount withheld is less, report a negative

adjustment in parentheses (if possible) in the entry space for "Fractions of cents." If the actual amount is more, report a positive adjustment. No supporting statement is required for this adjustment.

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

- **Third-party sick pay.** Cedar, Inc. included taxes of \$2,000 for sick pay on lines 6b and 7b for social security and Medicare taxes. However, the third-party payer of the sick pay withheld and paid 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 withheld and deposited for social security and Medicare taxes during the quarter were a net \$1.44 more than the employee share of the amount figured on lines 6b, 6d, and 7b (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring social security and Medicare taxes for each wage payment. Cedar, Inc. must report a positive \$1.44 fractions-of-cents adjustment.
- **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 6b and 7b of Form 941. Therefore, Cedar, Inc. is entitled to a negative \$200 adjustment.

Cedar, Inc. reported these adjustments on line 9 of Form 941 as shown in the **Current Period Adjustment Example** below. A brief supporting statement was filed with Form 941 explaining the life insurance adjustment.

Note: Do not make any changes to the record of Federal tax liability (line 17 or Schedule B (Form 941)) for current period adjustments. The amounts reported on the record reflect the **actual** amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on lines 6b, 6d, and 7b of Form 941

Current Period Adjustment Example

7	Taxable Medicare wages and tips	7a	\$	x	2.9% (.029) =	7b		
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). 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 \$ 1.44 ± Other \$ (200.00) =	9					(1198	56)
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9)	10						
11	Total taxes (add lines 5 and 10)	11						

equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of Federal tax liability are necessary for these adjustments.

Prior Period Adjustments

Generally, you can correct errors on prior quarter Forms 941 by making an adjustment on your 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 2003 Form 941 and discovered the error during January 2004, correct the error by making an adjustment on your first quarter 2004 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 quarter adjustments. File with Form 941 a **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows:

- What the error was.
- Quarter in which the error was made.
- The amount of the error for each quarter.
- Date on which you found the error.
- That you repaid the employee tax or received from each affected employee a written consent to this refund or credit, if the entry corrects an overcollection.
- If the entry corrects social security and Medicare taxes overcollected in an earlier year, that you received from the employee a written statement that he or she will not claim a refund or credit for the amount.

Do not file Form 941c separately. The IRS will not be able to process your adjustments on Form 941 without this supporting information. See the instructions for Form 941c for more information.

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

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

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

corrects the amount reported on Form 941 to agree with the amount actually withheld from employees.

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

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

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

Example of reporting prior period adjustments: Elm Co., a monthly schedule depositor, discovered on January 7, 2003, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 2003 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 27.

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

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

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

Refunding amounts incorrectly withheld from employees. If you withheld more than the right amount of income, social security, or Medicare taxes from wages paid, give the employee the excess. Any excess income tax withholding must be reimbursed to the employee prior to the end of the calendar year. Keep in your records the employee's written receipt showing the date and amount of the repay-

Prior Period Adjustment Example

- **All filers:** If line 13 is less than \$2,500, **do not** complete line 17 or Schedule B (Form 941).
- **Semiweekly schedule depositors:** Complete Schedule B (Form 941) and check here
- **Monthly schedule depositors:** Complete line 17, columns (a) through (d), and check here

17 Monthly Summary of Federal Tax Liability. (Complete Schedule B (Form 941) instead, if you were a semiweekly schedule depositor.)			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
-0-	4000.00	4500.00	8500.00

Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see separate instructions)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No
Designee's name ▶	Phone no. ▶ ()
	Personal identification number (PIN) ▶ <input style="width: 40px;" type="text"/>
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.
Signature ▶	Print Your Name and Title ▶
	Date ▶

For Privacy Act and Paperwork Reduction Act Notice, see back of Payment Voucher. Cat. No. 17001Z Form **941** (Rev. 1-2003)

ment. If you do not have a receipt, you must report and pay each excess amount when you file Form 941 for the quarter in which you withheld too much tax.

Correcting filed Forms W-2 and W-3. 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, Corrected Wage and Tax Statement**, and **Form W-3c, Transmittal of Corrected Wage and Tax Statements**, with the SSA.

Wage Repayments

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

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

Repayment of prior year wages. If you receive repayments for wages paid during a prior year, report an adjustment on the Form 941 for the quarter during which the repayment was made to recover the social security and Medicare taxes. Instead of making an adjustment on Form 941, you may file a claim for these taxes using Form 843. You may not make an adjustment for income tax withholding because the wages were paid during a prior year.

You also must file Forms W-2c and W-3c with the SSA to correct social security and Medicare wages and taxes. **Do not** correct wages (box 1) on Form W-2c for the amount paid in error. Give a copy of Form W-2c to the employee.

Note: *The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that*

year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or credit in some cases) for the repaid wages on his or her income tax return for the year of repayment.

14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a Federal and a state unemployment tax. A list of state unemployment tax agencies, including addresses and phone numbers, is available in **Pub. 926, Household Employer's Tax Guide**. Only the employer pays FUTA tax; it is not withheld from the employee's wages. For more information, see the **Instructions for Form 940**.

Note: *Services rendered after December 20, 2000, to a federally recognized Indian tribal government (or any subdivision, subsidiary, or business wholly owned by such an Indian tribe) are exempt from FUTA tax, subject to the tribe's compliance with state law. For more information, see Announcement 2001-16 and Code section 3309(d). You can find Announcement 2001-16 on page 715 of Internal Revenue Bulletin 2001-8, at www.irs.gov/pub/irs-irbs/irb01-08.pdf.*

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

- 1) **General test.**
You are subject to FUTA tax in 2004 on the wages that you pay employees who are not farmworkers or household workers if in the current or preceding calendar year:

- a) You paid wages of \$1,500 or more in any calendar quarter in 2003 or 2004 or
- b) You had one or more employees for at least some part of a day in any 20 or more different weeks in 2003 or 20 or more different weeks in 2004.

2) Household employees test.

You are subject to FUTA tax only if you paid total cash wages of \$1,000 or more (for all household employees) in any calendar quarter in 2003 or 2004. A household worker is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

3) Farmworkers test.

You are subject to FUTA tax on the wages that you pay to farmworkers if:

- a) You paid cash wages of \$20,000 or more to farmworkers during any calendar quarter in 2003 or 2004 or
- b) You employed 10 or more farmworkers during at least some part of a day (whether or not at the same time) during any 20 or more different weeks in 2003 or 20 or more different weeks in 2004.

Computing FUTA tax. For 2003 and 2004, the FUTA tax rate is 6.2%. The tax applies to the first \$7,000 that you pay to each employee as wages during the year. The \$7,000 is the Federal wage base. Your state wage base may be different. Generally, you can take a credit against your FUTA tax for amounts that you paid into state unemployment funds. This credit cannot be more than 5.4% of taxable wages. If you are entitled to the maximum 5.4% credit, the FUTA tax rate after the credit is 0.8%.

Successor employer. If you acquired a business from an employer who was liable for FUTA tax, you may be able to count the wages that employer paid to the employees who continue to work for you when you figure the \$7,000 FUTA wage base. See the **Instructions for Form 940**.

Depositing FUTA tax. For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of wages paid during the quarter by .008 (0.8%). Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in wages for the calendar year. If any part of the wages subject to FUTA is exempt from state unemployment tax, you may have to deposit more than the tax using the 0.8% rate. For example, in certain states, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits, are exempt from state unemployment tax.

If your FUTA tax liability for a quarter is \$100 or less, you do not have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter in 2004 is over \$100 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax by electronic funds transfer (EFTPS) or in an authorized financial institution using **Form 8109**,

Federal Tax Deposit Coupon. See section 11 for information on these two deposit methods.

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

When to deposit. Deposit the FUTA tax by the last day of the first month that follows the end of the quarter. If the due date (below) for making your deposit falls on a Saturday, Sunday, or legal holiday, you may make your deposit on the next business day.

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

Table 4. When To Deposit FUTA Taxes

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

Reporting FUTA tax. Use **Form 940** or **Form 940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report FUTA tax. File Form 940 or Form 940-EZ by January 31. However, if you deposited all FUTA tax when due, you may file on or before March 10. The IRS will mail a preaddressed Form 940 or Form 940-EZ to you if you filed a return for the year before. If you do not receive Form 940 or Form 940-EZ, you can get a form by calling 1-800-TAX-FORM (1-800-829-3676).

Form 940-EZ requirements. You may be able to use Form 940-EZ instead of Form 940 if: **(a)** you paid unemployment taxes ("contributions") to only one state, **(b)** you paid state unemployment taxes by the due date of Form 940 or Form 940-EZ, and **(c)** all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax. For example, if you paid wages to corporate officers (these wages are subject to FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940-EZ.

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

Electronic and magnetic tape filing by Reporting Agents. Reporting agents filing Forms 940 for groups of taxpayers can file them electronically or on magnetic tape. See the **Reporting Agent** discussion in section 7 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

15. Special Rules for Various Types of Services and Payments

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

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Aliens, nonresident.	See page 14 and Pub. 515 , Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519 , U.S. Tax Guide for Aliens.		
Aliens, resident: 1. Service performed in the U.S. 2. Service performed outside U.S.	Same as U.S. citizen. Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.) Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Same as U.S. citizen. Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S., or alien is employed on such vessel or aircraft when it touches U.S. port.
Cafeteria plan benefits under section 125.	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit was provided outside the plan. (See Pub. 15-B for more information.)		
Deceased worker: 1. Wages paid to beneficiary or estate in same calendar year as worker's death. (See Instructions for Forms W-2 and W-3 for details.) 2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt Exempt	Taxable Exempt	Taxable Exempt
Dependent care assistance programs (limited to \$5,000; \$2,500 if married filing separately).	Exempt to the extent that it is reasonable to believe that amounts are excludable from gross income under section 129.		
Disabled worker's wages paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker did not perform any service for employer during period for which payment is made.	Taxable
Employee business expense reimbursement: 1. Accountable plan. a. Amounts not exceeding specified government rate for per diem or standard mileage. b. Amounts in excess of specified government rate for per diem or standard mileage. 2. Nonaccountable plan. (See page 9 for details.)	Exempt Withhold Withhold	Exempt Taxable Taxable	Exempt Taxable Taxable
Family employees: 1. Child employed by parent (or partnership in which each partner is a parent of the child). 2. Parent employed by child. 3. Spouse employed by spouse. (See section 3 for more information.)	Withhold Withhold Withhold	Exempt until age 18; age 21 for domestic service Taxable if in course of the son's or daughter's business. For domestic services, see section 3. Taxable if in course of spouse's business.	Exempt until age 21 Exempt Exempt
Fishing and related activities.	See Pub. 595 , Tax Highlights for Commercial Fishermen.		
Foreign governments and international organizations.	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Foreign service by U.S. citizens: 1. As U.S. government employee. 2. For foreign affiliates of American employers and other private employers.	Withhold Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911 or (2) the employer is required by law of the foreign country to withhold income tax on such payment.	Same as within U.S. Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates or (2) U.S. citizen works for American employer.	Exempt Exempt unless (1) on American vessel or aircraft and work is performed under contract made in U.S. or worker is employed on vessel when it touches U.S. port or (2) U.S. citizen works for American employer (except in a contiguous country with which the U.S. has an agreement for unemployment compensation) or in the U.S. Virgin Islands.
Homeworkers (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. (See page 7 for details.)	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Hospital employees: 1. Interns 2. Patients	Withhold Withhold	Taxable Taxable (Exempt for state or local government hospitals.)	Exempt Exempt
Household employees: 1. Domestic service in private homes. (Farmers, see Pub. 51 (Circular A).) 2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree). Exempt (withhold if both employer and employee agree).	Taxable if paid \$1,400 or more in cash in 2004. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not the principal occupation of the employee. Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid total cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year. Taxable if employer paid total cash wages of \$1,000 or more (for all household employees) in any quarter in the current or preceding calendar year.
Insurance for employees: 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. (See Pub. 15-B for more details.)	Exempt (except 2% shareholder-employees of S corporations). Exempt	Exempt Exempt, except for the cost of group-term life insurance that is includible in the employee's gross income. (Special rules apply for former employees.)	Exempt Exempt
Insurance agents or solicitors: 1. Full-time life insurance salesperson. 2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. (See page 7.) Withhold only if employee under common law.	Taxable Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions. Taxable if (1) employee under common law and (2) not paid solely by commissions.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Interest on loans with below-market interest rates (foregone interest and deemed original issue discount).	See Pub. 15-A .		
Leave-sharing plans: Amounts paid to an employee under a leave-sharing plan.	Withhold	Taxable	Taxable
Newspaper carriers and vendors: Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Pub 15-A for information on statutory nonemployee status.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
Noncash payments: 1. For household work, agricultural labor, and service not in the course of the employer's trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree). Optional with employer.	Exempt Taxable	Exempt Taxable
Nonprofit organizations.	See Pub. 15-A .		
Officers of an S Corporation. Distributions and other payments by an S corporation to a corporate officer must be treated as wages to the extent the amounts are reasonable compensation for services to the corporation.	Withhold	Taxable	Taxable
Partners: Payments to members of general partnership.	Exempt	Exempt	Exempt
Railroads: Payments subject to the Railroad Retirement Act.	Withhold	Exempt	Exempt
Religious exemptions.	See Pub. 15-A .		
Retirement and pension plans: 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (e.g., 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Employee salary reduction contributions to a SIMPLE retirement account. 6. Distributions from qualified retirement and pension plans and section 403(b) annuities. (See Pub. 15-A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.)	Exempt Generally exempt, but see section 402(g) for limitation. Generally exempt, but see section 402(g) for salary reduction SEP limitation. Generally exempt, but see section 402(g) for limitation. Exempt Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. (See Pub. 15-A .)	Exempt Taxable Exempt, except for amounts contributed under a salary reduction SEP agreement. Taxable if paid through a salary reduction agreement (written or otherwise). Taxable Exempt	Exempt Taxable Taxable Exempt
Salespersons: 1. Common law employees. 2. Statutory employees. 3. Statutory nonemployees (qualified real estate agents and direct sellers). (See page 7 for details.)	Withhold Exempt Exempt	Taxable Taxable Exempt	Taxable Taxable, except for full-time life insurance sales agents. Exempt
Scholarships and fellowship grants: (includible in income under section 117(c)).	Withhold	Taxability depends on the nature of the employment and the status of the organization. (See Students on page 32.)	

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Severance or dismissal pay.	Withhold	Taxable	Taxable
Service not in the course of the employer's trade or business, other than on a farm operated for profit or for household employment in private homes.	Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.	Taxable if employee receives \$100 or more in 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.
Sick pay. (See Pub. 15-A for more information.)	Withhold	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.	
State governments and political subdivisions, employees of: 1. Salaries and wages. 2. Election workers.	Withhold Exempt	Taxable (1) for services performed by employees who are either (a) covered under a section 218 agreement or (b) not a member of a public retirement system, and (2) (for Medicare tax only) for employees hired after 3/31/86 who are members of a public retirement system not covered by a section 218 social security agreement. Taxable if paid \$1,200 or more in 2004 (lesser amount if specified by a section 218 social security agreement); file Form W-2 for \$600 or more.	Exempt Exempt
Students, scholars, trainees, teachers, etc.: 1. Student enrolled and regularly attending classes, performing services for: a. Private school, college, or university. b. Auxillary nonprofit organization operated for and controlled by school, college, or university. c. Public school, college, or university. 2. Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program. 3. Student nurse performing part-time services for nominal earnings at hospital as incidental part of training. 4. Student employed by organized camps. 5. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (i.e., aliens holding F-1, J-1, M-1, or Q-1 visas).	Withhold Withhold Withhold Withhold Withhold Withhold unless excepted by regulations.	Exempt Exempt unless services are covered by a section 218 (Social Security Act) agreement Exempt unless services are covered by a section 218 (Social Security Act) agreement Taxable Exempt Taxable Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien. See the special residency tests for exempt individuals in chapter 1 of Pub. 519.	Exempt Exempt Exempt Exempt unless program was established for or on behalf of an employer or group of employers. Exempt Exempt
Supplemental unemployment compensation plan benefits.	Withhold	Exempt under certain conditions. (See Pub. 15-A.)	
Tips: 1. If \$20 or more in a month. 2. If less than \$20 in a month. (See section 6 for more information.)	Withhold Exempt	Taxable Exempt	Taxable for all tips reported in writing to employer. Exempt
Worker's compensation.	Exempt	Exempt	Exempt

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

Income Tax Withholding

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

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 37-56) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of wages, find the amount of tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

Note: If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances in Table 5 before using the percentage method tables (pages 35-36).

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

To adapt the tables to more than 10 allowances:

- 1) Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. (The allowance values are in Table 5, **Percentage Method—2004 Amount for One Withholding Allowance** later.)
- 2) Subtract the result from the employee's wages.
- 3) On this amount, find and withhold the tax in the column for 10 allowances.

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

Percentage Method

If you do not want to use the wage bracket tables on pages 37 through 56 to figure how much income tax to withhold,

you can use a percentage computation based on Table 5 and the appropriate rate table. This method works for any number of withholding allowances the employee claims and any amount of wages.

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

- 1) Multiply one withholding allowance for your payroll period (see Table 5 below) by the number of allowances that the employee claims.
- 2) Subtract that amount from the employee's wages.
- 3) Determine the amount to withhold from the appropriate table on page 35 or 36.

Table 5. Percentage Method—2004 Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$59.62
Biweekly	119.23
Semimonthly	129.17
Monthly	258.33
Quarterly	775.00
Semiannually	1,550.00
Annually	3,100.00
Daily or miscellaneous (each day of the payroll period)	11.92

Example: An unmarried employee is paid \$600 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax to withhold as follows:

- | | | |
|----|--|-----------------|
| 1. | Total wage payment | \$600.00 |
| 2. | One allowance | \$59.62 |
| 3. | Allowances claimed on Form W-4 <u>2</u> | |
| 4. | Multiply line 2 by line 3 | <u>\$119.24</u> |
| 5. | Amount subject to withholding (subtract line 4 from line 1) | \$480.76 |
| 6. | Tax to be withheld on \$480.76 from Table 1—single person, page 35 | <u>\$ 57.66</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** 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 \$12,400 (the value of four withholding allowances for 2004) for a balance of \$39,600. Using the table for the annual payroll period on page 36, \$4,025 is withheld. Divide the annual tax by 52. The weekly income tax to withhold is \$77.40.

Alternative Methods of Income Tax Withholding

Rather than the **Wage Bracket Method** or **Percentage Method** described above, you can use an alternative

method to withhold income tax. **Pub. 15-A**, Employer's Supplemental Tax Guide, describes these alternative methods and contains:

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

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

Advance Payment Methods for the Earned Income Credit (EIC)

To figure the advance EIC payment, you may use either the **Wage Bracket Method** or the **Percentage Method** as explained below. You may use other methods for figuring advance EIC payments if the amount of the payment is about the same as it would be using tables in this booklet. See the tolerances allowed in the chart in section 9 of Pub. 15-A. See also section 10 in this booklet for an explanation of the advance payment of the EIC.

The number of withholding allowances that 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.

Wage Bracket Method

If you use the wage bracket tables on pages 59 through 64, 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 head of household, **(b)** married without spouse filing certificate, and **(c)** married with both spouses filing certificates. Determine the amount of the advance EIC payment shown in the appropriate table for the amount of wages paid.

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 method based on the appropriate rate table on pages 57 and 58.

Find the employee's gross wages before any deductions in the appropriate table on pages 57 and 58. There are different tables for: **(a)** single or head of household, **(b)** married without spouse filing certificate, and **(c)** married with both spouses filing certificates. Find the advance EIC payment shown in the appropriate table for the amount of wages paid.

Whole-Dollar Withholding and Paying Advance EIC (Rounding)

The income tax withholding amounts in the Wage Bracket Tables (pages 37-56) have been rounded to whole-dollar amounts.

When employers use the Percentage Method (pages 35-36) 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 59-64) have also been rounded to whole-dollar amounts. If you use the Tables for Percentage Method of Advance EIC Payments (pages 57-58), the payments may be rounded to the nearest dollar.

Tables for Percentage Method of Withholding
(For Wages Paid Through December 2004)

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 \$51		\$0		Not over \$154		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$51	—\$187	10%	—\$51	\$154	—\$429	10%	—\$154
\$187	—\$592	\$13.60 plus 15%	—\$187	\$429	—\$1,245	\$27.50 plus 15%	—\$429
\$592	—\$1,317	\$74.35 plus 25%	—\$592	\$1,245	—\$2,270	\$149.90 plus 25%	—\$1,245
\$1,317	—\$2,860	\$255.60 plus 28%	—\$1,317	\$2,270	—\$3,568	\$406.15 plus 28%	—\$2,270
\$2,860	—\$6,177	\$687.64 plus 33%	—\$2,860	\$3,568	—\$6,271	\$769.59 plus 33%	—\$3,568
\$6,177	. . . . .	\$1,782.25 plus 35%	—\$6,177	\$6,271	. . . . .	\$1,661.58 plus 35%	—\$6,271

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 \$102		\$0		Not over \$308		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$102	—\$373	10%	—\$102	\$308	—\$858	10%	—\$308
\$373	—\$1,185	\$27.10 plus 15%	—\$373	\$858	—\$2,490	\$55.00 plus 15%	—\$858
\$1,185	—\$2,635	\$148.90 plus 25%	—\$1,185	\$2,490	—\$4,540	\$299.80 plus 25%	—\$2,490
\$2,635	—\$5,719	\$511.40 plus 28%	—\$2,635	\$4,540	—\$7,137	\$812.30 plus 28%	—\$4,540
\$5,719	—\$12,354	\$1,374.92 plus 33%	—\$5,719	\$7,137	—\$12,542	\$1,539.46 plus 33%	—\$7,137
\$12,354	. . . . .	\$3,564.47 plus 35%	—\$12,354	\$12,542	. . . . .	\$3,323.11 plus 35%	—\$12,542

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 \$110		\$0		Not over \$333		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$110	—\$404	10%	—\$110	\$333	—\$929	10%	—\$333
\$404	—\$1,283	\$29.40 plus 15%	—\$404	\$929	—\$2,698	\$59.60 plus 15%	—\$929
\$1,283	—\$2,854	\$161.25 plus 25%	—\$1,283	\$2,698	—\$4,919	\$324.95 plus 25%	—\$2,698
\$2,854	—\$6,196	\$554.00 plus 28%	—\$2,854	\$4,919	—\$7,731	\$880.20 plus 28%	—\$4,919
\$6,196	—\$13,383	\$1,489.76 plus 33%	—\$6,196	\$7,731	—\$13,588	\$1,667.56 plus 33%	—\$7,731
\$13,383	. . . . .	\$3,861.47 plus 35%	—\$13,383	\$13,588	. . . . .	\$3,600.37 plus 35%	—\$13,588

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 \$221		\$0		Not over \$667		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$221	—\$808	10%	—\$221	\$667	—\$1,858	10%	—\$667
\$808	—\$2,567	\$58.70 plus 15%	—\$808	\$1,858	—\$5,396	\$119.10 plus 15%	—\$1,858
\$2,567	—\$5,708	\$322.55 plus 25%	—\$2,567	\$5,396	—\$9,838	\$649.80 plus 25%	—\$5,396
\$5,708	—\$12,392	\$1,107.80 plus 28%	—\$5,708	\$9,838	—\$15,463	\$1,760.30 plus 28%	—\$9,838
\$12,392	—\$26,767	\$2,979.32 plus 33%	—\$12,392	\$15,463	—\$27,175	\$3,335.30 plus 33%	—\$15,463
\$26,767	. . . . .	\$7,723.07 plus 35%	—\$26,767	\$27,175	. . . . .	\$7,200.26 plus 35%	—\$27,175

Tables for Percentage Method of Withholding (Continued)

(For Wages Paid Through December 2004)

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 \$663		\$0		Not over \$2,000		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$663	—\$2,425	10%	—\$663	\$2,000	—\$5,575	10%	—\$2,000
\$2,425	—\$7,700	\$176.20 plus 15%	—\$2,425	\$5,575	—\$16,188	\$357.50 plus 15%	—\$5,575
\$7,700	—\$17,125	\$967.45 plus 25%	—\$7,700	\$16,188	—\$29,513	\$1,949.45 plus 25%	—\$16,188
\$17,125	—\$37,175	\$3,323.70 plus 28%	—\$17,125	\$29,513	—\$46,388	\$5,280.70 plus 28%	—\$29,513
\$37,175	—\$80,300	\$8,937.70 plus 33%	—\$37,175	\$46,388	—\$81,525	\$10,005.70 plus 33%	—\$46,388
\$80,300	. . . . .	\$23,168.95 plus 35%	—\$80,300	\$81,525	. . . . .	\$21,600.91 plus 35%	—\$81,525

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 \$1,325		\$0		Not over \$4,000		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$1,325	—\$4,850	10%	—\$1,325	\$4,000	—\$11,150	10%	—\$4,000
\$4,850	—\$15,400	\$352.50 plus 15%	—\$4,850	\$11,150	—\$32,375	\$715.00 plus 15%	—\$11,150
\$15,400	—\$34,250	\$1,935.00 plus 25%	—\$15,400	\$32,375	—\$59,025	\$3,898.75 plus 25%	—\$32,375
\$34,250	—\$74,350	\$6,647.50 plus 28%	—\$34,250	\$59,025	—\$92,775	\$10,561.25 plus 28%	—\$59,025
\$74,350	—\$160,600	\$17,875.50 plus 33%	—\$74,350	\$92,775	—\$163,050	\$20,011.25 plus 33%	—\$92,775
\$160,600	. . . . .	\$46,338.00 plus 35%	—\$160,600	\$163,050	. . . . .	\$43,202.00 plus 35%	—\$163,050

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 \$2,650		\$0		Not over \$8,000		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$2,650	—\$9,700	10%	—\$2,650	\$8,000	—\$22,300	10%	—\$8,000
\$9,700	—\$30,800	\$705.00 plus 15%	—\$9,700	\$22,300	—\$64,750	\$1,430.00 plus 15%	—\$22,300
\$30,800	—\$68,500	\$3,870.00 plus 25%	—\$30,800	\$64,750	—\$118,050	\$7,797.50 plus 25%	—\$64,750
\$68,500	—\$148,700	\$13,295.00 plus 28%	—\$68,500	\$118,050	—\$185,550	\$21,122.50 plus 28%	—\$118,050
\$148,700	—\$321,200	\$35,751.00 plus 33%	—\$148,700	\$185,550	—\$326,100	\$40,022.50 plus 33%	—\$185,550
\$321,200	. . . . .	\$92,676.00 plus 35%	—\$321,200	\$326,100	. . . . .	\$86,404.00 plus 35%	—\$326,100

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 \$10.20		\$0		Not over \$30.80		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$10.20	—\$37.30	10%	—\$10.20	\$30.80	—\$85.80	10%	—\$30.80
\$37.30	—\$118.50	\$2.71 plus 15%	—\$37.30	\$85.80	—\$249.00	\$5.50 plus 15%	—\$85.80
\$118.50	—\$263.50	\$14.89 plus 25%	—\$118.50	\$249.00	—\$454.00	\$29.98 plus 25%	—\$249.00
\$263.50	—\$571.90	\$51.14 plus 28%	—\$263.50	\$454.00	—\$713.70	\$81.23 plus 28%	—\$454.00
\$571.90	—\$1,235.40	\$137.49 plus 33%	—\$571.90	\$713.70	—\$1,254.20	\$153.95 plus 33%	—\$713.70
\$1,235.40	. . . . .	\$356.45 plus 35%	—\$1,235.40	\$1,254.20	. . . . .	\$332.32 plus 35%	—\$1,254.20

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	1	0	0	0	0	0	0	0	0	0	0
65	70	2	0	0	0	0	0	0	0	0	0	0
70	75	2	0	0	0	0	0	0	0	0	0	0
75	80	3	0	0	0	0	0	0	0	0	0	0
80	85	3	0	0	0	0	0	0	0	0	0	0
85	90	4	0	0	0	0	0	0	0	0	0	0
90	95	4	0	0	0	0	0	0	0	0	0	0
95	100	5	0	0	0	0	0	0	0	0	0	0
100	105	5	0	0	0	0	0	0	0	0	0	0
105	110	6	0	0	0	0	0	0	0	0	0	0
110	115	6	0	0	0	0	0	0	0	0	0	0
115	120	7	1	0	0	0	0	0	0	0	0	0
120	125	7	1	0	0	0	0	0	0	0	0	0
125	130	8	2	0	0	0	0	0	0	0	0	0
130	135	8	2	0	0	0	0	0	0	0	0	0
135	140	9	3	0	0	0	0	0	0	0	0	0
140	145	9	3	0	0	0	0	0	0	0	0	0
145	150	10	4	0	0	0	0	0	0	0	0	0
150	155	10	4	0	0	0	0	0	0	0	0	0
155	160	11	5	0	0	0	0	0	0	0	0	0
160	165	11	5	0	0	0	0	0	0	0	0	0
165	170	12	6	0	0	0	0	0	0	0	0	0
170	175	12	6	0	0	0	0	0	0	0	0	0
175	180	13	7	1	0	0	0	0	0	0	0	0
180	185	13	7	1	0	0	0	0	0	0	0	0
185	190	14	8	2	0	0	0	0	0	0	0	0
190	195	14	8	2	0	0	0	0	0	0	0	0
195	200	15	9	3	0	0	0	0	0	0	0	0
200	210	16	9	3	0	0	0	0	0	0	0	0
210	220	18	10	4	0	0	0	0	0	0	0	0
220	230	19	11	5	0	0	0	0	0	0	0	0
230	240	21	12	6	1	0	0	0	0	0	0	0
240	250	22	13	7	2	0	0	0	0	0	0	0
250	260	24	15	8	3	0	0	0	0	0	0	0
260	270	25	16	9	4	0	0	0	0	0	0	0
270	280	27	18	10	5	0	0	0	0	0	0	0
280	290	28	19	11	6	0	0	0	0	0	0	0
290	300	30	21	12	7	1	0	0	0	0	0	0
300	310	31	22	13	8	2	0	0	0	0	0	0
310	320	33	24	15	9	3	0	0	0	0	0	0
320	330	34	25	16	10	4	0	0	0	0	0	0
330	340	36	27	18	11	5	0	0	0	0	0	0
340	350	37	28	19	12	6	0	0	0	0	0	0
350	360	39	30	21	13	7	1	0	0	0	0	0
360	370	40	31	22	14	8	2	0	0	0	0	0
370	380	42	33	24	15	9	3	0	0	0	0	0
380	390	43	34	25	17	10	4	0	0	0	0	0
390	400	45	36	27	18	11	5	0	0	0	0	0
400	410	46	37	28	20	12	6	0	0	0	0	0
410	420	48	39	30	21	13	7	1	0	0	0	0
420	430	49	40	31	23	14	8	2	0	0	0	0
430	440	51	42	33	24	15	9	3	0	0	0	0
440	450	52	43	34	26	17	10	4	0	0	0	0
450	460	54	45	36	27	18	11	5	0	0	0	0
460	470	55	46	37	29	20	12	6	0	0	0	0
470	480	57	48	39	30	21	13	7	1	0	0	0
480	490	58	49	40	32	23	14	8	2	0	0	0
490	500	60	51	42	33	24	15	9	3	0	0	0
500	510	61	52	43	35	26	17	10	4	0	0	0
510	520	63	54	45	36	27	18	11	5	0	0	0
520	530	64	55	46	38	29	20	12	6	0	0	0
530	540	66	57	48	39	30	21	13	7	1	0	0
540	550	67	58	49	41	32	23	14	8	2	0	0
550	560	69	60	51	42	33	24	15	9	3	0	0
560	570	70	61	52	44	35	26	17	10	4	0	0
570	580	72	63	54	45	36	27	18	11	5	0	0
580	590	73	64	55	47	38	29	20	12	6	0	0
590	600	75	66	57	48	39	30	21	13	7	1	0

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	\$78	\$67	\$58	\$50	\$41	\$32	\$23	\$14	\$8	\$2	\$0
610	620	80	69	60	51	42	33	24	15	9	3	0
620	630	83	70	61	53	44	35	26	17	10	4	0
630	640	85	72	63	54	45	36	27	18	11	5	0
640	650	88	73	64	56	47	38	29	20	12	6	0
650	660	90	75	66	57	48	39	30	21	13	7	1
660	670	93	78	67	59	50	41	32	23	14	8	2
670	680	95	80	69	60	51	42	33	24	15	9	3
680	690	98	83	70	62	53	44	35	26	17	10	4
690	700	100	85	72	63	54	45	36	27	18	11	5
700	710	103	88	73	65	56	47	38	29	20	12	6
710	720	105	90	75	66	57	48	39	30	21	13	7
720	730	108	93	78	68	59	50	41	32	23	14	8
730	740	110	95	80	69	60	51	42	33	24	15	9
740	750	113	98	83	71	62	53	44	35	26	17	10
750	760	115	100	85	72	63	54	45	36	27	18	11
760	770	118	103	88	74	65	56	47	38	29	20	12
770	780	120	105	90	75	66	57	48	39	30	21	13
780	790	123	108	93	78	68	59	50	41	32	23	14
790	800	125	110	95	80	69	60	51	42	33	24	15
800	810	128	113	98	83	71	62	53	44	35	26	17
810	820	130	115	100	85	72	63	54	45	36	27	18
820	830	133	118	103	88	74	65	56	47	38	29	20
830	840	135	120	105	90	75	66	57	48	39	30	21
840	850	138	123	108	93	78	68	59	50	41	32	23
850	860	140	125	110	95	80	69	60	51	42	33	24
860	870	143	128	113	98	83	71	62	53	44	35	26
870	880	145	130	115	100	85	72	63	54	45	36	27
880	890	148	133	118	103	88	74	65	56	47	38	29
890	900	150	135	120	105	90	76	66	57	48	39	30
900	910	153	138	123	108	93	78	68	59	50	41	32
910	920	155	140	125	110	95	81	69	60	51	42	33
920	930	158	143	128	113	98	83	71	62	53	44	35
930	940	160	145	130	115	100	86	72	63	54	45	36
940	950	163	148	133	118	103	88	74	65	56	47	38
950	960	165	150	135	120	105	91	76	66	57	48	39
960	970	168	153	138	123	108	93	78	68	59	50	41
970	980	170	155	140	125	110	96	81	69	60	51	42
980	990	173	158	143	128	113	98	83	71	62	53	44
990	1,000	175	160	145	130	115	101	86	72	63	54	45
1,000	1,010	178	163	148	133	118	103	88	74	65	56	47
1,010	1,020	180	165	150	135	120	106	91	76	66	57	48
1,020	1,030	183	168	153	138	123	108	93	78	68	59	50
1,030	1,040	185	170	155	140	125	111	96	81	69	60	51
1,040	1,050	188	173	158	143	128	113	98	83	71	62	53
1,050	1,060	190	175	160	145	130	116	101	86	72	63	54
1,060	1,070	193	178	163	148	133	118	103	88	74	65	56
1,070	1,080	195	180	165	150	135	121	106	91	76	66	57
1,080	1,090	198	183	168	153	138	123	108	93	78	68	59
1,090	1,100	200	185	170	155	140	126	111	96	81	69	60
1,100	1,110	203	188	173	158	143	128	113	98	83	71	62
1,110	1,120	205	190	175	160	145	131	116	101	86	72	63
1,120	1,130	208	193	178	163	148	133	118	103	88	74	65
1,130	1,140	210	195	180	165	150	136	121	106	91	76	66
1,140	1,150	213	198	183	168	153	138	123	108	93	78	68
1,150	1,160	215	200	185	170	155	141	126	111	96	81	69
1,160	1,170	218	203	188	173	158	143	128	113	98	83	71
1,170	1,180	220	205	190	175	160	146	131	116	101	86	72
1,180	1,190	223	208	193	178	163	148	133	118	103	88	74
1,190	1,200	225	210	195	180	165	151	136	121	106	91	76
1,200	1,210	228	213	198	183	168	153	138	123	108	93	79
1,210	1,220	230	215	200	185	170	156	141	126	111	96	81
1,220	1,230	233	218	203	188	173	158	143	128	113	98	84
1,230	1,240	235	220	205	190	175	161	146	131	116	101	86
1,240	1,250	238	223	208	193	178	163	148	133	118	103	89

\$1,250 and over

Use Table 1(a) for a **SINGLE** person on page 35. Also see the instructions on page 33.

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	0	0	0	0	0	0	0	0	0	0	0
130	135	0	0	0	0	0	0	0	0	0	0	0
135	140	0	0	0	0	0	0	0	0	0	0	0
140	145	0	0	0	0	0	0	0	0	0	0	0
145	150	0	0	0	0	0	0	0	0	0	0	0
150	155	0	0	0	0	0	0	0	0	0	0	0
155	160	0	0	0	0	0	0	0	0	0	0	0
160	165	1	0	0	0	0	0	0	0	0	0	0
165	170	1	0	0	0	0	0	0	0	0	0	0
170	175	2	0	0	0	0	0	0	0	0	0	0
175	180	2	0	0	0	0	0	0	0	0	0	0
180	185	3	0	0	0	0	0	0	0	0	0	0
185	190	3	0	0	0	0	0	0	0	0	0	0
190	195	4	0	0	0	0	0	0	0	0	0	0
195	200	4	0	0	0	0	0	0	0	0	0	0
200	210	5	0	0	0	0	0	0	0	0	0	0
210	220	6	0	0	0	0	0	0	0	0	0	0
220	230	7	1	0	0	0	0	0	0	0	0	0
230	240	8	2	0	0	0	0	0	0	0	0	0
240	250	9	3	0	0	0	0	0	0	0	0	0
250	260	10	4	0	0	0	0	0	0	0	0	0
260	270	11	5	0	0	0	0	0	0	0	0	0
270	280	12	6	0	0	0	0	0	0	0	0	0
280	290	13	7	1	0	0	0	0	0	0	0	0
290	300	14	8	2	0	0	0	0	0	0	0	0
300	310	15	9	3	0	0	0	0	0	0	0	0
310	320	16	10	4	0	0	0	0	0	0	0	0
320	330	17	11	5	0	0	0	0	0	0	0	0
330	340	18	12	6	0	0	0	0	0	0	0	0
340	350	19	13	7	1	0	0	0	0	0	0	0
350	360	20	14	8	2	0	0	0	0	0	0	0
360	370	21	15	9	3	0	0	0	0	0	0	0
370	380	22	16	10	4	0	0	0	0	0	0	0
380	390	23	17	11	5	0	0	0	0	0	0	0
390	400	24	18	12	6	0	0	0	0	0	0	0
400	410	25	19	13	7	1	0	0	0	0	0	0
410	420	26	20	14	8	2	0	0	0	0	0	0
420	430	27	21	15	9	3	0	0	0	0	0	0
430	440	28	22	16	10	4	0	0	0	0	0	0
440	450	30	23	17	11	5	0	0	0	0	0	0
450	460	31	24	18	12	6	0	0	0	0	0	0
460	470	33	25	19	13	7	1	0	0	0	0	0
470	480	34	26	20	14	8	2	0	0	0	0	0
480	490	36	27	21	15	9	3	0	0	0	0	0
490	500	37	28	22	16	10	4	0	0	0	0	0
500	510	39	30	23	17	11	5	0	0	0	0	0
510	520	40	31	24	18	12	6	0	0	0	0	0
520	530	42	33	25	19	13	7	1	0	0	0	0
530	540	43	34	26	20	14	8	2	0	0	0	0
540	550	45	36	27	21	15	9	3	0	0	0	0
550	560	46	37	29	22	16	10	4	0	0	0	0
560	570	48	39	30	23	17	11	5	0	0	0	0
570	580	49	40	32	24	18	12	6	0	0	0	0
580	590	51	42	33	25	19	13	7	1	0	0	0
590	600	52	43	35	26	20	14	8	2	0	0	0
600	610	54	45	36	27	21	15	9	3	0	0	0
610	620	55	46	38	29	22	16	10	4	0	0	0
620	630	57	48	39	30	23	17	11	5	0	0	0
630	640	58	49	41	32	24	18	12	6	0	0	0
640	650	60	51	42	33	25	19	13	7	1	0	0
650	660	61	52	44	35	26	20	14	8	2	0	0
660	670	63	54	45	36	27	21	15	9	3	0	0
670	680	64	55	47	38	29	22	16	10	4	0	0
680	690	66	57	48	39	30	23	17	11	5	0	0
690	700	67	58	50	41	32	24	18	12	6	0	0
700	710	69	60	51	42	33	25	19	13	7	1	0
710	720	70	61	53	44	35	26	20	14	8	2	0
720	730	72	63	54	45	36	27	21	15	9	3	0
730	740	73	64	56	47	38	29	22	16	10	4	0

MARRIED Persons—WEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	\$75	\$66	\$57	\$48	\$39	\$30	\$23	\$17	\$11	\$5	\$0
750	760	76	67	59	50	41	32	24	18	12	6	1
760	770	78	69	60	51	42	33	25	19	13	7	2
770	780	79	70	62	53	44	35	26	20	14	8	3
780	790	81	72	63	54	45	36	27	21	15	9	4
790	800	82	73	65	56	47	38	29	22	16	10	5
800	810	84	75	66	57	48	39	30	23	17	11	6
810	820	85	76	68	59	50	41	32	24	18	12	7
820	830	87	78	69	60	51	42	33	25	19	13	8
830	840	88	79	71	62	53	44	35	26	20	14	9
840	850	90	81	72	63	54	45	36	27	21	15	10
850	860	91	82	74	65	56	47	38	29	22	16	11
860	870	93	84	75	66	57	48	39	30	23	17	12
870	880	94	85	77	68	59	50	41	32	24	18	13
880	890	96	87	78	69	60	51	42	33	25	19	14
890	900	97	88	80	71	62	53	44	35	26	20	15
900	910	99	90	81	72	63	54	45	36	27	21	16
910	920	100	91	83	74	65	56	47	38	29	22	17
920	930	102	93	84	75	66	57	48	39	30	23	18
930	940	103	94	86	77	68	59	50	41	32	24	19
940	950	105	96	87	78	69	60	51	42	33	25	20
950	960	106	97	89	80	71	62	53	44	35	26	21
960	970	108	99	90	81	72	63	54	45	36	27	22
970	980	109	100	92	83	74	65	56	47	38	29	23
980	990	111	102	93	84	75	66	57	48	39	30	24
990	1,000	112	103	95	86	77	68	59	50	41	32	25
1,000	1,010	114	105	96	87	78	69	60	51	42	33	26
1,010	1,020	115	106	98	89	80	71	62	53	44	35	27
1,020	1,030	117	108	99	90	81	72	63	54	45	36	28
1,030	1,040	118	109	101	92	83	74	65	56	47	38	29
1,040	1,050	120	111	102	93	84	75	66	57	48	39	31
1,050	1,060	121	112	104	95	86	77	68	59	50	41	32
1,060	1,070	123	114	105	96	87	78	69	60	51	42	34
1,070	1,080	124	115	107	98	89	80	71	62	53	44	35
1,080	1,090	126	117	108	99	90	81	72	63	54	45	37
1,090	1,100	127	118	110	101	92	83	74	65	56	47	38
1,100	1,110	129	120	111	102	93	84	75	66	57	48	40
1,110	1,120	130	121	113	104	95	86	77	68	59	50	41
1,120	1,130	132	123	114	105	96	87	78	69	60	51	43
1,130	1,140	133	124	116	107	98	89	80	71	62	53	44
1,140	1,150	135	126	117	108	99	90	81	72	63	54	46
1,150	1,160	136	127	119	110	101	92	83	74	65	56	47
1,160	1,170	138	129	120	111	102	93	84	75	66	57	49
1,170	1,180	139	130	122	113	104	95	86	77	68	59	50
1,180	1,190	141	132	123	114	105	96	87	78	69	60	52
1,190	1,200	142	133	125	116	107	98	89	80	71	62	53
1,200	1,210	144	135	126	117	108	99	90	81	72	63	55
1,210	1,220	145	136	128	119	110	101	92	83	74	65	56
1,220	1,230	147	138	129	120	111	102	93	84	75	66	58
1,230	1,240	148	139	131	122	113	104	95	86	77	68	59
1,240	1,250	150	141	132	123	114	105	96	87	78	69	61
1,250	1,260	152	142	134	125	116	107	98	89	80	71	62
1,260	1,270	155	144	135	126	117	108	99	90	81	72	64
1,270	1,280	157	145	137	128	119	110	101	92	83	74	65
1,280	1,290	160	147	138	129	120	111	102	93	84	75	67
1,290	1,300	162	148	140	131	122	113	104	95	86	77	68
1,300	1,310	165	150	141	132	123	114	105	96	87	78	70
1,310	1,320	167	153	143	134	125	116	107	98	89	80	71
1,320	1,330	170	155	144	135	126	117	108	99	90	81	73
1,330	1,340	172	158	146	137	128	119	110	101	92	83	74
1,340	1,350	175	160	147	138	129	120	111	102	93	84	76
1,350	1,360	177	163	149	140	131	122	113	104	95	86	77
1,360	1,370	180	165	150	141	132	123	114	105	96	87	79
1,370	1,380	182	168	153	143	134	125	116	107	98	89	80
1,380	1,390	185	170	155	144	135	126	117	108	99	90	82
1,390	1,400	187	173	158	146	137	128	119	110	101	92	83

\$1,400 and over

Use Table 1(b) for a **MARRIED** person on page 35. Also see the instructions on page 33.

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	1	0	0	0	0	0	0	0	0	0	0
115	120	2	0	0	0	0	0	0	0	0	0	0
120	125	2	0	0	0	0	0	0	0	0	0	0
125	130	3	0	0	0	0	0	0	0	0	0	0
130	135	3	0	0	0	0	0	0	0	0	0	0
135	140	4	0	0	0	0	0	0	0	0	0	0
140	145	4	0	0	0	0	0	0	0	0	0	0
145	150	5	0	0	0	0	0	0	0	0	0	0
150	155	5	0	0	0	0	0	0	0	0	0	0
155	160	6	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	0	0	0	0	0	0	0	0	0	0
180	185	8	0	0	0	0	0	0	0	0	0	0
185	190	9	0	0	0	0	0	0	0	0	0	0
190	195	9	0	0	0	0	0	0	0	0	0	0
195	200	10	0	0	0	0	0	0	0	0	0	0
200	205	10	0	0	0	0	0	0	0	0	0	0
205	210	11	0	0	0	0	0	0	0	0	0	0
210	215	11	0	0	0	0	0	0	0	0	0	0
215	220	12	0	0	0	0	0	0	0	0	0	0
220	225	12	0	0	0	0	0	0	0	0	0	0
225	230	13	1	0	0	0	0	0	0	0	0	0
230	235	13	1	0	0	0	0	0	0	0	0	0
235	240	14	2	0	0	0	0	0	0	0	0	0
240	245	14	2	0	0	0	0	0	0	0	0	0
245	250	15	3	0	0	0	0	0	0	0	0	0
250	260	15	3	0	0	0	0	0	0	0	0	0
260	270	16	4	0	0	0	0	0	0	0	0	0
270	280	17	5	0	0	0	0	0	0	0	0	0
280	290	18	6	0	0	0	0	0	0	0	0	0
290	300	19	7	0	0	0	0	0	0	0	0	0
300	310	20	8	0	0	0	0	0	0	0	0	0
310	320	21	9	0	0	0	0	0	0	0	0	0
320	330	22	10	0	0	0	0	0	0	0	0	0
330	340	23	11	0	0	0	0	0	0	0	0	0
340	350	24	12	0	0	0	0	0	0	0	0	0
350	360	25	13	1	0	0	0	0	0	0	0	0
360	370	26	14	2	0	0	0	0	0	0	0	0
370	380	27	15	3	0	0	0	0	0	0	0	0
380	390	29	16	4	0	0	0	0	0	0	0	0
390	400	30	17	5	0	0	0	0	0	0	0	0
400	410	32	18	6	0	0	0	0	0	0	0	0
410	420	33	19	7	0	0	0	0	0	0	0	0
420	430	35	20	8	0	0	0	0	0	0	0	0
430	440	36	21	9	0	0	0	0	0	0	0	0
440	450	38	22	10	0	0	0	0	0	0	0	0
450	460	39	23	11	0	0	0	0	0	0	0	0
460	470	41	24	12	1	0	0	0	0	0	0	0
470	480	42	25	13	2	0	0	0	0	0	0	0
480	490	44	26	14	3	0	0	0	0	0	0	0
490	500	45	28	15	4	0	0	0	0	0	0	0
500	520	48	30	17	5	0	0	0	0	0	0	0
520	540	51	33	19	7	0	0	0	0	0	0	0
540	560	54	36	21	9	0	0	0	0	0	0	0
560	580	57	39	23	11	0	0	0	0	0	0	0
580	600	60	42	25	13	1	0	0	0	0	0	0
600	620	63	45	27	15	3	0	0	0	0	0	0
620	640	66	48	30	17	5	0	0	0	0	0	0
640	660	69	51	33	19	7	0	0	0	0	0	0
660	680	72	54	36	21	9	0	0	0	0	0	0
680	700	75	57	39	23	11	0	0	0	0	0	0
700	720	78	60	42	25	13	1	0	0	0	0	0
720	740	81	63	45	27	15	3	0	0	0	0	0
740	760	84	66	48	30	17	5	0	0	0	0	0
760	780	87	69	51	33	19	7	0	0	0	0	0
780	800	90	72	54	36	21	9	0	0	0	0	0

SINGLE Persons—BIWEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	\$93	\$75	\$57	\$39	\$23	\$11	\$0	\$0	\$0	\$0	\$0
820	840	96	78	60	42	25	13	1	0	0	0	0
840	860	99	81	63	45	27	15	3	0	0	0	0
860	880	102	84	66	48	30	17	5	0	0	0	0
880	900	105	87	69	51	33	19	7	0	0	0	0
900	920	108	90	72	54	36	21	9	0	0	0	0
920	940	111	93	75	57	39	23	11	0	0	0	0
940	960	114	96	78	60	42	25	13	1	0	0	0
960	980	117	99	81	63	45	27	15	3	0	0	0
980	1,000	120	102	84	66	48	30	17	5	0	0	0
1,000	1,020	123	105	87	69	51	33	19	7	0	0	0
1,020	1,040	126	108	90	72	54	36	21	9	0	0	0
1,040	1,060	129	111	93	75	57	39	23	11	0	0	0
1,060	1,080	132	114	96	78	60	42	25	13	1	0	0
1,080	1,100	135	117	99	81	63	45	27	15	3	0	0
1,100	1,120	138	120	102	84	66	48	30	17	5	0	0
1,120	1,140	141	123	105	87	69	51	33	19	7	0	0
1,140	1,160	144	126	108	90	72	54	36	21	9	0	0
1,160	1,180	147	129	111	93	75	57	39	23	11	0	0
1,180	1,200	150	132	114	96	78	60	42	25	13	2	0
1,200	1,220	155	135	117	99	81	63	45	27	15	4	0
1,220	1,240	160	138	120	102	84	66	48	30	17	6	0
1,240	1,260	165	141	123	105	87	69	51	33	19	8	0
1,260	1,280	170	144	126	108	90	72	54	36	21	10	0
1,280	1,300	175	147	129	111	93	75	57	39	23	12	0
1,300	1,320	180	150	132	114	96	78	60	42	25	14	2
1,320	1,340	185	155	135	117	99	81	63	45	28	16	4
1,340	1,360	190	160	138	120	102	84	66	48	31	18	6
1,360	1,380	195	165	141	123	105	87	69	51	34	20	8
1,380	1,400	200	170	144	126	108	90	72	54	37	22	10
1,400	1,420	205	175	147	129	111	93	75	57	40	24	12
1,420	1,440	210	180	151	132	114	96	78	60	43	26	14
1,440	1,460	215	185	156	135	117	99	81	63	46	28	16
1,460	1,480	220	190	161	138	120	102	84	66	49	31	18
1,480	1,500	225	195	166	141	123	105	87	69	52	34	20
1,500	1,520	230	200	171	144	126	108	90	72	55	37	22
1,520	1,540	235	205	176	147	129	111	93	75	58	40	24
1,540	1,560	240	210	181	151	132	114	96	78	61	43	26
1,560	1,580	245	215	186	156	135	117	99	81	64	46	28
1,580	1,600	250	220	191	161	138	120	102	84	67	49	31
1,600	1,620	255	225	196	166	141	123	105	87	70	52	34
1,620	1,640	260	230	201	171	144	126	108	90	73	55	37
1,640	1,660	265	235	206	176	147	129	111	93	76	58	40
1,660	1,680	270	240	211	181	151	132	114	96	79	61	43
1,680	1,700	275	245	216	186	156	135	117	99	82	64	46
1,700	1,720	280	250	221	191	161	138	120	102	85	67	49
1,720	1,740	285	255	226	196	166	141	123	105	88	70	52
1,740	1,760	290	260	231	201	171	144	126	108	91	73	55
1,760	1,780	295	265	236	206	176	147	129	111	94	76	58
1,780	1,800	300	270	241	211	181	151	132	114	97	79	61
1,800	1,820	305	275	246	216	186	156	135	117	100	82	64
1,820	1,840	310	280	251	221	191	161	138	120	103	85	67
1,840	1,860	315	285	256	226	196	166	141	123	106	88	70
1,860	1,880	320	290	261	231	201	171	144	126	109	91	73
1,880	1,900	325	295	266	236	206	176	147	129	112	94	76
1,900	1,920	330	300	271	241	211	181	151	132	115	97	79
1,920	1,940	335	305	276	246	216	186	156	135	118	100	82
1,940	1,960	340	310	281	251	221	191	161	138	121	103	85
1,960	1,980	345	315	286	256	226	196	166	141	124	106	88
1,980	2,000	350	320	291	261	231	201	171	144	127	109	91
2,000	2,020	355	325	296	266	236	206	176	147	130	112	94
2,020	2,040	360	330	301	271	241	211	181	152	133	115	97
2,040	2,060	365	335	306	276	246	216	186	157	136	118	100
2,060	2,080	370	340	311	281	251	221	191	162	139	121	103
2,080	2,100	375	345	316	286	256	226	196	167	142	124	106

\$2,100 and over

Use Table 2(a) for a **SINGLE person** on page 35. Also see the instructions on page 33.

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	0	0	0	0	0	0	0	0	0	0	0
260	270	0	0	0	0	0	0	0	0	0	0	0
270	280	0	0	0	0	0	0	0	0	0	0	0
280	290	0	0	0	0	0	0	0	0	0	0	0
290	300	0	0	0	0	0	0	0	0	0	0	0
300	310	0	0	0	0	0	0	0	0	0	0	0
310	320	1	0	0	0	0	0	0	0	0	0	0
320	330	2	0	0	0	0	0	0	0	0	0	0
330	340	3	0	0	0	0	0	0	0	0	0	0
340	350	4	0	0	0	0	0	0	0	0	0	0
350	360	5	0	0	0	0	0	0	0	0	0	0
360	370	6	0	0	0	0	0	0	0	0	0	0
370	380	7	0	0	0	0	0	0	0	0	0	0
380	390	8	0	0	0	0	0	0	0	0	0	0
390	400	9	0	0	0	0	0	0	0	0	0	0
400	410	10	0	0	0	0	0	0	0	0	0	0
410	420	11	0	0	0	0	0	0	0	0	0	0
420	430	12	0	0	0	0	0	0	0	0	0	0
430	440	13	1	0	0	0	0	0	0	0	0	0
440	450	14	2	0	0	0	0	0	0	0	0	0
450	460	15	3	0	0	0	0	0	0	0	0	0
460	470	16	4	0	0	0	0	0	0	0	0	0
470	480	17	5	0	0	0	0	0	0	0	0	0
480	490	18	6	0	0	0	0	0	0	0	0	0
490	500	19	7	0	0	0	0	0	0	0	0	0
500	520	20	8	0	0	0	0	0	0	0	0	0
520	540	22	10	0	0	0	0	0	0	0	0	0
540	560	24	12	0	0	0	0	0	0	0	0	0
560	580	26	14	2	0	0	0	0	0	0	0	0
580	600	28	16	4	0	0	0	0	0	0	0	0
600	620	30	18	6	0	0	0	0	0	0	0	0
620	640	32	20	8	0	0	0	0	0	0	0	0
640	660	34	22	10	0	0	0	0	0	0	0	0
660	680	36	24	12	0	0	0	0	0	0	0	0
680	700	38	26	14	2	0	0	0	0	0	0	0
700	720	40	28	16	4	0	0	0	0	0	0	0
720	740	42	30	18	6	0	0	0	0	0	0	0
740	760	44	32	20	8	0	0	0	0	0	0	0
760	780	46	34	22	10	0	0	0	0	0	0	0
780	800	48	36	24	12	1	0	0	0	0	0	0
800	820	50	38	26	14	3	0	0	0	0	0	0
820	840	52	40	28	16	5	0	0	0	0	0	0
840	860	54	42	30	18	7	0	0	0	0	0	0
860	880	57	44	32	20	9	0	0	0	0	0	0
880	900	60	46	34	22	11	0	0	0	0	0	0
900	920	63	48	36	24	13	1	0	0	0	0	0
920	940	66	50	38	26	15	3	0	0	0	0	0
940	960	69	52	40	28	17	5	0	0	0	0	0
960	980	72	54	42	30	19	7	0	0	0	0	0
980	1,000	75	57	44	32	21	9	0	0	0	0	0
1,000	1,020	78	60	46	34	23	11	0	0	0	0	0
1,020	1,040	81	63	48	36	25	13	1	0	0	0	0
1,040	1,060	84	66	50	38	27	15	3	0	0	0	0
1,060	1,080	87	69	52	40	29	17	5	0	0	0	0
1,080	1,100	90	72	54	42	31	19	7	0	0	0	0
1,100	1,120	93	75	57	44	33	21	9	0	0	0	0
1,120	1,140	96	78	60	46	35	23	11	0	0	0	0
1,140	1,160	99	81	63	48	37	25	13	1	0	0	0
1,160	1,180	102	84	66	50	39	27	15	3	0	0	0
1,180	1,200	105	87	69	52	41	29	17	5	0	0	0
1,200	1,220	108	90	72	54	43	31	19	7	0	0	0
1,220	1,240	111	93	75	57	45	33	21	9	0	0	0
1,240	1,260	114	96	78	60	47	35	23	11	0	0	0
1,260	1,280	117	99	81	63	49	37	25	13	1	0	0
1,280	1,300	120	102	84	66	51	39	27	15	3	0	0
1,300	1,320	123	105	87	69	53	41	29	17	5	0	0
1,320	1,340	126	108	90	72	55	43	31	19	7	0	0
1,340	1,360	129	111	93	75	57	45	33	21	9	0	0
1,360	1,380	132	114	96	78	60	47	35	23	11	0	0

MARRIED Persons—BIWEEKLY Payroll Period

(For Wages Paid Through December 2004)

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	\$135	\$117	\$99	\$81	\$63	\$49	\$37	\$25	\$13	\$1	\$0
1,400	1,420	138	120	102	84	66	51	39	27	15	3	0
1,420	1,440	141	123	105	87	69	53	41	29	17	5	0
1,440	1,460	144	126	108	90	72	55	43	31	19	7	0
1,460	1,480	147	129	111	93	75	57	45	33	21	9	0
1,480	1,500	150	132	114	96	78	60	47	35	23	11	0
1,500	1,520	153	135	117	99	81	63	49	37	25	13	1
1,520	1,540	156	138	120	102	84	66	51	39	27	15	3
1,540	1,560	159	141	123	105	87	69	53	41	29	17	5
1,560	1,580	162	144	126	108	90	72	55	43	31	19	7
1,580	1,600	165	147	129	111	93	75	58	45	33	21	9
1,600	1,620	168	150	132	114	96	78	61	47	35	23	11
1,620	1,640	171	153	135	117	99	81	64	49	37	25	13
1,640	1,660	174	156	138	120	102	84	67	51	39	27	15
1,660	1,680	177	159	141	123	105	87	70	53	41	29	17
1,680	1,700	180	162	144	126	108	90	73	55	43	31	19
1,700	1,720	183	165	147	129	111	93	76	58	45	33	21
1,720	1,740	186	168	150	132	114	96	79	61	47	35	23
1,740	1,760	189	171	153	135	117	99	82	64	49	37	25
1,760	1,780	192	174	156	138	120	102	85	67	51	39	27
1,780	1,800	195	177	159	141	123	105	88	70	53	41	29
1,800	1,820	198	180	162	144	126	108	91	73	55	43	31
1,820	1,840	201	183	165	147	129	111	94	76	58	45	33
1,840	1,860	204	186	168	150	132	114	97	79	61	47	35
1,860	1,880	207	189	171	153	135	117	100	82	64	49	37
1,880	1,900	210	192	174	156	138	120	103	85	67	51	39
1,900	1,920	213	195	177	159	141	123	106	88	70	53	41
1,920	1,940	216	198	180	162	144	126	109	91	73	55	43
1,940	1,960	219	201	183	165	147	129	112	94	76	58	45
1,960	1,980	222	204	186	168	150	132	115	97	79	61	47
1,980	2,000	225	207	189	171	153	135	118	100	82	64	49
2,000	2,020	228	210	192	174	156	138	121	103	85	67	51
2,020	2,040	231	213	195	177	159	141	124	106	88	70	53
2,040	2,060	234	216	198	180	162	144	127	109	91	73	55
2,060	2,080	237	219	201	183	165	147	130	112	94	76	58
2,080	2,100	240	222	204	186	168	150	133	115	97	79	61
2,100	2,120	243	225	207	189	171	153	136	118	100	82	64
2,120	2,140	246	228	210	192	174	156	139	121	103	85	67
2,140	2,160	249	231	213	195	177	159	142	124	106	88	70
2,160	2,180	252	234	216	198	180	162	145	127	109	91	73
2,180	2,200	255	237	219	201	183	165	148	130	112	94	76
2,200	2,220	258	240	222	204	186	168	151	133	115	97	79
2,220	2,240	261	243	225	207	189	171	154	136	118	100	82
2,240	2,260	264	246	228	210	192	174	157	139	121	103	85
2,260	2,280	267	249	231	213	195	177	160	142	124	106	88
2,280	2,300	270	252	234	216	198	180	163	145	127	109	91
2,300	2,320	273	255	237	219	201	183	166	148	130	112	94
2,320	2,340	276	258	240	222	204	186	169	151	133	115	97
2,340	2,360	279	261	243	225	207	189	172	154	136	118	100
2,360	2,380	282	264	246	228	210	192	175	157	139	121	103
2,380	2,400	285	267	249	231	213	195	178	160	142	124	106
2,400	2,420	288	270	252	234	216	198	181	163	145	127	109
2,420	2,440	291	273	255	237	219	201	184	166	148	130	112
2,440	2,460	294	276	258	240	222	204	187	169	151	133	115
2,460	2,480	297	279	261	243	225	207	190	172	154	136	118
2,480	2,500	300	282	264	246	228	210	193	175	157	139	121
2,500	2,520	305	285	267	249	231	213	196	178	160	142	124
2,520	2,540	310	288	270	252	234	216	199	181	163	145	127
2,540	2,560	315	291	273	255	237	219	202	184	166	148	130
2,560	2,580	320	294	276	258	240	222	205	187	169	151	133
2,580	2,600	325	297	279	261	243	225	208	190	172	154	136
2,600	2,620	330	300	282	264	246	228	211	193	175	157	139
2,620	2,640	335	305	285	267	249	231	214	196	178	160	142
2,640	2,660	340	310	288	270	252	234	217	199	181	163	145
2,660	2,680	345	315	291	273	255	237	220	202	184	166	148
2,680	2,700	350	320	294	276	258	240	223	205	187	169	151

\$2,700 and over

Use Table 2(b) for a **MARRIED** person on page 35. Also see the instructions on page 33.

SINGLE Persons—SEMIMONTHLY Payroll Period

(For Wages Paid Through December 2004)

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	\$115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
115	120	1	0	0	0	0	0	0	0	0	0	0
120	125	1	0	0	0	0	0	0	0	0	0	0
125	130	2	0	0	0	0	0	0	0	0	0	0
130	135	2	0	0	0	0	0	0	0	0	0	0
135	140	3	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	5	0	0	0	0	0	0	0	0	0	0
165	170	6	0	0	0	0	0	0	0	0	0	0
170	175	6	0	0	0	0	0	0	0	0	0	0
175	180	7	0	0	0	0	0	0	0	0	0	0
180	185	7	0	0	0	0	0	0	0	0	0	0
185	190	8	0	0	0	0	0	0	0	0	0	0
190	195	8	0	0	0	0	0	0	0	0	0	0
195	200	9	0	0	0	0	0	0	0	0	0	0
200	205	9	0	0	0	0	0	0	0	0	0	0
205	210	10	0	0	0	0	0	0	0	0	0	0
210	215	10	0	0	0	0	0	0	0	0	0	0
215	220	11	0	0	0	0	0	0	0	0	0	0
220	225	11	0	0	0	0	0	0	0	0	0	0
225	230	12	0	0	0	0	0	0	0	0	0	0
230	235	12	0	0	0	0	0	0	0	0	0	0
235	240	13	0	0	0	0	0	0	0	0	0	0
240	245	13	0	0	0	0	0	0	0	0	0	0
245	250	14	1	0	0	0	0	0	0	0	0	0
250	260	14	2	0	0	0	0	0	0	0	0	0
260	270	15	3	0	0	0	0	0	0	0	0	0
270	280	16	4	0	0	0	0	0	0	0	0	0
280	290	17	5	0	0	0	0	0	0	0	0	0
290	300	18	6	0	0	0	0	0	0	0	0	0
300	310	19	7	0	0	0	0	0	0	0	0	0
310	320	20	8	0	0	0	0	0	0	0	0	0
320	330	21	9	0	0	0	0	0	0	0	0	0
330	340	22	10	0	0	0	0	0	0	0	0	0
340	350	23	11	0	0	0	0	0	0	0	0	0
350	360	24	12	0	0	0	0	0	0	0	0	0
360	370	25	13	0	0	0	0	0	0	0	0	0
370	380	26	14	1	0	0	0	0	0	0	0	0
380	390	27	15	2	0	0	0	0	0	0	0	0
390	400	28	16	3	0	0	0	0	0	0	0	0
400	410	30	17	4	0	0	0	0	0	0	0	0
410	420	31	18	5	0	0	0	0	0	0	0	0
420	430	33	19	6	0	0	0	0	0	0	0	0
430	440	34	20	7	0	0	0	0	0	0	0	0
440	450	36	21	8	0	0	0	0	0	0	0	0
450	460	37	22	9	0	0	0	0	0	0	0	0
460	470	39	23	10	0	0	0	0	0	0	0	0
470	480	40	24	11	0	0	0	0	0	0	0	0
480	490	42	25	12	0	0	0	0	0	0	0	0
490	500	43	26	13	0	0	0	0	0	0	0	0
500	520	45	27	14	1	0	0	0	0	0	0	0
520	540	48	29	16	3	0	0	0	0	0	0	0
540	560	51	32	18	5	0	0	0	0	0	0	0
560	580	54	35	20	7	0	0	0	0	0	0	0
580	600	57	38	22	9	0	0	0	0	0	0	0
600	620	60	41	24	11	0	0	0	0	0	0	0
620	640	63	44	26	13	0	0	0	0	0	0	0
640	660	66	47	28	15	2	0	0	0	0	0	0
660	680	69	50	31	17	4	0	0	0	0	0	0
680	700	72	53	34	19	6	0	0	0	0	0	0
700	720	75	56	37	21	8	0	0	0	0	0	0
720	740	78	59	40	23	10	0	0	0	0	0	0
740	760	81	62	43	25	12	0	0	0	0	0	0
760	780	84	65	46	27	14	1	0	0	0	0	0
780	800	87	68	49	29	16	3	0	0	0	0	0
800	820	90	71	52	32	18	5	0	0	0	0	0
820	840	93	74	55	35	20	7	0	0	0	0	0

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid Through December 2004)

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—										
\$840	\$860	\$96	\$77	\$58	\$38	\$22	\$9	\$0	\$0	\$0	\$0	\$0
860	880	99	80	61	41	24	11	0	0	0	0	0
880	900	102	83	64	44	26	13	0	0	0	0	0
900	920	105	86	67	47	28	15	2	0	0	0	0
920	940	108	89	70	50	31	17	4	0	0	0	0
940	960	111	92	73	53	34	19	6	0	0	0	0
960	980	114	95	76	56	37	21	8	0	0	0	0
980	1,000	117	98	79	59	40	23	10	0	0	0	0
1,000	1,020	120	101	82	62	43	25	12	0	0	0	0
1,020	1,040	123	104	85	65	46	27	14	2	0	0	0
1,040	1,060	126	107	88	68	49	29	16	4	0	0	0
1,060	1,080	129	110	91	71	52	32	18	6	0	0	0
1,080	1,100	132	113	94	74	55	35	20	8	0	0	0
1,100	1,120	135	116	97	77	58	38	22	10	0	0	0
1,120	1,140	138	119	100	80	61	41	24	12	0	0	0
1,140	1,160	141	122	103	83	64	44	26	14	1	0	0
1,160	1,180	144	125	106	86	67	47	28	16	3	0	0
1,180	1,200	147	128	109	89	70	50	31	18	5	0	0
1,200	1,220	150	131	112	92	73	53	34	20	7	0	0
1,220	1,240	153	134	115	95	76	56	37	22	9	0	0
1,240	1,260	156	137	118	98	79	59	40	24	11	0	0
1,260	1,280	159	140	121	101	82	62	43	26	13	0	0
1,280	1,300	163	143	124	104	85	65	46	28	15	2	0
1,300	1,320	168	146	127	107	88	68	49	30	17	4	0
1,320	1,340	173	149	130	110	91	71	52	33	19	6	0
1,340	1,360	178	152	133	113	94	74	55	36	21	8	0
1,360	1,380	183	155	136	116	97	77	58	39	23	10	0
1,380	1,400	188	158	139	119	100	80	61	42	25	12	0
1,400	1,420	193	161	142	122	103	83	64	45	27	14	1
1,420	1,440	198	166	145	125	106	86	67	48	29	16	3
1,440	1,460	203	171	148	128	109	89	70	51	31	18	5
1,460	1,480	208	176	151	131	112	92	73	54	34	20	7
1,480	1,500	213	181	154	134	115	95	76	57	37	22	9
1,500	1,520	218	186	157	137	118	98	79	60	40	24	11
1,520	1,540	223	191	160	140	121	101	82	63	43	26	13
1,540	1,560	228	196	163	143	124	104	85	66	46	28	15
1,560	1,580	233	201	168	146	127	107	88	69	49	30	17
1,580	1,600	238	206	173	149	130	110	91	72	52	33	19
1,600	1,620	243	211	178	152	133	113	94	75	55	36	21
1,620	1,640	248	216	183	155	136	116	97	78	58	39	23
1,640	1,660	253	221	188	158	139	119	100	81	61	42	25
1,660	1,680	258	226	193	161	142	122	103	84	64	45	27
1,680	1,700	263	231	198	166	145	125	106	87	67	48	29
1,700	1,720	268	236	203	171	148	128	109	90	70	51	32
1,720	1,740	273	241	208	176	151	131	112	93	73	54	35
1,740	1,760	278	246	213	181	154	134	115	96	76	57	38
1,760	1,780	283	251	218	186	157	137	118	99	79	60	41
1,780	1,800	288	256	223	191	160	140	121	102	82	63	44
1,800	1,820	293	261	228	196	164	143	124	105	85	66	47
1,820	1,840	298	266	233	201	169	146	127	108	88	69	50
1,840	1,860	303	271	238	206	174	149	130	111	91	72	53
1,860	1,880	308	276	243	211	179	152	133	114	94	75	56
1,880	1,900	313	281	248	216	184	155	136	117	97	78	59
1,900	1,920	318	286	253	221	189	158	139	120	100	81	62
1,920	1,940	323	291	258	226	194	161	142	123	103	84	65
1,940	1,960	328	296	263	231	199	166	145	126	106	87	68
1,960	1,980	333	301	268	236	204	171	148	129	109	90	71
1,980	2,000	338	306	273	241	209	176	151	132	112	93	74
2,000	2,020	343	311	278	246	214	181	154	135	115	96	77
2,020	2,040	348	316	283	251	219	186	157	138	118	99	80
2,040	2,060	353	321	288	256	224	191	160	141	121	102	83
2,060	2,080	358	326	293	261	229	196	164	144	124	105	86
2,080	2,100	363	331	298	266	234	201	169	147	127	108	89
2,100	2,120	368	336	303	271	239	206	174	150	130	111	92
2,120	2,140	373	341	308	276	244	211	179	153	133	114	95

\$2,140 and over

Use Table 3(a) for a **SINGLE person** on page 35. Also see the instructions on page 33.

MARRIED Persons—SEMIMONTHLY Payroll Period

(For Wages Paid Through December 2004)

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	0	0	0	0	0	0	0	0	0	0	0
280	290	0	0	0	0	0	0	0	0	0	0	0
290	300	0	0	0	0	0	0	0	0	0	0	0
300	310	0	0	0	0	0	0	0	0	0	0	0
310	320	0	0	0	0	0	0	0	0	0	0	0
320	330	0	0	0	0	0	0	0	0	0	0	0
330	340	0	0	0	0	0	0	0	0	0	0	0
340	350	1	0	0	0	0	0	0	0	0	0	0
350	360	2	0	0	0	0	0	0	0	0	0	0
360	370	3	0	0	0	0	0	0	0	0	0	0
370	380	4	0	0	0	0	0	0	0	0	0	0
380	390	5	0	0	0	0	0	0	0	0	0	0
390	400	6	0	0	0	0	0	0	0	0	0	0
400	410	7	0	0	0	0	0	0	0	0	0	0
410	420	8	0	0	0	0	0	0	0	0	0	0
420	430	9	0	0	0	0	0	0	0	0	0	0
430	440	10	0	0	0	0	0	0	0	0	0	0
440	450	11	0	0	0	0	0	0	0	0	0	0
450	460	12	0	0	0	0	0	0	0	0	0	0
460	470	13	0	0	0	0	0	0	0	0	0	0
470	480	14	1	0	0	0	0	0	0	0	0	0
480	490	15	2	0	0	0	0	0	0	0	0	0
490	500	16	3	0	0	0	0	0	0	0	0	0
500	520	18	5	0	0	0	0	0	0	0	0	0
520	540	20	7	0	0	0	0	0	0	0	0	0
540	560	22	9	0	0	0	0	0	0	0	0	0
560	580	24	11	0	0	0	0	0	0	0	0	0
580	600	26	13	0	0	0	0	0	0	0	0	0
600	620	28	15	2	0	0	0	0	0	0	0	0
620	640	30	17	4	0	0	0	0	0	0	0	0
640	660	32	19	6	0	0	0	0	0	0	0	0
660	680	34	21	8	0	0	0	0	0	0	0	0
680	700	36	23	10	0	0	0	0	0	0	0	0
700	720	38	25	12	0	0	0	0	0	0	0	0
720	740	40	27	14	1	0	0	0	0	0	0	0
740	760	42	29	16	3	0	0	0	0	0	0	0
760	780	44	31	18	5	0	0	0	0	0	0	0
780	800	46	33	20	7	0	0	0	0	0	0	0
800	820	48	35	22	9	0	0	0	0	0	0	0
820	840	50	37	24	11	0	0	0	0	0	0	0
840	860	52	39	26	13	0	0	0	0	0	0	0
860	880	54	41	28	15	2	0	0	0	0	0	0
880	900	56	43	30	17	4	0	0	0	0	0	0
900	920	58	45	32	19	6	0	0	0	0	0	0
920	940	60	47	34	21	8	0	0	0	0	0	0
940	960	63	49	36	23	10	0	0	0	0	0	0
960	980	66	51	38	25	12	0	0	0	0	0	0
980	1,000	69	53	40	27	14	1	0	0	0	0	0
1,000	1,020	72	55	42	29	16	3	0	0	0	0	0
1,020	1,040	75	57	44	31	18	5	0	0	0	0	0
1,040	1,060	78	59	46	33	20	7	0	0	0	0	0
1,060	1,080	81	61	48	35	22	9	0	0	0	0	0
1,080	1,100	84	64	50	37	24	11	0	0	0	0	0
1,100	1,120	87	67	52	39	26	13	0	0	0	0	0
1,120	1,140	90	70	54	41	28	15	2	0	0	0	0
1,140	1,160	93	73	56	43	30	17	4	0	0	0	0
1,160	1,180	96	76	58	45	32	19	6	0	0	0	0
1,180	1,200	99	79	60	47	34	21	8	0	0	0	0
1,200	1,220	102	82	63	49	36	23	10	0	0	0	0
1,220	1,240	105	85	66	51	38	25	12	0	0	0	0
1,240	1,260	108	88	69	53	40	27	14	1	0	0	0
1,260	1,280	111	91	72	55	42	29	16	3	0	0	0
1,280	1,300	114	94	75	57	44	31	18	5	0	0	0
1,300	1,320	117	97	78	59	46	33	20	7	0	0	0
1,320	1,340	120	100	81	62	48	35	22	9	0	0	0
1,340	1,360	123	103	84	65	50	37	24	11	0	0	0
1,360	1,380	126	106	87	68	52	39	26	13	0	0	0
1,380	1,400	129	109	90	71	54	41	28	15	2	0	0
1,400	1,420	132	112	93	74	56	43	30	17	4	0	0

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid Through December 2004)

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	\$135	\$115	\$96	\$77	\$58	\$45	\$32	\$19	\$6	\$0	\$0
1,440	1,460	138	118	99	80	60	47	34	21	8	0	0
1,460	1,480	141	121	102	83	63	49	36	23	10	0	0
1,480	1,500	144	124	105	86	66	51	38	25	12	0	0
1,500	1,520	147	127	108	89	69	53	40	27	14	1	0
1,520	1,540	150	130	111	92	72	55	42	29	16	3	0
1,540	1,560	153	133	114	95	75	57	44	31	18	5	0
1,560	1,580	156	136	117	98	78	59	46	33	20	7	0
1,580	1,600	159	139	120	101	81	62	48	35	22	9	0
1,600	1,620	162	142	123	104	84	65	50	37	24	11	0
1,620	1,640	165	145	126	107	87	68	52	39	26	13	1
1,640	1,660	168	148	129	110	90	71	54	41	28	15	3
1,660	1,680	171	151	132	113	93	74	56	43	30	17	5
1,680	1,700	174	154	135	116	96	77	58	45	32	19	7
1,700	1,720	177	157	138	119	99	80	60	47	34	21	9
1,720	1,740	180	160	141	122	102	83	63	49	36	23	11
1,740	1,760	183	163	144	125	105	86	66	51	38	25	13
1,760	1,780	186	166	147	128	108	89	69	53	40	27	15
1,780	1,800	189	169	150	131	111	92	72	55	42	29	17
1,800	1,820	192	172	153	134	114	95	75	57	44	31	19
1,820	1,840	195	175	156	137	117	98	78	59	46	33	21
1,840	1,860	198	178	159	140	120	101	81	62	48	35	23
1,860	1,880	201	181	162	143	123	104	84	65	50	37	25
1,880	1,900	204	184	165	146	126	107	87	68	52	39	27
1,900	1,920	207	187	168	149	129	110	90	71	54	41	29
1,920	1,940	210	190	171	152	132	113	93	74	56	43	31
1,940	1,960	213	193	174	155	135	116	96	77	58	45	33
1,960	1,980	216	196	177	158	138	119	99	80	61	47	35
1,980	2,000	219	199	180	161	141	122	102	83	64	49	37
2,000	2,020	222	202	183	164	144	125	105	86	67	51	39
2,020	2,040	225	205	186	167	147	128	108	89	70	53	41
2,040	2,060	228	208	189	170	150	131	111	92	73	55	43
2,060	2,080	231	211	192	173	153	134	114	95	76	57	45
2,080	2,100	234	214	195	176	156	137	117	98	79	59	47
2,100	2,120	237	217	198	179	159	140	120	101	82	62	49
2,120	2,140	240	220	201	182	162	143	123	104	85	65	51
2,140	2,160	243	223	204	185	165	146	126	107	88	68	53
2,160	2,180	246	226	207	188	168	149	129	110	91	71	55
2,180	2,200	249	229	210	191	171	152	132	113	94	74	57
2,200	2,220	252	232	213	194	174	155	135	116	97	77	59
2,220	2,240	255	235	216	197	177	158	138	119	100	80	61
2,240	2,260	258	238	219	200	180	161	141	122	103	83	64
2,260	2,280	261	241	222	203	183	164	144	125	106	86	67
2,280	2,300	264	244	225	206	186	167	147	128	109	89	70
2,300	2,320	267	247	228	209	189	170	150	131	112	92	73
2,320	2,340	270	250	231	212	192	173	153	134	115	95	76
2,340	2,360	273	253	234	215	195	176	156	137	118	98	79
2,360	2,380	276	256	237	218	198	179	159	140	121	101	82
2,380	2,400	279	259	240	221	201	182	162	143	124	104	85
2,400	2,420	282	262	243	224	204	185	165	146	127	107	88
2,420	2,440	285	265	246	227	207	188	168	149	130	110	91
2,440	2,460	288	268	249	230	210	191	171	152	133	113	94
2,460	2,480	291	271	252	233	213	194	174	155	136	116	97
2,480	2,500	294	274	255	236	216	197	177	158	139	119	100
2,500	2,520	297	277	258	239	219	200	180	161	142	122	103
2,520	2,540	300	280	261	242	222	203	183	164	145	125	106
2,540	2,560	303	283	264	245	225	206	186	167	148	128	109
2,560	2,580	306	286	267	248	228	209	189	170	151	131	112
2,580	2,600	309	289	270	251	231	212	192	173	154	134	115
2,600	2,620	312	292	273	254	234	215	195	176	157	137	118
2,620	2,640	315	295	276	257	237	218	198	179	160	140	121
2,640	2,660	318	298	279	260	240	221	201	182	163	143	124
2,660	2,680	321	301	282	263	243	224	204	185	166	146	127
2,680	2,700	324	304	285	266	246	227	207	188	169	149	130
2,700	2,720	328	307	288	269	249	230	210	191	172	152	133
2,720	2,740	333	310	291	272	252	233	213	194	175	155	136

\$2,740 and over

Use Table 3(b) for a **MARRIED** person on page 35. Also see the instructions on page 33.

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid Through December 2004)

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	\$230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
230	240	1	0	0	0	0	0	0	0	0	0	0
240	250	2	0	0	0	0	0	0	0	0	0	0
250	260	3	0	0	0	0	0	0	0	0	0	0
260	270	4	0	0	0	0	0	0	0	0	0	0
270	280	5	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	320	9	0	0	0	0	0	0	0	0	0	0
320	340	11	0	0	0	0	0	0	0	0	0	0
340	360	13	0	0	0	0	0	0	0	0	0	0
360	380	15	0	0	0	0	0	0	0	0	0	0
380	400	17	0	0	0	0	0	0	0	0	0	0
400	420	19	0	0	0	0	0	0	0	0	0	0
420	440	21	0	0	0	0	0	0	0	0	0	0
440	460	23	0	0	0	0	0	0	0	0	0	0
460	480	25	0	0	0	0	0	0	0	0	0	0
480	500	27	1	0	0	0	0	0	0	0	0	0
500	520	29	3	0	0	0	0	0	0	0	0	0
520	540	31	5	0	0	0	0	0	0	0	0	0
540	560	33	7	0	0	0	0	0	0	0	0	0
560	580	35	9	0	0	0	0	0	0	0	0	0
580	600	37	11	0	0	0	0	0	0	0	0	0
600	640	40	14	0	0	0	0	0	0	0	0	0
640	680	44	18	0	0	0	0	0	0	0	0	0
680	720	48	22	0	0	0	0	0	0	0	0	0
720	760	52	26	0	0	0	0	0	0	0	0	0
760	800	56	30	4	0	0	0	0	0	0	0	0
800	840	61	34	8	0	0	0	0	0	0	0	0
840	880	67	38	12	0	0	0	0	0	0	0	0
880	920	73	42	16	0	0	0	0	0	0	0	0
920	960	79	46	20	0	0	0	0	0	0	0	0
960	1,000	85	50	24	0	0	0	0	0	0	0	0
1,000	1,040	91	54	28	2	0	0	0	0	0	0	0
1,040	1,080	97	58	32	6	0	0	0	0	0	0	0
1,080	1,120	103	64	36	10	0	0	0	0	0	0	0
1,120	1,160	109	70	40	14	0	0	0	0	0	0	0
1,160	1,200	115	76	44	18	0	0	0	0	0	0	0
1,200	1,240	121	82	48	22	0	0	0	0	0	0	0
1,240	1,280	127	88	52	26	1	0	0	0	0	0	0
1,280	1,320	133	94	56	30	5	0	0	0	0	0	0
1,320	1,360	139	100	61	34	9	0	0	0	0	0	0
1,360	1,400	145	106	67	38	13	0	0	0	0	0	0
1,400	1,440	151	112	73	42	17	0	0	0	0	0	0
1,440	1,480	157	118	79	46	21	0	0	0	0	0	0
1,480	1,520	163	124	85	50	25	0	0	0	0	0	0
1,520	1,560	169	130	91	54	29	3	0	0	0	0	0
1,560	1,600	175	136	97	58	33	7	0	0	0	0	0
1,600	1,640	181	142	103	64	37	11	0	0	0	0	0
1,640	1,680	187	148	109	70	41	15	0	0	0	0	0
1,680	1,720	193	154	115	76	45	19	0	0	0	0	0
1,720	1,760	199	160	121	82	49	23	0	0	0	0	0
1,760	1,800	205	166	127	88	53	27	1	0	0	0	0
1,800	1,840	211	172	133	94	57	31	5	0	0	0	0
1,840	1,880	217	178	139	100	62	35	9	0	0	0	0
1,880	1,920	223	184	145	106	68	39	13	0	0	0	0
1,920	1,960	229	190	151	112	74	43	17	0	0	0	0
1,960	2,000	235	196	157	118	80	47	21	0	0	0	0
2,000	2,040	241	202	163	124	86	51	25	0	0	0	0
2,040	2,080	247	208	169	130	92	55	29	3	0	0	0
2,080	2,120	253	214	175	136	98	59	33	7	0	0	0
2,120	2,160	259	220	181	142	104	65	37	11	0	0	0
2,160	2,200	265	226	187	148	110	71	41	15	0	0	0
2,200	2,240	271	232	193	154	116	77	45	19	0	0	0
2,240	2,280	277	238	199	160	122	83	49	23	0	0	0
2,280	2,320	283	244	205	166	128	89	53	27	1	0	0
2,320	2,360	289	250	211	172	134	95	57	31	5	0	0
2,360	2,400	295	256	217	178	140	101	62	35	9	0	0
2,400	2,440	301	262	223	184	146	107	68	39	13	0	0
2,440	2,480	307	268	229	190	152	113	74	43	17	0	0

SINGLE Persons—MONTHLY Payroll Period

(For Wages Paid Through December 2004)

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—										
\$2,480	\$2,520	\$313	\$274	\$235	\$196	\$158	\$119	\$80	\$47	\$21	\$0	\$0
2,520	2,560	319	280	241	202	164	125	86	51	25	0	0
2,560	2,600	326	286	247	208	170	131	92	55	29	3	0
2,600	2,640	336	292	253	214	176	137	98	59	33	7	0
2,640	2,680	346	298	259	220	182	143	104	65	37	11	0
2,680	2,720	356	304	265	226	188	149	110	71	41	15	0
2,720	2,760	366	310	271	232	194	155	116	77	45	19	0
2,760	2,800	376	316	277	238	200	161	122	83	49	23	0
2,800	2,840	386	322	283	244	206	167	128	89	53	27	2
2,840	2,880	396	331	289	250	212	173	134	95	57	31	6
2,880	2,920	406	341	295	256	218	179	140	101	63	35	10
2,920	2,960	416	351	301	262	224	185	146	107	69	39	14
2,960	3,000	426	361	307	268	230	191	152	113	75	43	18
3,000	3,040	436	371	313	274	236	197	158	119	81	47	22
3,040	3,080	446	381	319	280	242	203	164	125	87	51	26
3,080	3,120	456	391	327	286	248	209	170	131	93	55	30
3,120	3,160	466	401	337	292	254	215	176	137	99	60	34
3,160	3,200	476	411	347	298	260	221	182	143	105	66	38
3,200	3,240	486	421	357	304	266	227	188	149	111	72	42
3,240	3,280	496	431	367	310	272	233	194	155	117	78	46
3,280	3,320	506	441	377	316	278	239	200	161	123	84	50
3,320	3,360	516	451	387	322	284	245	206	167	129	90	54
3,360	3,400	526	461	397	332	290	251	212	173	135	96	58
3,400	3,440	536	471	407	342	296	257	218	179	141	102	63
3,440	3,480	546	481	417	352	302	263	224	185	147	108	69
3,480	3,520	556	491	427	362	308	269	230	191	153	114	75
3,520	3,560	566	501	437	372	314	275	236	197	159	120	81
3,560	3,600	576	511	447	382	320	281	242	203	165	126	87
3,600	3,640	586	521	457	392	328	287	248	209	171	132	93
3,640	3,680	596	531	467	402	338	293	254	215	177	138	99
3,680	3,720	606	541	477	412	348	299	260	221	183	144	105
3,720	3,760	616	551	487	422	358	305	266	227	189	150	111
3,760	3,800	626	561	497	432	368	311	272	233	195	156	117
3,800	3,840	636	571	507	442	378	317	278	239	201	162	123
3,840	3,880	646	581	517	452	388	323	284	245	207	168	129
3,880	3,920	656	591	527	462	398	333	290	251	213	174	135
3,920	3,960	666	601	537	472	408	343	296	257	219	180	141
3,960	4,000	676	611	547	482	418	353	302	263	225	186	147
4,000	4,040	686	621	557	492	428	363	308	269	231	192	153
4,040	4,080	696	631	567	502	438	373	314	275	237	198	159
4,080	4,120	706	641	577	512	448	383	320	281	243	204	165
4,120	4,160	716	651	587	522	458	393	328	287	249	210	171
4,160	4,200	726	661	597	532	468	403	338	293	255	216	177
4,200	4,240	736	671	607	542	478	413	348	299	261	222	183
4,240	4,280	746	681	617	552	488	423	358	305	267	228	189
4,280	4,320	756	691	627	562	498	433	368	311	273	234	195
4,320	4,360	766	701	637	572	508	443	378	317	279	240	201
4,360	4,400	776	711	647	582	518	453	388	324	285	246	207
4,400	4,440	786	721	657	592	528	463	398	334	291	252	213
4,440	4,480	796	731	667	602	538	473	408	344	297	258	219
4,480	4,520	806	741	677	612	548	483	418	354	303	264	225
4,520	4,560	816	751	687	622	558	493	428	364	309	270	231
4,560	4,600	826	761	697	632	568	503	438	374	315	276	237
4,600	4,640	836	771	707	642	578	513	448	384	321	282	243
4,640	4,680	846	781	717	652	588	523	458	394	329	288	249
4,680	4,720	856	791	727	662	598	533	468	404	339	294	255
4,720	4,760	866	801	737	672	608	543	478	414	349	300	261
4,760	4,800	876	811	747	682	618	553	488	424	359	306	267
4,800	4,840	886	821	757	692	628	563	498	434	369	312	273
4,840	4,880	896	831	767	702	638	573	508	444	379	318	279
4,880	4,920	906	841	777	712	648	583	518	454	389	325	285
4,920	4,960	916	851	787	722	658	593	528	464	399	335	291
4,960	5,000	926	861	797	732	668	603	538	474	409	345	297
5,000	5,040	936	871	807	742	678	613	548	484	419	355	303
5,040	5,080	946	881	817	752	688	623	558	494	429	365	309

\$5,080 and over

Use Table 4(a) for a **SINGLE person** on page 35. Also see the instructions on page 33.

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid Through December 2004)

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	0	0	0	0	0	0	0	0	0	0	0
560	580	0	0	0	0	0	0	0	0	0	0	0
580	600	0	0	0	0	0	0	0	0	0	0	0
600	640	0	0	0	0	0	0	0	0	0	0	0
640	680	0	0	0	0	0	0	0	0	0	0	0
680	720	3	0	0	0	0	0	0	0	0	0	0
720	760	7	0	0	0	0	0	0	0	0	0	0
760	800	11	0	0	0	0	0	0	0	0	0	0
800	840	15	0	0	0	0	0	0	0	0	0	0
840	880	19	0	0	0	0	0	0	0	0	0	0
880	920	23	0	0	0	0	0	0	0	0	0	0
920	960	27	2	0	0	0	0	0	0	0	0	0
960	1,000	31	6	0	0	0	0	0	0	0	0	0
1,000	1,040	35	10	0	0	0	0	0	0	0	0	0
1,040	1,080	39	14	0	0	0	0	0	0	0	0	0
1,080	1,120	43	18	0	0	0	0	0	0	0	0	0
1,120	1,160	47	22	0	0	0	0	0	0	0	0	0
1,160	1,200	51	26	0	0	0	0	0	0	0	0	0
1,200	1,240	55	30	4	0	0	0	0	0	0	0	0
1,240	1,280	59	34	8	0	0	0	0	0	0	0	0
1,280	1,320	63	38	12	0	0	0	0	0	0	0	0
1,320	1,360	67	42	16	0	0	0	0	0	0	0	0
1,360	1,400	71	46	20	0	0	0	0	0	0	0	0
1,400	1,440	75	50	24	0	0	0	0	0	0	0	0
1,440	1,480	79	54	28	2	0	0	0	0	0	0	0
1,480	1,520	83	58	32	6	0	0	0	0	0	0	0
1,520	1,560	87	62	36	10	0	0	0	0	0	0	0
1,560	1,600	91	66	40	14	0	0	0	0	0	0	0
1,600	1,640	95	70	44	18	0	0	0	0	0	0	0
1,640	1,680	99	74	48	22	0	0	0	0	0	0	0
1,680	1,720	103	78	52	26	0	0	0	0	0	0	0
1,720	1,760	107	82	56	30	4	0	0	0	0	0	0
1,760	1,800	111	86	60	34	8	0	0	0	0	0	0
1,800	1,840	115	90	64	38	12	0	0	0	0	0	0
1,840	1,880	119	94	68	42	16	0	0	0	0	0	0
1,880	1,920	125	98	72	46	20	0	0	0	0	0	0
1,920	1,960	131	102	76	50	24	0	0	0	0	0	0
1,960	2,000	137	106	80	54	28	2	0	0	0	0	0
2,000	2,040	143	110	84	58	32	6	0	0	0	0	0
2,040	2,080	149	114	88	62	36	10	0	0	0	0	0
2,080	2,120	155	118	92	66	40	14	0	0	0	0	0
2,120	2,160	161	123	96	70	44	18	0	0	0	0	0
2,160	2,200	167	129	100	74	48	22	0	0	0	0	0
2,200	2,240	173	135	104	78	52	26	0	0	0	0	0
2,240	2,280	179	141	108	82	56	30	4	0	0	0	0
2,280	2,320	185	147	112	86	60	34	8	0	0	0	0
2,320	2,360	191	153	116	90	64	38	12	0	0	0	0
2,360	2,400	197	159	120	94	68	42	16	0	0	0	0
2,400	2,440	203	165	126	98	72	46	20	0	0	0	0
2,440	2,480	209	171	132	102	76	50	24	0	0	0	0
2,480	2,520	215	177	138	106	80	54	28	3	0	0	0
2,520	2,560	221	183	144	110	84	58	32	7	0	0	0
2,560	2,600	227	189	150	114	88	62	36	11	0	0	0
2,600	2,640	233	195	156	118	92	66	40	15	0	0	0
2,640	2,680	239	201	162	123	96	70	44	19	0	0	0
2,680	2,720	245	207	168	129	100	74	48	23	0	0	0
2,720	2,760	251	213	174	135	104	78	52	27	1	0	0
2,760	2,800	257	219	180	141	108	82	56	31	5	0	0
2,800	2,840	263	225	186	147	112	86	60	35	9	0	0
2,840	2,880	269	231	192	153	116	90	64	39	13	0	0
2,880	2,920	275	237	198	159	120	94	68	43	17	0	0
2,920	2,960	281	243	204	165	126	98	72	47	21	0	0
2,960	3,000	287	249	210	171	132	102	76	51	25	0	0
3,000	3,040	293	255	216	177	138	106	80	55	29	3	0
3,040	3,080	299	261	222	183	144	110	84	59	33	7	0
3,080	3,120	305	267	228	189	150	114	88	63	37	11	0
3,120	3,160	311	273	234	195	156	118	92	67	41	15	0
3,160	3,200	317	279	240	201	162	124	96	71	45	19	0
3,200	3,240	323	285	246	207	168	130	100	75	49	23	0

MARRIED Persons—MONTHLY Payroll Period

(For Wages Paid Through December 2004)

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	\$329	\$291	\$252	\$213	\$174	\$136	\$104	\$79	\$53	\$27	\$1
3,280	3,320	335	297	258	219	180	142	108	83	57	31	5
3,320	3,360	341	303	264	225	186	148	112	87	61	35	9
3,360	3,400	347	309	270	231	192	154	116	91	65	39	13
3,400	3,440	353	315	276	237	198	160	121	95	69	43	17
3,440	3,480	359	321	282	243	204	166	127	99	73	47	21
3,480	3,520	365	327	288	249	210	172	133	103	77	51	25
3,520	3,560	371	333	294	255	216	178	139	107	81	55	29
3,560	3,600	377	339	300	261	222	184	145	111	85	59	33
3,600	3,640	383	345	306	267	228	190	151	115	89	63	37
3,640	3,680	389	351	312	273	234	196	157	119	93	67	41
3,680	3,720	395	357	318	279	240	202	163	124	97	71	45
3,720	3,760	401	363	324	285	246	208	169	130	101	75	49
3,760	3,800	407	369	330	291	252	214	175	136	105	79	53
3,800	3,840	413	375	336	297	258	220	181	142	109	83	57
3,840	3,880	419	381	342	303	264	226	187	148	113	87	61
3,880	3,920	425	387	348	309	270	232	193	154	117	91	65
3,920	3,960	431	393	354	315	276	238	199	160	121	95	69
3,960	4,000	437	399	360	321	282	244	205	166	127	99	73
4,000	4,040	443	405	366	327	288	250	211	172	133	103	77
4,040	4,080	449	411	372	333	294	256	217	178	139	107	81
4,080	4,120	455	417	378	339	300	262	223	184	145	111	85
4,120	4,160	461	423	384	345	306	268	229	190	151	115	89
4,160	4,200	467	429	390	351	312	274	235	196	157	119	93
4,200	4,240	473	435	396	357	318	280	241	202	163	125	97
4,240	4,280	479	441	402	363	324	286	247	208	169	131	101
4,280	4,320	485	447	408	369	330	292	253	214	175	137	105
4,320	4,360	491	453	414	375	336	298	259	220	181	143	109
4,360	4,400	497	459	420	381	342	304	265	226	187	149	113
4,400	4,440	503	465	426	387	348	310	271	232	193	155	117
4,440	4,480	509	471	432	393	354	316	277	238	199	161	122
4,480	4,520	515	477	438	399	360	322	283	244	205	167	128
4,520	4,560	521	483	444	405	366	328	289	250	211	173	134
4,560	4,600	527	489	450	411	372	334	295	256	217	179	140
4,600	4,640	533	495	456	417	378	340	301	262	223	185	146
4,640	4,680	539	501	462	423	384	346	307	268	229	191	152
4,680	4,720	545	507	468	429	390	352	313	274	235	197	158
4,720	4,760	551	513	474	435	396	358	319	280	241	203	164
4,760	4,800	557	519	480	441	402	364	325	286	247	209	170
4,800	4,840	563	525	486	447	408	370	331	292	253	215	176
4,840	4,880	569	531	492	453	414	376	337	298	259	221	182
4,880	4,920	575	537	498	459	420	382	343	304	265	227	188
4,920	4,960	581	543	504	465	426	388	349	310	271	233	194
4,960	5,000	587	549	510	471	432	394	355	316	277	239	200
5,000	5,040	593	555	516	477	438	400	361	322	283	245	206
5,040	5,080	599	561	522	483	444	406	367	328	289	251	212
5,080	5,120	605	567	528	489	450	412	373	334	295	257	218
5,120	5,160	611	573	534	495	456	418	379	340	301	263	224
5,160	5,200	617	579	540	501	462	424	385	346	307	269	230
5,200	5,240	623	585	546	507	468	430	391	352	313	275	236
5,240	5,280	629	591	552	513	474	436	397	358	319	281	242
5,280	5,320	635	597	558	519	480	442	403	364	325	287	248
5,320	5,360	641	603	564	525	486	448	409	370	331	293	254
5,360	5,400	647	609	570	531	492	454	415	376	337	299	260
5,400	5,440	656	615	576	537	498	460	421	382	343	305	266
5,440	5,480	666	621	582	543	504	466	427	388	349	311	272
5,480	5,520	676	627	588	549	510	472	433	394	355	317	278
5,520	5,560	686	633	594	555	516	478	439	400	361	323	284
5,560	5,600	696	639	600	561	522	484	445	406	367	329	290
5,600	5,640	706	645	606	567	528	490	451	412	373	335	296
5,640	5,680	716	651	612	573	534	496	457	418	379	341	302
5,680	5,720	726	661	618	579	540	502	463	424	385	347	308
5,720	5,760	736	671	624	585	546	508	469	430	391	353	314
5,760	5,800	746	681	630	591	552	514	475	436	397	359	320
5,800	5,840	756	691	636	597	558	520	481	442	403	365	326
5,840	5,880	766	701	642	603	564	526	487	448	409	371	332

\$5,880 and over Use Table 4(b) for a **MARRIED person** on page 35. Also see the instructions on page 33.

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid Through December 2004)

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

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid Through December 2004)

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	\$40	\$37	\$34	\$31	\$28	\$25	\$23	\$20	\$17	\$14	\$12
222	225	41	38	35	32	29	26	23	20	17	15	13
225	228	42	39	36	33	30	27	24	21	18	15	13
228	231	43	40	37	34	31	28	25	22	19	16	14
231	234	43	40	37	34	31	28	26	23	20	17	14
234	237	44	41	38	35	32	29	26	23	20	17	15
237	240	45	42	39	36	33	30	27	24	21	18	15
240	243	46	43	40	37	34	31	28	25	22	19	16
243	246	46	43	40	37	34	31	29	26	23	20	17
246	249	47	44	41	38	35	32	29	26	23	20	17
249	252	48	45	42	39	36	33	30	27	24	21	18
252	255	49	46	43	40	37	34	31	28	25	22	19
255	258	49	46	43	40	37	34	32	29	26	23	20
258	261	50	47	44	41	38	35	32	29	26	23	20
261	264	51	48	45	42	39	36	33	30	27	24	21
264	267	52	49	46	43	40	37	34	31	28	25	22
267	270	53	49	46	43	40	37	35	32	29	26	23
270	273	53	50	47	44	41	38	35	32	29	26	23
273	276	54	51	48	45	42	39	36	33	30	27	24
276	279	55	52	49	46	43	40	37	34	31	28	25
279	282	56	53	49	46	43	40	38	35	32	29	26
282	285	57	53	50	47	44	41	38	35	32	29	26
285	288	58	54	51	48	45	42	39	36	33	30	27
288	291	58	55	52	49	46	43	40	37	34	31	28
291	294	59	56	53	49	46	43	41	38	35	32	29
294	297	60	57	53	50	47	44	41	38	35	32	29
297	300	61	58	54	51	48	45	42	39	36	33	30
300	303	62	58	55	52	49	46	43	40	37	34	31
303	306	63	59	56	53	49	46	44	41	38	35	32
306	309	63	60	57	53	50	47	44	41	38	35	32
309	312	64	61	58	54	51	48	45	42	39	36	33
312	315	65	62	58	55	52	49	46	43	40	37	34
315	318	66	63	59	56	53	49	47	44	41	38	35
318	321	67	63	60	57	53	50	47	44	41	38	35
321	324	68	64	61	58	54	51	48	45	42	39	36
324	327	69	65	62	58	55	52	49	46	43	40	37
327	330	69	66	63	59	56	53	50	47	44	41	38
330	333	70	67	64	60	57	53	50	47	44	41	38
333	336	71	68	64	61	58	54	51	48	45	42	39
336	339	72	69	65	62	59	55	52	49	46	43	40
339	341	73	69	66	63	59	56	53	49	46	43	40
341	343	73	70	66	63	60	56	53	50	47	44	41
343	345	74	70	67	64	60	57	54	50	47	44	41
345	347	74	71	68	64	61	58	54	51	48	45	42
347	349	75	71	68	65	61	58	55	51	48	45	42
349	351	75	72	69	65	62	59	55	52	49	46	43
351	353	76	73	69	66	63	59	56	53	49	46	43
353	355	76	73	70	66	63	60	56	53	50	47	44
355	357	77	74	70	67	64	60	57	54	50	47	44
357	359	78	74	71	68	64	61	58	54	51	48	45
359	361	78	75	71	68	65	61	58	55	51	48	45
361	363	79	75	72	69	65	62	59	55	52	49	46
363	365	79	76	73	69	66	63	59	56	53	49	46
365	367	80	77	73	70	66	63	60	56	53	50	47
367	369	80	77	74	70	67	64	60	57	54	50	47
369	371	81	78	74	71	68	64	61	58	54	51	48
371	373	82	78	75	72	68	65	61	58	55	51	48
373	375	82	79	75	72	69	65	62	59	55	52	49
375	377	83	79	76	73	69	66	63	59	56	53	49
377	379	83	80	77	73	70	67	63	60	56	53	50
379	381	84	80	77	74	70	67	64	60	57	54	50
381	383	84	81	78	74	71	68	64	61	58	54	51
383	385	85	82	78	75	72	68	65	62	58	55	52
385	387	85	82	79	75	72	69	65	62	59	55	52
387	389	86	83	79	76	73	69	66	63	59	56	53
389	391	87	83	80	77	73	70	67	63	60	57	53

\$391 and over

Use Table 8(a) for a **SINGLE person** on page 36. Also see the instructions on page 33.

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid Through December 2004)

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	0	0	0	0	0	0	0	0	0	0	0
30	33	0	0	0	0	0	0	0	0	0	0	0
33	36	0	0	0	0	0	0	0	0	0	0	0
36	39	1	0	0	0	0	0	0	0	0	0	0
39	42	1	0	0	0	0	0	0	0	0	0	0
42	45	1	0	0	0	0	0	0	0	0	0	0
45	48	2	0	0	0	0	0	0	0	0	0	0
48	51	2	1	0	0	0	0	0	0	0	0	0
51	54	2	1	0	0	0	0	0	0	0	0	0
54	57	2	1	0	0	0	0	0	0	0	0	0
57	60	3	2	0	0	0	0	0	0	0	0	0
60	63	3	2	1	0	0	0	0	0	0	0	0
63	66	3	2	1	0	0	0	0	0	0	0	0
66	69	4	2	1	0	0	0	0	0	0	0	0
69	72	4	3	2	0	0	0	0	0	0	0	0
72	75	4	3	2	1	0	0	0	0	0	0	0
75	78	5	3	2	1	0	0	0	0	0	0	0
78	81	5	4	2	1	0	0	0	0	0	0	0
81	84	5	4	3	2	0	0	0	0	0	0	0
84	87	5	4	3	2	1	0	0	0	0	0	0
87	90	6	5	3	2	1	0	0	0	0	0	0
90	93	6	5	4	2	1	0	0	0	0	0	0
93	96	7	5	4	3	2	0	0	0	0	0	0
96	99	7	5	4	3	2	1	0	0	0	0	0
99	102	8	6	5	3	2	1	0	0	0	0	0
102	105	8	6	5	4	3	1	0	0	0	0	0
105	108	9	7	5	4	3	2	0	0	0	0	0
108	111	9	7	5	4	3	2	1	0	0	0	0
111	114	10	8	6	5	3	2	1	0	0	0	0
114	117	10	8	6	5	4	3	1	0	0	0	0
117	120	10	9	7	5	4	3	2	0	0	0	0
120	123	11	9	7	5	4	3	2	1	0	0	0
123	126	11	10	8	6	5	3	2	1	0	0	0
126	129	12	10	8	6	5	4	3	1	0	0	0
129	132	12	10	9	7	5	4	3	2	0	0	0
132	135	13	11	9	7	6	4	3	2	1	0	0
135	138	13	11	10	8	6	5	3	2	1	0	0
138	141	14	12	10	8	6	5	4	3	1	0	0
141	144	14	12	10	9	7	5	4	3	2	0	0
144	147	14	13	11	9	7	6	4	3	2	1	0
147	150	15	13	11	10	8	6	5	3	2	1	0
150	153	15	14	12	10	8	6	5	4	3	1	0
153	156	16	14	12	10	9	7	5	4	3	2	0
156	159	16	14	13	11	9	7	6	4	3	2	1
159	162	17	15	13	11	10	8	6	5	3	2	1
162	165	17	15	14	12	10	8	6	5	4	3	1
165	168	18	16	14	12	10	9	7	5	4	3	2
168	171	18	16	14	13	11	9	7	6	4	3	2
171	174	19	17	15	13	11	10	8	6	5	3	2
174	177	19	17	15	14	12	10	8	6	5	4	3
177	180	19	18	16	14	12	10	9	7	5	4	3
180	183	20	18	16	14	13	11	9	7	6	4	3
183	186	20	19	17	15	13	11	10	8	6	5	3
186	189	21	19	17	15	14	12	10	8	6	5	4
189	192	21	19	18	16	14	12	10	9	7	5	4
192	195	22	20	18	16	15	13	11	9	7	6	4
195	198	22	20	19	17	15	13	11	10	8	6	5
198	201	23	21	19	17	15	14	12	10	8	6	5
201	204	23	21	19	18	16	14	12	10	9	7	5
204	207	23	22	20	18	16	15	13	11	9	7	6
207	210	24	22	20	19	17	15	13	11	10	8	6
210	213	24	23	21	19	17	15	14	12	10	8	6
213	216	25	23	21	19	18	16	14	12	11	9	7
216	219	25	23	22	20	18	16	15	13	11	9	7
219	222	26	24	22	20	19	17	15	13	11	10	8
222	225	26	24	23	21	19	17	15	14	12	10	8
225	228	27	25	23	21	19	18	16	14	12	11	9
228	231	27	25	23	22	20	18	16	15	13	11	9
231	234	28	26	24	22	20	19	17	15	13	11	10

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period

(For Wages Paid Through December 2004)

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	\$28	\$26	\$24	\$23	\$21	\$19	\$17	\$15	\$14	\$12	\$10
237	240	28	27	25	23	21	19	18	16	14	12	11
240	243	29	27	25	23	22	20	18	16	15	13	11
243	246	29	28	26	24	22	20	19	17	15	13	11
246	249	30	28	26	24	23	21	19	17	15	14	12
249	252	30	28	27	25	23	21	19	18	16	14	12
252	255	31	29	27	25	24	22	20	18	16	15	13
255	258	32	29	28	26	24	22	20	19	17	15	13
258	261	33	30	28	26	24	23	21	19	17	15	14
261	264	33	30	28	27	25	23	21	19	18	16	14
264	267	34	31	29	27	25	24	22	20	18	16	15
267	270	35	32	29	28	26	24	22	20	19	17	15
270	273	36	33	30	28	26	24	23	21	19	17	15
273	276	36	33	30	28	27	25	23	21	20	18	16
276	279	37	34	31	29	27	25	24	22	20	18	16
279	282	38	35	32	29	28	26	24	22	20	19	17
282	285	39	36	33	30	28	26	24	23	21	19	17
285	288	39	36	33	30	28	27	25	23	21	20	18
288	291	40	37	34	31	29	27	25	24	22	20	18
291	294	41	38	35	32	29	28	26	24	22	20	19
294	297	42	39	36	33	30	28	26	24	23	21	19
297	300	42	39	36	33	30	28	27	25	23	21	20
300	303	43	40	37	34	31	29	27	25	24	22	20
303	306	44	41	38	35	32	29	28	26	24	22	20
306	309	45	42	39	36	33	30	28	26	24	23	21
309	312	45	42	39	36	33	30	28	27	25	23	21
312	315	46	43	40	37	34	31	29	27	25	24	22
315	318	47	44	41	38	35	32	29	28	26	24	22
318	321	48	45	42	39	36	33	30	28	26	24	23
321	324	48	45	42	39	36	33	30	28	27	25	23
324	327	49	46	43	40	37	34	31	29	27	25	24
327	330	50	47	44	41	38	35	32	29	28	26	24
330	333	51	48	45	42	39	36	33	30	28	26	24
333	336	51	48	45	42	39	36	33	30	29	27	25
336	339	52	49	46	43	40	37	34	31	29	27	25
339	341	53	50	47	44	41	38	35	32	29	28	26
341	343	53	50	47	44	41	38	35	32	30	28	26
343	345	54	51	48	45	42	39	36	33	30	28	26
345	347	54	51	48	45	42	39	36	33	30	28	27
347	349	55	52	49	46	43	40	37	34	31	29	27
349	351	55	52	49	46	43	40	37	34	31	29	27
351	353	56	53	50	47	44	41	38	35	32	29	28
353	355	56	53	50	47	44	41	38	35	32	30	28
355	357	57	54	51	48	45	42	39	36	33	30	28
357	359	57	54	51	48	45	42	39	36	33	30	28
359	361	58	55	52	49	46	43	40	37	34	31	29
361	363	58	55	52	49	46	43	40	37	34	31	29
363	365	59	56	53	50	47	44	41	38	35	32	29
365	367	59	56	53	50	47	44	41	38	35	32	30
367	369	60	57	54	51	48	45	42	39	36	33	30
369	371	60	57	54	51	48	45	42	39	36	33	30
371	373	61	58	55	52	49	46	43	40	37	34	31
373	375	61	58	55	52	49	46	43	40	37	34	31
375	377	62	59	56	53	50	47	44	41	38	35	32
377	379	62	59	56	53	50	47	44	41	38	35	32
379	381	63	60	57	54	51	48	45	42	39	36	33
381	383	63	60	57	54	51	48	45	42	39	36	33
383	385	64	61	58	55	52	49	46	43	40	37	34
385	387	64	61	58	55	52	49	46	43	40	37	34
387	389	65	62	59	56	53	50	47	44	41	38	35
389	391	65	62	59	56	53	50	47	44	41	38	35
391	393	66	63	60	57	54	51	48	45	42	39	36
393	395	66	63	60	57	54	51	48	45	42	39	36
395	397	67	64	61	58	55	52	49	46	43	40	37
397	399	67	64	61	58	55	52	49	46	43	40	37
399	401	68	65	62	59	56	53	50	47	44	41	38

\$401 and over

Use Table 8(b) for a **MARRIED person** on page 36. Also see the instructions on page 33.

Tables for Percentage Method of Advance EIC Payments

(For Wages Paid in 2004)

Table 1. WEEKLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$147	20.40% of wages	\$0	\$147	20.40% of wages	\$0	\$73	20.40% of wages
\$147	\$270	\$30	\$147	\$289	\$30	\$73	\$144	\$15
\$270		\$30 less 9.588% of wages in excess of \$270	\$289		\$30 less 9.588% of wages in excess of \$289	\$144		\$15 less 9.588% of wages in excess of \$144

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$294	20.40% of wages	\$0	\$294	20.40% of wages	\$0	\$147	20.40% of wages
\$294	\$540	\$60	\$294	\$578	\$60	\$147	\$289	\$30
\$540		\$60 less 9.588% of wages in excess of \$540	\$578		\$60 less 9.588% of wages in excess of \$578	\$289		\$30 less 9.588% of wages in excess of \$289

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$319	20.40% of wages	\$0	\$319	20.40% of wages	\$0	\$159	20.40% of wages
\$319	\$585	\$65	\$319	\$626	\$65	\$159	\$313	\$32
\$585		\$65 less 9.588% of wages in excess of \$585	\$626		\$65 less 9.588% of wages in excess of \$626	\$313		\$32 less 9.588% of wages in excess of \$313

Table 4. MONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$638	20.40% of wages	\$0	\$638	20.40% of wages	\$0	\$319	20.40% of wages
\$638	\$1,170	\$130	\$638	\$1,253	\$130	\$319	\$626	\$65
\$1,170		\$130 less 9.588% of wages in excess of \$1,170	\$1,253		\$130 less 9.588% of wages in excess of \$1,253	\$626		\$65 less 9.588% of wages in excess of \$626

Tables for Percentage Method of Advance EIC Payments (Continued)
(For Wages Paid in 2004)

Table 5. QUARTERLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$1,915	20.40% of wages	\$0	\$1,915	20.40% of wages	\$0	\$957	20.40% of wages
\$1,915	\$3,510	\$391	\$1,915	\$3,760	\$391	\$957	\$1,880	\$195
\$3,510		\$391 less 9.588% of wages in excess of \$3,510	\$3,760		\$391 less 9.588% of wages in excess of \$3,760	\$1,880		\$195 less 9.588% of wages in excess of \$1,880

Table 6. SEMIANNUAL Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$3,830	20.40% of wages	\$0	\$3,830	20.40% of wages	\$0	\$1,915	20.40% of wages
\$3,830	\$7,020	\$781	\$3,830	\$7,520	\$781	\$1,915	\$3,760	\$391
\$7,020		\$781 less 9.588% of wages in excess of \$7,020	\$7,520		\$781 less 9.588% of wages in excess of \$7,520	\$3,760		\$391 less 9.588% of wages in excess of \$3,760

Table 7. ANNUAL Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$7,660	20.40% of wages	\$0	\$7,660	20.40% of wages	\$0	\$3,830	20.40% of wages
\$7,660	\$14,040	\$1,563	\$7,660	\$15,040	\$1,563	\$3,830	\$7,520	\$781
\$14,040		\$1,563 less 9.588% of wages in excess of \$14,040	\$15,040		\$1,563 less 9.588% of wages in excess of \$15,040	\$7,520		\$781 less 9.588% of wages in excess of \$7,520

Table 8. DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) 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:	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—		Over—	But not over—	
\$0	\$29	20.40% of wages	\$0	\$29	20.40% of wages	\$0	\$14	20.40% of wages
\$29	\$54	\$6	\$29	\$57	\$6	\$14	\$28	\$3
\$54		\$6 less 9.588% of wages in excess of \$54	\$57		\$6 less 9.588% of wages in excess of \$57	\$28		\$3 less 9.588% of wages in excess of \$28

Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 2004)

WEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$360	\$370	\$20	\$490	\$500	\$8
5	10	1	70	75	14	135	140	28	370	380	20	500	510	7
10	15	2	75	80	15	140	145	29	380	390	19	510	520	6
15	20	3	80	85	16	145	270	30	390	400	18	520	530	5
20	25	4	85	90	17	270	280	29	400	410	17	530	540	4
25	30	5	90	95	18	280	290	28	410	420	16	540	550	3
30	35	6	95	100	19	290	300	27	420	430	15	550	560	2
35	40	7	100	105	20	300	310	26	430	440	14	560	570	1
40	45	8	105	110	21	310	320	25	440	450	13	570	---	0
45	50	9	110	115	22	320	330	24	450	460	12			
50	55	10	115	120	23	330	340	23	460	470	11			
55	60	11	120	125	24	340	350	22	470	480	10			
60	65	12	125	130	26	350	360	21	480	490	9			

MARRIED Without Spouse Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$375	\$385	\$21	\$505	\$515	\$8
5	10	1	70	75	14	135	140	28	385	395	20	515	525	7
10	15	2	75	80	15	140	145	29	395	405	19	525	535	6
15	20	3	80	85	16	145	285	30	405	415	18	535	545	6
20	25	4	85	90	17	285	295	30	415	425	17	545	555	5
25	30	5	90	95	18	295	305	29	425	435	16	555	565	4
30	35	6	95	100	19	305	315	28	435	445	15	565	575	3
35	40	7	100	105	20	315	325	27	445	455	14	575	585	2
40	45	8	105	110	21	325	335	26	455	465	13	585	595	1
45	50	9	110	115	22	335	345	25	465	475	12	595	---	0
50	55	10	115	120	23	345	355	24	475	485	11			
55	60	11	120	125	24	355	365	23	485	495	10			
60	65	12	125	130	26	365	375	22	495	505	9			

MARRIED With Both Spouses Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$35	\$40	\$7	\$70	\$140	\$14	\$200	\$210	\$9	\$270	\$280	\$2
5	10	1	40	45	8	140	150	15	210	220	8	280	290	1
10	15	2	45	50	9	150	160	14	220	230	7	290	---	0
15	20	3	50	55	10	160	170	13	230	240	6			
20	25	4	55	60	11	170	180	12	240	250	5			
25	30	5	60	65	12	180	190	11	250	260	4			
30	35	6	65	70	13	190	200	10	260	270	3			

BIWEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$50	\$55	\$10	\$100	\$105	\$20	\$150	\$155	\$31	\$200	\$205	\$41
5	10	1	55	60	11	105	110	21	155	160	32	205	210	42
10	15	2	60	65	12	110	115	22	160	165	33	210	215	43
15	20	3	65	70	13	115	120	23	165	170	34	215	220	44
20	25	4	70	75	14	120	125	24	170	175	35	220	225	45
25	30	5	75	80	15	125	130	26	175	180	36	225	230	46
30	35	6	80	85	16	130	135	27	180	185	37	230	235	47
35	40	7	85	90	17	135	140	28	185	190	38	235	240	48
40	45	8	90	95	18	140	145	29	190	195	39	240	245	49
45	50	9	95	100	19	145	150	30	195	200	40	245	250	50

(continued on next page)

BIWEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$250	\$255	\$51	\$600	\$610	\$53	\$750	\$760	\$39	\$900	\$910	\$25	\$1,050	\$1,060	\$10
255	260	52	610	620	52	760	770	38	910	920	24	1,060	1,070	9
260	265	53	620	630	51	770	780	37	920	930	23	1,070	1,080	8
265	270	54	630	640	51	780	790	36	930	940	22	1,080	1,090	7
270	275	55	640	650	50	790	800	35	940	950	21	1,090	1,100	6
275	280	56	650	660	49	800	810	34	950	960	20	1,100	1,110	5
280	285	57	660	670	48	810	820	33	960	970	19	1,110	1,120	5
285	290	58	670	680	47	820	830	32	970	980	18	1,120	1,130	4
290	540	59	680	690	46	830	840	31	980	990	17	1,130	1,140	3
540	550	59	690	700	45	840	850	30	990	1,000	16	1,140	1,150	2
550	560	58	700	710	44	850	860	29	1,000	1,010	15	1,150	1,160	1
560	570	57	710	720	43	860	870	28	1,010	1,020	14	1,160	- - -	0
570	580	56	720	730	42	870	880	28	1,020	1,030	13			
580	590	55	730	740	41	880	890	27	1,030	1,040	12			
590	600	54	740	750	40	890	900	26	1,040	1,050	11			

MARRIED Without Spouse Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$125	\$130	\$26	\$250	\$255	\$51	\$735	\$745	\$44	\$985	\$995	\$20
5	10	1	130	135	27	255	260	52	745	755	43	995	1,005	19
10	15	2	135	140	28	260	265	53	755	765	42	1,005	1,015	18
15	20	3	140	145	29	265	270	54	765	775	41	1,015	1,025	17
20	25	4	145	150	30	270	275	55	775	785	40	1,025	1,035	16
25	30	5	150	155	31	275	280	56	785	795	39	1,035	1,045	15
30	35	6	155	160	32	280	285	57	795	805	38	1,045	1,055	14
35	40	7	160	165	33	285	290	58	805	815	37	1,055	1,065	13
40	45	8	165	170	34	290	575	59	815	825	36	1,065	1,075	13
45	50	9	170	175	35	575	585	59	825	835	36	1,075	1,085	12
50	55	10	175	180	36	585	595	59	835	845	35	1,085	1,095	11
55	60	11	180	185	37	595	605	58	845	855	34	1,095	1,105	10
60	65	12	185	190	38	605	615	57	855	865	33	1,105	1,115	9
65	70	13	190	195	39	615	625	56	865	875	32	1,115	1,125	8
70	75	14	195	200	40	625	635	55	875	885	31	1,125	1,135	7
75	80	15	200	205	41	635	645	54	885	895	30	1,135	1,145	6
80	85	16	205	210	42	645	655	53	895	905	29	1,145	1,155	5
85	90	17	210	215	43	655	665	52	905	915	28	1,155	1,165	4
90	95	18	215	220	44	665	675	51	915	925	27	1,165	1,175	3
95	100	19	220	225	45	675	685	50	925	935	26	1,175	1,185	2
100	105	20	225	230	46	685	695	49	935	945	25	1,185	1,195	1
105	110	21	230	235	47	695	705	48	945	955	24	1,195	- - -	0
110	115	22	235	240	48	705	715	47	955	965	23			
115	120	23	240	245	49	715	725	46	965	975	22			
120	125	24	245	250	50	725	735	45	975	985	21			

MARRIED With Both Spouses Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$375	\$385	\$21	\$505	\$515	\$8
5	10	1	70	75	14	135	140	28	385	395	20	515	525	7
10	15	2	75	80	15	140	145	29	395	405	19	525	535	6
15	20	3	80	85	16	145	285	30	405	415	18	535	545	6
20	25	4	85	90	17	285	295	29	415	425	17	545	555	5
25	30	5	90	95	18	295	305	29	425	435	16	555	565	4
30	35	6	95	100	19	305	315	28	435	445	15	565	575	3
35	40	7	100	105	20	315	325	27	445	455	14	575	585	2
40	45	8	105	110	21	325	335	26	455	465	13	585	595	1
45	50	9	110	115	22	335	345	25	465	475	12	595	- - -	0
50	55	10	115	120	23	345	355	24	475	485	11			
55	60	11	120	125	24	355	365	23	485	495	10			
60	65	12	125	130	26	365	375	22	495	505	9			

SEMIMONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$135	\$140	\$28	\$270	\$275	\$55	\$755	\$765	\$48	\$1,025	\$1,035	\$22
5	10	1	140	145	29	275	280	56	765	775	47	1,035	1,045	21
10	15	2	145	150	30	280	285	57	775	785	46	1,045	1,055	20
15	20	3	150	155	31	285	290	58	785	795	45	1,055	1,065	19
20	25	4	155	160	32	290	295	59	795	805	44	1,065	1,075	18
25	30	5	160	165	33	295	300	60	805	815	43	1,075	1,085	17
30	35	6	165	170	34	300	305	61	815	825	42	1,085	1,095	16
35	40	7	170	175	35	305	310	62	825	835	41	1,095	1,105	15
40	45	8	175	180	36	310	315	63	835	845	40	1,105	1,115	14
45	50	9	180	185	37	315	315	64	845	855	39	1,115	1,125	13
50	55	10	185	190	38	315	315	64	845	855	39	1,115	1,125	13
55	60	11	190	195	39	585	595	64	855	865	38	1,125	1,135	12
60	65	12	195	200	40	595	605	63	865	875	37	1,135	1,145	11
65	70	13	200	205	41	605	615	62	875	885	36	1,145	1,155	10
70	75	14	205	210	42	615	625	61	885	895	35	1,155	1,165	10
75	80	15	210	215	43	625	635	60	895	905	34	1,165	1,175	9
80	85	16	215	220	44	635	645	59	905	915	33	1,175	1,185	8
85	90	17	220	225	45	645	655	58	915	925	33	1,185	1,195	7
90	95	18	225	230	46	655	665	57	925	935	32	1,195	1,205	6
95	100	19	230	235	47	665	675	56	935	945	31	1,205	1,215	5
100	105	20	235	240	48	675	685	56	945	955	30	1,215	1,225	4
105	110	21	240	245	49	685	695	55	955	965	29	1,225	1,235	3
110	115	22	245	250	50	695	705	54	965	975	28	1,235	1,245	2
115	120	23	250	255	51	705	715	53	975	985	27	1,245	1,255	1
120	125	24	255	260	52	715	725	52	985	995	26	1,255	- - -	0
125	130	26	260	265	53	725	735	51	995	1,005	25			
130	135	27	265	270	54	735	745	50	1,005	1,015	24			
			265	270	54	745	755	49	1,015	1,025	23			

MARRIED Without Spouse Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$135	\$140	\$28	\$270	\$275	\$55	\$795	\$805	\$48	\$1,065	\$1,075	\$22
5	10	1	140	145	29	275	280	56	805	815	47	1,075	1,085	21
10	15	2	145	150	30	280	285	57	815	825	46	1,085	1,095	20
15	20	3	150	155	31	285	290	58	825	835	45	1,095	1,105	19
20	25	4	155	160	32	290	295	59	835	845	44	1,105	1,115	18
25	30	5	160	165	33	295	300	60	845	855	43	1,115	1,125	17
30	35	6	165	170	34	300	305	61	855	865	42	1,125	1,135	16
35	40	7	170	175	35	305	310	62	865	875	41	1,135	1,145	15
40	45	8	175	180	36	310	315	63	875	885	40	1,145	1,155	14
45	50	9	180	185	37	315	315	64	885	895	39	1,155	1,165	14
50	55	10	185	190	38	315	315	64	885	895	39	1,155	1,165	14
55	60	11	190	195	39	625	635	64	895	905	38	1,165	1,175	13
60	65	12	195	200	40	635	645	63	905	915	37	1,175	1,185	12
65	70	13	200	205	41	645	655	62	915	925	37	1,185	1,195	11
70	75	14	205	210	42	655	665	61	925	935	36	1,195	1,205	10
75	80	15	210	215	43	665	675	60	935	945	35	1,205	1,215	9
80	85	16	215	220	44	675	685	60	945	955	34	1,215	1,225	8
85	90	17	220	225	45	685	695	59	955	965	33	1,225	1,235	7
90	95	18	225	230	46	695	705	58	965	975	32	1,235	1,245	6
95	100	19	230	235	47	705	715	57	975	985	31	1,245	1,255	5
100	105	20	235	240	48	715	725	56	985	995	30	1,255	1,265	4
105	110	21	240	245	49	725	735	55	995	1,005	29	1,265	1,275	3
110	115	22	245	250	50	735	745	54	1,005	1,015	28	1,275	1,285	2
115	120	23	250	255	51	745	755	53	1,015	1,025	27	1,285	1,295	1
120	125	24	255	260	52	755	765	52	1,025	1,035	26	1,295	- - -	0
125	130	26	260	265	53	765	775	51	1,035	1,045	25			
130	135	27	265	270	54	775	785	50	1,045	1,055	24			
			265	270	54	785	795	49	1,055	1,065	23			

SEMIMONTHLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$70	\$75	\$14	\$140	\$145	\$29	\$410	\$420	\$22	\$550	\$560	\$9
5	10	1	75	80	15	145	150	30	420	430	21	560	570	8
10	15	2	80	85	16	150	155	31	430	440	20	570	580	7
15	20	3	85	90	17	155	310	32	440	450	19	580	590	6
20	25	4	90	95	18	310	320	32	450	460	18	590	600	5
25	30	5	95	100	19	320	330	31	460	470	18	600	610	4
30	35	6	100	105	20	330	340	30	470	480	17	610	620	3
35	40	7	105	110	21	340	350	29	480	490	16	620	630	2
40	45	8	110	115	22	350	360	28	490	500	15	630	640	1
45	50	9	115	120	23	360	370	27	500	510	14	640	---	0
50	55	10	120	125	24	370	380	26	510	520	13			
55	60	11	125	130	26	380	390	25	520	530	12			
60	65	12	130	135	27	390	400	24	530	540	11			
65	70	13	135	140	28	400	410	23	540	550	10			

MONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$200	\$205	\$41	\$400	\$405	\$82	\$600	\$605	\$122	\$1,490	\$1,500	\$99
5	10	1	205	210	42	405	410	83	605	610	123	1,500	1,510	98
10	15	2	210	215	43	410	415	84	610	615	124	1,510	1,520	97
15	20	3	215	220	44	415	420	85	615	620	125	1,520	1,530	96
20	25	4	220	225	45	420	425	86	620	625	126	1,530	1,540	95
25	30	5	225	230	46	425	430	87	625	630	128	1,540	1,550	94
30	35	6	230	235	47	430	435	88	630	635	129	1,550	1,560	93
35	40	7	235	240	48	435	440	89	635	1,170	130	1,560	1,570	92
40	45	8	240	245	49	440	445	90	1,170	1,180	129	1,570	1,580	91
45	50	9	245	250	50	445	450	91	1,180	1,190	128	1,580	1,590	90
50	55	10	250	255	51	450	455	92	1,190	1,200	127	1,590	1,600	89
55	60	11	255	260	52	455	460	93	1,200	1,210	126	1,600	1,610	88
60	65	12	260	265	53	460	465	94	1,210	1,220	125	1,610	1,620	87
65	70	13	265	270	54	465	470	95	1,220	1,230	124	1,620	1,630	86
70	75	14	270	275	55	470	475	96	1,230	1,240	124	1,630	1,640	85
75	80	15	275	280	56	475	480	97	1,240	1,250	123	1,640	1,650	84
80	85	16	280	285	57	480	485	98	1,250	1,260	122	1,650	1,660	83
85	90	17	285	290	58	485	490	99	1,260	1,270	121	1,660	1,670	82
90	95	18	290	295	59	490	495	100	1,270	1,280	120	1,670	1,680	81
95	100	19	295	300	60	495	500	101	1,280	1,290	119	1,680	1,690	80
100	105	20	300	305	61	500	505	102	1,290	1,300	118	1,690	1,700	79
105	110	21	305	310	62	505	510	103	1,300	1,310	117	1,700	1,710	78
110	115	22	310	315	63	510	515	104	1,310	1,320	116	1,710	1,720	78
115	120	23	315	320	64	515	520	105	1,320	1,330	115	1,720	1,730	77
120	125	24	320	325	65	520	525	106	1,330	1,340	114	1,730	1,740	76
125	130	26	325	330	66	525	530	107	1,340	1,350	113	1,740	1,750	75
130	135	27	330	335	67	530	535	108	1,350	1,360	112	1,750	1,760	74
135	140	28	335	340	68	535	540	109	1,360	1,370	111	1,760	1,770	73
140	145	29	340	345	69	540	545	110	1,370	1,380	110	1,770	1,780	72
145	150	30	345	350	70	545	550	111	1,380	1,390	109	1,780	1,790	71
150	155	31	350	355	71	550	555	112	1,390	1,400	108	1,790	1,800	70
155	160	32	355	360	72	555	560	113	1,400	1,410	107	1,800	1,810	69
160	165	33	360	365	73	560	565	114	1,410	1,420	106	1,810	1,820	68
165	170	34	365	370	74	565	570	115	1,420	1,430	105	1,820	1,830	67
170	175	35	370	375	75	570	575	116	1,430	1,440	104	1,830	1,840	66
175	180	36	375	380	77	575	580	117	1,440	1,450	103	1,840	1,850	65
180	185	37	380	385	78	580	585	118	1,450	1,460	102	1,850	1,860	64
185	190	38	385	390	79	585	590	119	1,460	1,470	101	1,860	1,870	63
190	195	39	390	395	80	590	595	120	1,470	1,480	101	1,870	1,880	62
195	200	40	395	400	81	595	600	121	1,480	1,490	100	1,880	1,890	61

(Continued on next page)

MONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			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	At least	But less than	Payment to be made
\$1,890	\$1,900	\$60	\$2,020	\$2,030	\$48	\$2,150	\$2,160	\$35	\$2,280	\$2,290	\$23	\$2,410	\$2,420	\$10
1,900	1,910	59	2,030	2,040	47	2,160	2,170	34	2,290	2,300	22	2,420	2,430	9
1,910	1,920	58	2,040	2,050	46	2,170	2,180	33	2,300	2,310	21	2,430	2,440	8
1,920	1,930	57	2,050	2,060	45	2,180	2,190	32	2,310	2,320	20	2,440	2,450	8
1,930	1,940	56	2,060	2,070	44	2,190	2,200	31	2,320	2,330	19	2,450	2,460	7
1,940	1,950	55	2,070	2,080	43	2,200	2,210	31	2,330	2,340	18	2,460	2,470	6
1,950	1,960	55	2,080	2,090	42	2,210	2,220	30	2,340	2,350	17	2,470	2,480	5
1,960	1,970	54	2,090	2,100	41	2,220	2,230	29	2,350	2,360	16	2,480	2,490	4
1,970	1,980	53	2,100	2,110	40	2,230	2,240	28	2,360	2,370	15	2,490	2,500	3
1,980	1,990	52	2,110	2,120	39	2,240	2,250	27	2,370	2,380	14	2,500	2,510	2
1,990	2,000	51	2,120	2,130	38	2,250	2,260	26	2,380	2,390	13	2,510	2,520	1
2,000	2,010	50	2,130	2,140	37	2,260	2,270	25	2,390	2,400	12	2,520	- - -	0
2,010	2,020	49	2,140	2,150	36	2,270	2,280	24	2,400	2,410	11			

MARRIED Without Spouse Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$220	\$225	\$45	\$440	\$445	\$90	\$1,290	\$1,300	\$126	\$1,730	\$1,740	\$84
5	10	1	225	230	46	445	450	91	1,300	1,310	125	1,740	1,750	83
10	15	2	230	235	47	450	455	92	1,310	1,320	124	1,750	1,760	82
15	20	3	235	240	48	455	460	93	1,320	1,330	123	1,760	1,770	81
20	25	4	240	245	49	460	465	94	1,330	1,340	122	1,770	1,780	80
25	30	5	245	250	50	465	470	95	1,340	1,350	121	1,780	1,790	79
30	35	6	250	255	51	470	475	96	1,350	1,360	120	1,790	1,800	78
35	40	7	255	260	52	475	480	97	1,360	1,370	119	1,800	1,810	77
40	45	8	260	265	53	480	485	98	1,370	1,380	118	1,810	1,820	76
45	50	9	265	270	54	485	490	99	1,380	1,390	117	1,820	1,830	75
50	55	10	270	275	55	490	495	100	1,390	1,400	116	1,830	1,840	74
55	60	11	275	280	56	495	500	101	1,400	1,410	115	1,840	1,850	73
60	65	12	280	285	57	500	505	102	1,410	1,420	114	1,850	1,860	72
65	70	13	285	290	58	505	510	103	1,420	1,430	113	1,860	1,870	71
70	75	14	290	295	59	510	515	104	1,430	1,440	112	1,870	1,880	70
75	80	15	295	300	60	515	520	105	1,440	1,450	111	1,880	1,890	69
80	85	16	300	305	61	520	525	106	1,450	1,460	110	1,890	1,900	68
85	90	17	305	310	62	525	530	107	1,460	1,470	109	1,900	1,910	67
90	95	18	310	315	63	530	535	108	1,470	1,480	109	1,910	1,920	66
95	100	19	315	320	64	535	540	109	1,480	1,490	108	1,920	1,930	65
100	105	20	320	325	65	540	545	110	1,490	1,500	107	1,930	1,940	64
105	110	21	325	330	66	545	550	111	1,500	1,510	106	1,940	1,950	63
110	115	22	330	335	67	550	555	112	1,510	1,520	105	1,950	1,960	62
115	120	23	335	340	68	555	560	113	1,520	1,530	104	1,960	1,970	62
120	125	24	340	345	69	560	565	114	1,530	1,540	103	1,970	1,980	61
125	130	26	345	350	70	565	570	115	1,540	1,550	102	1,980	1,990	60
130	135	27	350	355	71	570	575	116	1,550	1,560	101	1,990	2,000	59
135	140	28	355	360	72	575	580	117	1,560	1,570	100	2,000	2,010	58
140	145	29	360	365	73	580	585	118	1,570	1,580	99	2,010	2,020	57
145	150	30	365	370	74	585	590	119	1,580	1,590	98	2,020	2,030	56
150	155	31	370	375	75	590	595	120	1,590	1,600	97	2,030	2,040	55
155	160	32	375	380	77	595	600	121	1,600	1,610	96	2,040	2,050	54
160	165	33	380	385	78	600	605	122	1,610	1,620	95	2,050	2,060	53
165	170	34	385	390	79	605	610	123	1,620	1,630	94	2,060	2,070	52
170	175	35	390	395	80	610	615	124	1,630	1,640	93	2,070	2,080	51
175	180	36	395	400	81	615	620	125	1,640	1,650	92	2,080	2,090	50
180	185	37	400	405	82	620	625	126	1,650	1,660	91	2,090	2,100	49
185	190	38	405	410	83	625	630	128	1,660	1,670	90	2,100	2,110	48
190	195	39	410	415	84	630	635	129	1,670	1,680	89	2,110	2,120	47
195	200	40	415	420	85	635	1,250	130	1,680	1,690	88	2,120	2,130	46
200	205	41	420	425	86	1,250	1,260	130	1,690	1,700	87	2,130	2,140	45
205	210	42	425	430	87	1,260	1,270	129	1,700	1,710	86	2,140	2,150	44
210	215	43	430	435	88	1,270	1,280	128	1,710	1,720	86	2,150	2,160	43
215	220	44	435	440	89	1,280	1,290	127	1,720	1,730	85			

(Continued on next page)

MONTHLY Payroll Period

MARRIED Without Spouse Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$2,160	\$2,170	\$42	\$2,250	\$2,260	\$34	\$2,340	\$2,350	\$25	\$2,430	\$2,440	\$16	\$2,520	\$2,530	\$8
2,170	2,180	41	2,260	2,270	33	2,350	2,360	24	2,440	2,450	16	2,530	2,540	7
2,180	2,190	40	2,270	2,280	32	2,360	2,370	23	2,450	2,460	15	2,540	2,550	6
2,190	2,200	39	2,280	2,290	31	2,370	2,380	22	2,460	2,470	14	2,550	2,560	5
2,200	2,210	39	2,290	2,300	30	2,380	2,390	21	2,470	2,480	13	2,560	2,570	4
2,210	2,220	38	2,300	2,310	29	2,390	2,400	20	2,480	2,490	12	2,570	2,580	3
2,220	2,230	37	2,310	2,320	28	2,400	2,410	19	2,490	2,500	11	2,580	2,590	2
2,230	2,240	36	2,320	2,330	27	2,410	2,420	18	2,500	2,510	10	2,590	2,600	1
2,240	2,250	35	2,330	2,340	26	2,420	2,430	17	2,510	2,520	9	2,600	- - -	0

MARRIED With Both Spouses Filing Certificate

Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$135	\$140	\$28	\$270	\$275	\$55	\$795	\$805	\$48	\$1,065	\$1,075	\$22
5	10	1	140	145	29	275	280	56	805	815	47	1,075	1,085	21
10	15	2	145	150	30	280	285	57	815	825	46	1,085	1,095	20
15	20	3	150	155	31	285	290	58	825	835	45	1,095	1,105	19
20	25	4	155	160	32	290	295	59	835	845	44	1,105	1,115	18
25	30	5	160	165	33	295	300	60	845	855	43	1,115	1,125	17
30	35	6	165	170	34	300	305	61	855	865	42	1,125	1,135	16
35	40	7	170	175	35	305	310	62	865	875	41	1,135	1,145	15
40	45	8	175	180	36	310	315	63	875	885	40	1,145	1,155	14
45	50	9	180	185	37	315	625	64	885	895	39	1,155	1,165	13
50	55	10	185	190	38	625	635	64	895	905	38	1,165	1,175	13
55	60	11	190	195	39	635	645	63	905	915	37	1,175	1,185	12
60	65	12	195	200	40	645	655	62	915	925	36	1,185	1,195	11
65	70	13	200	205	41	655	665	61	925	935	36	1,195	1,205	10
70	75	14	205	210	42	665	675	60	935	945	35	1,205	1,215	9
75	80	15	210	215	43	675	685	59	945	955	34	1,215	1,225	8
80	85	16	215	220	44	685	695	59	955	965	33	1,225	1,235	7
85	90	17	220	225	45	695	705	58	965	975	32	1,235	1,245	6
90	95	18	225	230	46	705	715	57	975	985	31	1,245	1,255	5
95	100	19	230	235	47	715	725	56	985	995	30	1,255	1,265	4
100	105	20	235	240	48	725	735	55	995	1,005	29	1,265	1,275	3
105	110	21	240	245	49	735	745	54	1,005	1,015	28	1,275	1,285	2
110	115	22	245	250	50	745	755	53	1,015	1,025	27	1,285	1,295	1
115	120	23	250	255	51	755	765	52	1,025	1,035	26	1,295	- - -	0
120	125	24	255	260	52	765	775	51	1,035	1,045	25			
125	130	26	260	265	53	775	785	50	1,045	1,055	24			
130	135	27	265	270	54	785	795	49	1,055	1,065	23			

DAILY Payroll Period

SINGLE or HEAD OF HOUSEHOLD			MARRIED Without Spouse Filing Certificate						MARRIED With Both Spouses Filing Certificate					
Wages—			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	At least	But less than	Payment to be made
\$0	\$5	\$0	\$70	\$80	\$4	\$0	\$5	\$0	\$75	\$85	\$3	\$0	\$5	\$0
5	10	1	80	90	3	5	10	1	85	95	2	5	10	1
10	15	2	90	100	2	10	15	2	95	105	1	10	25	2
15	20	3	100	110	1	15	20	3	105	115	1	25	35	2
20	25	4	110	- - -	0	20	25	4	115	- - -	0			
25	50	5				25	55	5						
50	60	5				55	65	5						
60	70	4				65	75	4						



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