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How Do I Adjust My Tax Withholding?



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Important Reminder

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

Introduction

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

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

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

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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.

Purpose of This Publication

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

Note: You do not have to file Form W-4 each year unless you need to adjust your withholding.

Checking Your Withholding

The purpose of this section is to explain why, when, and how to check your withholding to see if you will have enough, but not too much, tax withheld for 2003.

Why Should I Check My Withholding?

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

You should check your withholding if there are personal or financial changes in your life or changes in the law that might change your tax liability. See *Figure 1*.

When Should I Check My Withholding?

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

You may want to check your withholding when any of the following situations occur.

- 1) You receive a paycheck stub (statement) covering a full pay period in 2003, showing tax withheld based on 2003 tax rates.
- 2) You prepare your 2002 tax return and get a:
 - a) Big refund, or
 - b) Balance due that is:
 - i) More than you can comfortably pay, or
 - ii) Subject to a penalty.
- 3) There are changes in your life or financial situation that affect your tax liability. See *Figure 1*.
- 4) There are changes in the tax law that affect your tax liability. See *Tax Law Changes*, later.



Caution: You must give your employer a new Form W-4 to adjust your withholding within 10 days of any event that decreases the number of withholding allowances you can claim, such as your divorce if you are claiming married status.

Tax Law Changes

If there are tax law changes that increase your tax for 2003 and you do not increase your withholding, you may have to pay tax when you file your return. If there are changes that decrease your tax for 2003 and you do not decrease your withholding, you may get a larger refund. You can get this money back earlier by reducing your withholding.

For information about changes in the law for 2002 and 2003, get Publication 553, *Highlights of 2002 Tax Changes*, or visit the IRS Web Site at www.irs.gov.

How Do I Check My Withholding?

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

Follow these steps.

- 1) Fill out *Worksheet 1* to project your total federal income tax liability for 2003.
- 2) Fill out *Worksheet 2* to project your total federal withholding for 2003 and to compare your projected tax to your projected withholding.

If you are not having enough tax withheld, *Worksheet 2* will show you how much more to have withheld each payday.

Figure 1. Personal and Financial Factors

You may want to check your withholding after events in your life that are likely to affect your tax liability. Examples are listed below.

Factor	Examples
Lifestyle change	Marriage Divorce Birth or adoption of child Loss of an exemption Purchase of a new home Retirement
Wage income	You or your spouse start or stop working, or start or stop a second job
Increased or decreased income not subject to withholding	Interest income Dividends Capital gains Self-employment income IRA distributions (including Roth IRA conversion distributions)
Increased or decreased adjustments to income	IRA deduction Student loan interest deduction Alimony expense
Increased or decreased itemized deductions or tax credits	Medical expenses Taxes Interest expense Gifts to charity Job expenses Education credit

If you are having more tax withheld than you need to have withheld, *Worksheet 2* will refer you to *How Do I Decrease My Withholding*.

What If Not Enough Tax Is Being Withheld?

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

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

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

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

What If Too Much Tax Is Being Withheld?

If too much tax is withheld, you may receive a large refund when you file your return. If you would prefer to receive the money during the year, you may be able to decrease your withholding by giving your employer a new Form W-4.

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

- 1) You got a big refund for 2002 and your income, adjustments, deductions, and credits will remain about the same this year,
- 2) Your income will remain about the same as last year, but your adjustments, deductions, or credits will increase significantly, or
- 3) You got a refund last year; your income, adjustments, and deductions will remain about the same as last year; but you will qualify for one or more tax credits this year that you did not qualify for last year.

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

Adjusting Your Withholding

The purpose of this section is to explain how to adjust your withholding.

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

How Do I Adjust My Withholding?

You increase or decrease your withholding by filling out a new Form W-4 and giving it to your employer. You can use the worksheets and information in this publication to

help you complete Form W-4. You can complete the Form W-4 near the end of this publication and give it to your employer.

How Do I Increase My Withholding?

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

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

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

- 1) Complete *Worksheets 1* and *2*.
- 2) Complete a new Form W-4 if the amount on line 5 of *Worksheet 2* is more than you want to have to pay or would cause a penalty when you file your tax return for 2003.
- 3) Enter on line 5 of the new Form W-4 the **same number** of withholding allowances your employer now uses for your withholding. This is the number of allowances you entered on the last Form W-4 you gave your employer.
- 4) Enter on line 6 of the new Form W-4 the amount from line 6 of *Worksheet 2*.
- 5) Give your newly completed Form W-4 to your employer.

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

Example. Using *Worksheets 1* and *2*, Steve figures that his 2003 tax liability will be \$5,000 and that his withholding for the year will be \$4,700. Steve's tax will be underwithheld by \$300 (\$5,000 - \$4,700). He will have to pay this amount when he files his 2003 tax return or he can increase his withholding. Steve gets a new Form W-4 from his employer, who tells him that there are 50 paydays remaining in the year. Steve completes the form as before, and enters the same number of withholding allowances as before, then enters \$6 ($\$300 \div 50$) on line 6 of the form. This is the additional amount to be withheld from his pay each payday. He gives the completed form to his employer.

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

You can apply the amount on line 5 of *Worksheet 2* to only one job or divide it between the jobs any way you wish. For each job, determine the extra amount that you want to apply to that job and divide that amount by the

number of paydays remaining in 2003 for that job. This will give you the additional amount to enter on line 6 of the Form W-4 you will file for that job. You need to file a Form W-4 for each job for which you are changing your withholding.

Example. Meg Green works in a store. Her husband, John, works full time in manufacturing. They file a joint income tax return. When they fill out *Worksheets 1* and *2*, they find they will not have enough tax withheld. They can divide the amount on line 6 of *Worksheet 2* any way they want. They can enter an additional amount on either of their Forms W-4, or divide it between them. They decide to have all of the additional amount from line 6 withheld from John's wages, so they enter on line 6 of his W-4 the number from line 6 of their completed *Worksheet 2*. Both claim the same number of allowances as before.

How Do I Decrease My Withholding?

If you expect to have more tax withheld than your projected tax liability for 2003, you may be able to decrease your withholding by increasing the number of allowances that you claim on Form W-4.



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

How do I increase the number of allowances I can claim? You figure and increase the number of withholding allowances you are entitled to claim as follows.

- 1) Complete *Worksheets 1* and *2*.
- 2) If your projected withholding is significantly more than your projected tax, get a new Form W-4 (or use the one in the back of this publication).
- 3) Complete the *Personal Allowances Worksheet* on Form W-4.
- 4) Use the remainder of the worksheets in this publication, as applicable.
- 5) Complete the *Deductions and Adjustments Worksheet* on Form W-4 if you plan to itemize deductions, claim adjustments to income, or claim tax credits from *Worksheet 7* on your 2003 return.
- 6) Complete the *Two-earner/two-job worksheet* on Form W-4 if you meet the criteria on line H of the Form W-4 *Personal Allowances Worksheet*.
- 7) Fill out Form W-4.
- 8) Enter the number of allowances you are entitled to claim on line 5 of Form W-4.
- 9) If the number of allowances you are entitled to claim is different from the number you are already claiming, give the newly completed Form W-4 to your employer.

What if I can claim tax credits? Figure 2 shows tax credits you may be able to use to reduce your withholding. The Form W-4 *Personal Allowances Worksheet* only provides rough adjustments for the child and dependent care credit (line F) and the child tax credit (line G). Use *Worksheet 7* to take these credits into account more accurately and also take other credits into account.



If you take the child and dependent care credit into account on Worksheet 7, enter -0- on line F of the Personal Allowances Worksheet. If you take the child tax credit into account on Worksheet 7, enter -0- on line G of the Personal Allowances Worksheet.

To figure the additional amount to add on line 5 of the Form W-4 *Deductions and Adjustments Worksheet* for your tax credits, complete *Worksheet 7*. Then complete the Form W-4 *Deductions and Adjustments Worksheet* and the rest of Form W-4.

Example. Brett and Alyssa are married and expect to file a joint return for 2002. Their combined estimated wages are \$68,000. Their projected tax credits include a child and dependent care credit of \$960 and a mortgage interest credit of \$1,700.

They use *Worksheet 7* to see whether they can convert their tax credits into additional allowances.

- 1) They enter their expected child and dependent care credit, \$960, on line 1 of *Worksheet 7*.
- 2) They enter their expected mortgage interest credit, \$1,700, on line 8 of *Worksheet 7*.
- 3) They add these credits and enter the total, \$2,660, on line 10.

- 4) Because they are married filing a joint return, they use the table for married filing jointly.
- 5) They see that their combined estimated wages, \$68,000, falls between \$65,000 and \$132,000, and that the number to the right of this range is 3.7.
- 6) They enter 3.7 on line 11.
- 7) They multiply line 10 by line 11 and enter the result, \$9,842, on line 12.
- 8) They take the result on line 12, and add it to their other adjustments on line 5 of the *Deductions and Adjustments Worksheet* on Form W-4.
- 9) They finish filling out the *Deductions and Adjustments Worksheet*.
- 10) Because they chose to account for their child and dependent care credit this way, they enter -0- on line F of the *Personal Allowances Worksheet*.

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

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

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

Figure 2. Tax Credits

Credit	For more information, see ...
Credit for child and dependent care expenses	Publication 503, <i>Child and dependent Care Expenses</i>
Credit for the elderly or the disabled	Publication 524, <i>Credit for the Elderly or the Disabled</i>
Child tax credit (including additional child tax credit)	Instructions for Form 1040 or Form 1040A
Education credits	Publication 970, <i>Tax Benefits for Education</i>
Adoption credit	Publication 968, <i>Tax Benefits for Adoption</i>
Foreign tax credit, except any credit that applies to wages not subject to U.S. income tax withholding because they are subject to income tax withholding by a foreign country	Publication 514, <i>Foreign Tax Credit for Individuals</i>
Retirement savings contributions credit	Publication 590, <i>Individual Retirement Arrangements (IRAs)</i>
Mortgage interest credit	Publication 530, <i>Tax Information for First-Time Homeowners</i>
General business credit	Form 3800, <i>General Business Credit</i>
Qualified electric vehicle credit	Form 8834 Instructions
Credit for prior year minimum tax if you paid alternative minimum tax in an earlier year	Form 8801 Instructions
Earned income credit, unless you requested advance payment of the credit	Publication 596, <i>Earned Income Credit</i>

Figure 3. Worksheets and Tables

This publication contains worksheets and tables for you to figure and adjust your tax withholding. The list below describes how each of them is used.

Use ...	To ...
Worksheet 1. Projected Tax for 2003	Project the taxable income you will have for 2003 and the amount of tax you will have to pay on that income.
Worksheet 2. Projected Withholding for 2003	Project the amount of federal income tax that you will have withheld in 2003, compare your projected withholding with your projected tax, and determine whether the amount withheld each payday should be adjusted.
Worksheets 1a, 1b, 1c, and 1d. Tax Rate Schedule Worksheets for 2003	Project the amount of tax you will be liable for on your projected income for your filing status.
Worksheet 3. Itemized Deductions Limit	Figure the amount of your projected itemized deductions on Schedule A (Form 1040) if they are limited because your projected adjusted gross income is more than \$139,500 (\$69,750 if married filing separately).
Worksheet 4. Exemptions Phaseout	Figure the value of your projected exemptions if your exemptions are limited because your projected adjusted gross income for your projected filing status is more than: \$139,500 if single; \$209,250 if married filing jointly or qualifying widow(er); \$104,625 if married filing separately; or \$174,400 if head of household.
Worksheet 5. Figuring Tax If You Expect To Have Capital Gain	Figure projected tax on all taxable income if you expect to have a capital gain in 2003.
Worksheet 6. Self-Employment Tax	Figure your projected self-employment tax for 2003 if you and/or your spouse are self-employed in 2003 and your own wages and self-employment income for 2003 will be more than \$87,000, or your spouse's wages and self-employment income will be more than \$87,000.
Worksheet 7. Converting Credits to Withholding Allowances	Figure how much of an adjustment to make to line 5 of the <i>Deductions and Adjustments Worksheet</i> on Form W-4 to account for your projected tax credits which are not otherwise taken into consideration.
Tables 1, 2, and 3. Standard Deduction Tables for 2003	Determine your projected standard deduction for 2003. Do not use this table if you plan to itemize your deductions.

Worksheet 1. Projected Tax for 2003 Use this worksheet to figure the amount of your projected tax for 2003.
 (Note: Enter combined amounts if married filing joint return.)

1. Enter amount of Adjusted Gross Income (AGI) you expect in 2003. (To determine this, you may want to start with the AGI on your last year's return, and add or subtract your expected changes.)	1	
2. If you: ● Do not plan to itemize deductions on Schedule A (Form 1040), enter the standard deduction you expect from <i>Table 1, 2, or 3</i> , later. ● Plan to itemize deductions, and the amount on line 1 is: ● Not more than \$139,500 (\$69,750 if married filing separately), enter the total itemized deductions you expect after applying any limits (such as the 7.5% limit on medical expenses). ● More than \$139,500 (\$69,750 if married filing separately), use <i>Worksheet 3</i> to figure the amount to enter here.	2	
3. Subtract line 2 from line 1. (If zero or less, enter zero.)	3	
4. If the amount on line 1 is: ● Not more than the amount shown below for your 2003 filing status, multiply the number of exemptions you plan to claim on your 2003 tax return by \$3,050 and enter the result here. ● More than the amount shown below for your 2003 filing status, use <i>Worksheet 4</i> to figure the amount to enter here ● Single, \$139,500 ● Married filing jointly or Qualifying widow(er), \$209,250 ● Head of household, \$174,400 ● Married filing separately, \$104,625	4	
5. Subtract line 4 from line 3. (If zero or less, enter zero.)	5	
6. If the amount on line 1: ● Does not include capital gain, use <i>Worksheet 1a, 1b, 1c, or 1d</i> , as appropriate, to figure the tax to enter here. ● Includes capital gain, use <i>Worksheet 5</i> to figure the tax to enter here.	6	
7. Enter any expected additional taxes from an election to report your child's interest and dividends (Form 8814), and from lump-sum distributions (Form 4972)	7	
8. Add lines 6 and 7	8	
9. Enter the amount of any expected tax credits. See <i>Figure 2</i> , earlier	9	
10. Subtract line 9 from line 8. (If zero or less, enter zero.)	10	
11. Self-employment tax. If you expect to file a joint return, figure the self-employment tax for each of you separately, and enter the total on line 11. If the projected total of your net self-employment income multiplied by .9235 plus your wage income is: ● \$400 or more, but not more than \$87,000, multiply your expected net self-employment income by .9235, and multiply that result by .153 and enter here. ● More than \$87,000, use <i>Worksheet 6</i> to figure the amount to enter here.	11	
12. Enter any other expected taxes (such as tax on early distributions from an IRA, alternative minimum tax, etc.)	12	
13. Add lines 10 through 12. This is your projected tax for 2003 . Enter it here and on line 1 of <i>Worksheet 2</i>	13	

Worksheet 2. Projected Withholding for 2003 Use this worksheet to figure the amount of your projected withholding for 2003, compare it to your projected tax for 2003, and figure an additional amount to have withheld each payday, if necessary.
 (Note: Enter combined amounts if married filing joint return.)

1. Enter your projected tax for 2003 from line 13 of <i>Worksheet 1</i>	1	
2. Enter your total federal income tax withheld to date in 2003 from all of your jobs. (You should be able to find your withholdings to date on your last payslip or statement.)	2	
3. Enter the federal tax withholding you expect for the rest of 2003. For each job, multiply the amount of federal income tax now being withheld each payday by the number of paydays remaining in the year and enter the combined amount for all jobs	3	
4. Add lines 2 and 3. This is your projected withholding for 2003	4	
5. Compare the amounts on lines 1 and 4. If: ● Line 1 is more than line 4, subtract line 4 from line 1, enter the result here, and go to line 6. ● Line 4 is more than line 1, stop here and see <i>How Do I Decrease My Withholding?</i>	5	
6. Divide line 5 by the number of paydays remaining in 2003 and enter the result. This is the additional amount you should have withheld from your pay each payday. Enter this amount on line 6 of Form W-4	6	

Worksheets 1a, 1b, 1c, and 1d

Tax Rate Schedule Worksheets for 2003

Worksheet 1a. For Single Filing Status

If you expect your filing status for 2003 to be **single**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 30 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
<u>Column A</u> <u>Column B</u> <u>Column C</u>		
\$0 10% \$0.00		
\$6,000 15% \$600.00		
\$28,400 27% \$3,960.00		
\$68,800 30% \$14,868.00		
\$143,500 35% \$37,278.00		
\$311,950 38.6% \$96,235.50		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 30 of <i>Worksheet 5</i> , whichever is appropriate	7	

Worksheet 1b. For Head of Household Filing Status

If you expect your filing status for 2003 to be **head of household**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 30 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
<u>Column A</u> <u>Column B</u> <u>Column C</u>		
\$0 10% \$0.00		
\$10,000 15% \$1,000.00		
\$38,050 27% \$5,207.50		
\$98,250 30% \$21,461.50		
\$159,100 35% \$39,716.50		
\$311,950 38.6% \$93,214.00		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 30 of <i>Worksheet 5</i> , whichever is appropriate	7	

Worksheet 1c. For Married Filing Jointly or Qualifying Widow(er) Filing Status

If you expect your filing status for 2003 to be **married filing jointly or qualifying widow(er)**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 30 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
Column A Column B Column C		
\$0 10% \$0.00		
\$12,000 15% \$1,200.00		
\$47,450 27% \$6,517.50		
\$114,650 30% \$24,661.50		
\$174,700 35% \$42,676.50		
\$311,950 38.6% \$90,714.00		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 30 of <i>Worksheet 5</i> , whichever is appropriate	7	

Worksheet 1d. For Married Filing Separately Filing Status

If you expect your filing status for 2003 to be **married filing separately**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 30 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
Column A Column B Column C		
\$0 10% \$0.00		
\$6,000 15% \$600.00		
\$23,725 27% \$3,258.75		
\$57,325 30% \$12,330.75		
\$87,350 35% \$21,338.25		
\$155,975 38.6% \$45,357.00		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 30 of <i>Worksheet 5</i> , whichever is appropriate	7	

Worksheet 3. Itemized Deductions Limit Use this worksheet to figure the amount to enter on line 2 of *Worksheet 1* and on line 1 of the *Form W-4 Deductions and Adjustments Worksheet*.

1. Enter the total itemized deductions you expect for 2003 after applying any limits (such as the 7.5% limit on medical expenses)	1	
2. Enter the amount included in line 1 for medical and dental expenses, investment interest, casualty and theft losses, and gambling losses	2	
3. Subtract line 2 from line 1	3	
Note. If the amount on line 3 is zero, stop here and enter on line 2 of <i>Worksheet 1</i> the larger of the amount from line 1 of this worksheet or your standard deduction from Table 1, 2, or 3.		
4. Multiply the amount on line 3 by .80	4	
5. Enter the amount from line 1 of <i>Worksheet 1</i>	5	
6. Enter \$139,500 (\$69,750 if married filing separately).	6	
7. Subtract line 6 from line 5	7	
Note. If the amount on line 7 is zero or less, stop here and enter on line 2 of <i>Worksheet 1</i> the larger of the amount from line 1 of this worksheet or your standard deduction from Table 1, 2, or 3.		
8. Multiply the amount on line 7 by .03	8	
9. Enter the smaller of line 4 or line 8	9	
10. Subtract line 9 from line 1. Enter the result here, on line 2 of <i>Worksheet 1</i> , and on line 1 of the <i>Form W-4 Deductions and Adjustments Worksheet</i>	10	

Worksheet 4. Exemptions Phaseout Use this worksheet to figure the amount to enter on line 4 of *Worksheet 1*.

1. Multiply \$3,050 by the number of exemptions you plan to claim	1	
2. Enter the amount from line 1 of <i>Worksheet 1</i>	2	
3. Enter: \$139,500 if single \$209,250 if married filing jointly or qualifying widow(er) \$104,625 if married filing separately \$174,400 if head of household	3	
4. Subtract line 3 from line 2 and enter here	4	
Note: If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), stop ; you cannot take a deduction for exemptions. Enter -0- on line 4 of <i>Worksheet 1</i> .		
5. Divide the amount on line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next whole number	5	
6. Multiply the number on line 5 by .02. Enter the result as a decimal, but not more than 1	6	
7. Multiply the amount on line 1 by the decimal on line 6	7	
8. Subtract line 7 from line 1. Enter the result here and on line 4 of <i>Worksheet 1</i>	8	

Worksheet 5. Figuring Tax If You Expect To Have Capital Gain Use this worksheet to figure the amount to enter on line 6 of *Worksheet 1* only if the amount on line 1 of that worksheet includes capital gain.

1. Enter the amount from line 5 of your 2003 <i>Estimated Tax Worksheet</i>		1	
2. Enter the net capital gain expected for 2003	2		
3. Combine the net short-term capital loss and 28% rate gain or loss expected for 2003. If zero or less, enter 0	3		
4. Enter the unrecaptured section 1250 gain expected for 2003.	4		
5. Add lines 3 and 4	5		
6. Subtract line 5 from line 2. If zero or less, enter 0		6	
7. Subtract line 6 from line 1. If zero or less, enter 0		7	
8. Enter the smaller of line 1 or \$47,450 (\$28,400 if single; \$23,725 if married filing separately; \$38,050 if head of household)		8	
9. Enter the smaller of line 7 or line 8	9		
10. Subtract line 2 from line 1. If zero or less, enter 0	10		
11. Enter the larger of line 9 or line 10	11		
12. Tax on amount on line 11 from the 2003 Tax Rate Schedule		12	
Note. If line 7 is more than line 8, go to line 18.			
13. Subtract line 9 from line 8. If zero or less, enter 0	13		
14. Multiply line 13 by 10% (.10)	14		
15. Enter the amount, if any, of your qualified 5-year gain. Do not enter more than the amount on line 13	15		
16. Multiply line 15 by 2% (.02)	16		
17. Subtract line 16 from line 14		17	
Note. If line 13 minus line 15 is more than 0 and equal to line 6, enter 0 on lines 20, 25, and 28, and go to line 29.			
18. Enter the smaller of line 1 or line 6	18		
19. Subtract line 13 from line 18	19		
20. Multiply line 19 by 20% (.20)		20	
Note. If line 4 is zero or blank, skip lines 21 through 25 and read the note above line 26.			
21. Enter the smaller of line 2 or line 4	21		
22. Add lines 2 and 11.	22		
23. Subtract line 1 from line 22. If zero or less, enter 0	23		
24. Subtract line 23 from line 21. If zero or less, enter 0	24		
25. Multiply line 24 by 25% (.25)		25	
Note. If line 3 is zero or blank, go to line 29.			
26. Add lines 11, 13, 19, and 24	26		
27. Subtract line 26 from line 1. If zero or less, enter 0	27		
28. Multiply line 27 by 28% (.28)		28	
29. Add lines 12, 17, 20, 25, and 28		29	
30. Tax on the amount on line 1 from the 2003 Tax Rate Schedule	30		
31. Tax. Enter the smaller of line 29 or line 30 here and on line 6 of <i>Worksheet 1</i>		31	

Worksheet 6. Self-Employment Tax Use this worksheet to figure the amount to enter on line 11 of *Worksheet 1*.
 If you are married filing a joint return and you are both self-employed, complete the self-employment tax calculation separately for each spouse, and combine the amounts on line 11 of *Worksheet 1*.

1. Enter expected self-employment income for 2003	1	
2. Multiply the amount on line 1 by .9235	2	
3. Multiply the amount on line 2 by .029	3	
4. Social security tax maximum income.	4	\$87,000
5. Enter estimated wages for 2003	5	
6. Subtract line 5 from line 4	6	
Note. If line 6 is zero or less, stop here and enter the amount from line 3 on line 11 of <i>Worksheet 1</i> .		
7. Enter the smaller of line 2 or line 6	7	
8. Multiply the amount on line 7 by .124	8	
9. Add line 3 and line 8. Enter the result here and on line 11 of <i>Worksheet 1</i> . If you expect to file a joint return, combine the result with your spouse's expected self-employment tax and enter the total on line 11 of <i>Worksheet 1</i>	9	

Worksheet 7. Converting Credits to Withholding Allowances Use this worksheet to figure an additional amount to enter on line 5 of the Form *W-4 Deductions and Allowances Worksheet*. For more information on these credits, see *What If I Can Claim Tax Credits?* earlier.

For lines 1 through 9, enter your projections for each of the credits.			
1. Credit for child and dependent care expenses. (See <i>Caution</i> below.)		1	
2. Credit for the elderly or the disabled		2	
3. Child tax credit (including additional child tax credit). (See <i>Caution</i> below.)		3	
4. Education credits		4	
5. Adoption credit		5	
6. Foreign tax credit		6	
7. Retirement savings contributions credit		7	
8. Other credits (including mortgage interest credit, credit for prior year minimum tax if you paid alternative minimum tax in a prior year, qualified electric vehicle credit, and general business credit)		8	
9. Earned income credit (unless you requested advance payment).		9	
10. Add lines 1 through 9. This is your total estimated tax credits		10	
11. Enter the appropriate number from one of the following credit tables. Use the table which matches your filing status. Find the line in the table that matches your total income. Then, enter here the amount shown next to your income		11	
Married Filing Jointly or Qualifying Widow(er)		Head of Household	
If combined estimated wages are:	Multiply credits by:	If estimated wages are:	Multiply credits by:
\$0 to \$29,000	10.0	\$0 to \$23,000	10.0
\$29,001 to 65,000	6.7	\$23,001 to \$51,000	6.7
\$65,001 to 132,000	3.7	\$51,001 to \$111,000	3.7
\$132,001 to 192,000	3.3	\$111,001 to \$172,000	3.3
\$192,001 to 329,000	2.9	\$172,001 to \$325,000	2.9
\$329,001 to —	2.6	\$325,001 to —	2.6
Single		Married Filing Separately	
If estimated wages are:	Multiply credits by:	If estimated wages are:	Multiply credits by:
\$0 to \$14,000	10.0	\$0 to \$13,000	10.0
\$14,001 to \$36,000	6.7	\$13,001 to \$31,000	6.7
\$36,001 to \$77,000	3.7	\$31,001 to \$64,000	3.7
\$77,001 to \$151,000	3.3	\$64,001 to \$94,000	3.3
\$151,001 to \$320,000	2.9	\$94,001 to \$163,000	2.9
\$320,001 to —	2.6	\$163,001 to —	2.6
12. Multiply line 10 by line 11. Enter the result here and include it in the total on line 5 of the Form <i>W-4 Deductions and Adjustments Worksheet</i> . Caution. If you entered an amount on line 1 or line 3 of this worksheet, enter "0" on line F of the Form <i>W-4 Personal Allowances Worksheet</i> . If you entered an amount on line 3 of this worksheet, enter "0" on line G of the Form <i>W-4 Personal Allowances Worksheet</i>		12	

Standard Deduction Tables for 2003

There are three standard deduction tables. Use the appropriate one to arrive at your standard deduction for 2003.

Table 1. For Most People

DO NOT use this chart if you were 65 or older or blind, OR if someone can claim you (or your spouse if married filing jointly) as a dependent during 2003.

If Your Filing Status is:	Your Standard Deduction is:
Single	\$4,750
Married filing joint return or Qualifying widow(er) with dependent child	7,950
Married filing separately	3,975
Head of household	7,000

Table 2. For People Age 65 or Older or Blind

If someone can claim you (or your spouse if married filing jointly) as a dependent for 2003, use the worksheet in Table 3 instead.

Check the correct number of boxes below. Then go to the chart.		
You	65 or older <input type="checkbox"/>	Blind <input type="checkbox"/>
Your spouse, if claiming spouse's exemption	65 or older <input type="checkbox"/>	Blind <input type="checkbox"/>
Total number of boxes you checked <input type="checkbox"/>		
If Your Filing Status is:	And the Number in the Box Above is:	Your Standard Deduction is:
Single	1	\$5,900
	2	7,050
Married filing jointly or Qualifying widow(er) with dependent child	1	8,900
	2	9,850
	3	10,800
	4	11,750
Married filing separately	1	4,925
	2	5,875
	3	6,825
	4	7,775
Head of household	1	8,150
	2	9,300



If you are married filing a separate return and your spouse itemizes deductions, or if you are a dual-status alien, you cannot take the standard deduction even if you were 65 or older or blind.

Table 3. For Dependents

Use Table 3 ONLY if someone can claim you (or your spouse if married filing jointly) as a dependent for 2003.

If you were 65 or older or blind, check the correct number of boxes below. Then go to the worksheet.	
You	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
Your spouse, if claiming spouse's exemption	65 or older <input type="checkbox"/> Blind <input type="checkbox"/>
Total number of boxes you checked <input type="checkbox"/>	
1. Enter your expected earned income (defined below) plus \$250.	1. _____
2. Minimum amount.	2. <u>\$750</u>
3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts here.	3. _____
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> • Single, enter \$4,750 • Married filing separate return, enter \$3,975 • Married filing jointly or Qualifying widow(er) with dependent child, enter \$7,950 • Head of household, enter \$7,000 	4. _____
5. Standard deduction. <p>a. Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b.</p> <p>b. If 65 or older or blind, multiply \$1,150 (\$950 if married or qualifying widow(er) with dependent child) by the number in the box above. Enter the result.</p> <p>c. Add lines 5a and 5b. This is your standard deduction for 2003.</p>	5a. _____ 5b. _____ 5c. _____
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.	

Form W-4 (2003)

Purpose. Complete Form W-4 so that your employer can withhold the correct Federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2003 expires February 16, 2004. See **Pub. 505**, Tax Withholding and Estimated Tax.

Note: You cannot claim exemption from withholding if: (a) your income exceeds \$750 and includes more than \$250 of unearned income (e.g., interest and dividends) and (b) another person can claim you as a dependent on their tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on itemized

deductions, certain credits, adjustments to income, or two-earner/two-job situations. Complete all worksheets that apply. **However, you may claim fewer (or zero) allowances.**

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See line E below.

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

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

Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax.

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

Nonresident alien. If you are a nonresident alien, see the **Instructions for Form 8233** before completing this Form W-4.

Check your withholding. After your Form W-4 takes effect, use **Pub. 919** to see how the dollar amount you are having withheld compares to your projected total tax for 2003. See **Pub. 919**, especially if your earnings exceed \$125,000 (Single) or \$175,000 (Married).

Recent name change? If your name on line 1 differs from that shown on your social security card, call 1-800-772-1213 for a new social security card.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for **yourself** if no one else can claim you as a dependent **A** _____

B Enter "1" if: } } **B** _____

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less.

C Enter "1" for your **spouse**. But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) **C** _____

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return **D** _____

E Enter "1" if you will file as **head of household** on your tax return (see conditions under **Head of household** above) **E** _____

F Enter "1" if you have at least \$1,500 of **child or dependent care expenses** for which you plan to claim a credit **F** _____

(Note: Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G Child Tax Credit (including additional child tax credit): **G** _____

- If your total income will be between \$15,000 and \$42,000 (\$20,000 and \$65,000 if married), enter "1" for each eligible child plus **1 additional** if you have three to five eligible children or **2 additional** if you have six or more eligible children.
- If your total income will be between \$42,000 and \$80,000 (\$65,000 and \$115,000 if married), enter "1" if you have one or two eligible children, "2" if you have three eligible children, "3" if you have four eligible children, or "4" if you have five or more eligible children.

H Add lines A through G and enter total here. **Note: This may be different from the number of exemptions you claim on your tax return.** **H** _____

For accuracy, complete all worksheets that apply. } }

- If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you have **more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$35,000, see the **Two-Earner/Two-Job Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

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

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ For Privacy Act and Paperwork Reduction Act Notice, see page 2.</p>	OMB No. 1545-0010 2003
1 Type or print your first name and middle initial _____ Last name _____		2 Your social security number _____
Home address (number and street or rural route) _____		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. Note: If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.
City or town, state, and ZIP code _____		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a new card. <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) _____		5 _____
6 Additional amount, if any, you want withheld from each paycheck _____		6 \$ _____
7 I claim exemption from withholding for 2003, and I certify that I meet both of the following conditions for exemption: <ul style="list-style-type: none"> • Last year I had a right to a refund of all Federal income tax withheld because I had no tax liability and • This year I expect a refund of all Federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here _____ ▶		
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or I am entitled to claim exempt status.		
Employee's signature _____ (Form is not valid unless you sign it.) ▶		Date ▶ _____
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) _____		9 Office code (optional) _____
		10 Employer identification number _____

Deductions and Adjustments Worksheet

Note: Use this worksheet **only** if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2003 tax return.

1 Enter an estimate of your 2003 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2003, you may have to reduce your itemized deductions if your income is over \$139,500 (\$69,750 if married filing separately). See **Worksheet 3** in Pub. 919 for details.) . . . **1** \$ _____

2 Enter: $\left\{ \begin{array}{l} \$7,950 \text{ if married filing jointly or qualifying widow(er)} \\ \$7,000 \text{ if head of household} \\ \$4,750 \text{ if single} \\ \$3,975 \text{ if married filing separately} \end{array} \right\}$. . . **2** \$ _____

3 **Subtract** line 2 from line 1. If line 2 is greater than line 1, enter "-0-" . . . **3** \$ _____

4 Enter an estimate of your 2003 adjustments to income, including alimony, deductible IRA contributions, and student loan interest . . . **4** \$ _____

5 **Add** lines 3 and 4 and enter the total. Include any amount for credits from **Worksheet 7** in Pub. 919 . . . **5** \$ _____

6 Enter an estimate of your 2003 nonwage income (such as dividends or interest) . . . **6** \$ _____

7 **Subtract** line 6 from line 5. Enter the result, but not less than "-0-" . . . **7** \$ _____

8 **Divide** the amount on line 7 by \$3,000 and enter the result here. Drop any fraction . . . **8** _____

9 Enter the number from the **Personal Allowances Worksheet**, line H, page 1 . . . **9** _____

10 **Add** lines 8 and 9 and enter the total here. If you plan to use the **Two-Earner/Two-Job Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4, line 5, page 1 . . . **10** _____

Two-Earner/Two-Job Worksheet

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

1 Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) . . . **1** _____

2 Find the number in **Table 1** below that applies to the **lowest** paying job and enter it here . . . **2** _____

3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet . . . **3** _____

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

4 Enter the number from line 2 of this worksheet . . . **4** _____

5 Enter the number from line 1 of this worksheet . . . **5** _____

6 **Subtract** line 5 from line 4 . . . **6** _____

7 Find the amount in **Table 2** below that applies to the **highest** paying job and enter it here . . . **7** \$ _____

8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . **8** \$ _____

9 Divide line 8 by the number of pay periods remaining in 2003. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2002. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck . . . **9** \$ _____

Table 1: Two-Earner/Two-Job Worksheet

Married Filing Jointly				All Others			
If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above
\$0 - \$4,000	0	44,001 - 50,000	8	\$0 - \$6,000	0	75,001 - 100,000	8
4,001 - 9,000	1	50,001 - 60,000	9	6,001 - 11,000	1	100,001 - 110,000	9
9,001 - 15,000	2	60,001 - 70,000	10	11,001 - 18,000	2	110,001 and over	10
15,001 - 20,000	3	70,001 - 90,000	11	18,001 - 25,000	3		
20,001 - 25,000	4	90,001 - 100,000	12	25,001 - 29,000	4		
25,001 - 33,000	5	100,001 - 115,000	13	29,001 - 40,000	5		
33,001 - 38,000	6	115,001 - 125,000	14	40,001 - 55,000	6		
38,001 - 44,000	7	125,001 and over	15	55,001 - 75,000	7		

Table 2: Two-Earner/Two-Job Worksheet

Married Filing Jointly			All Others		
If wages from HIGHEST paying job are—	Enter on line 7 above		If wages from HIGHEST paying job are—	Enter on line 7 above	
\$0 - \$50,000	\$450		\$0 - \$30,000	\$450	
50,001 - 100,000	800		30,001 - 70,000	800	
100,001 - 150,000	900		70,001 - 140,000	900	
150,001 - 270,000	1,050		140,001 - 300,000	1,050	
270,001 and over	1,200		300,001 and over	1,200	

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. The Internal Revenue Code requires this information under sections 3402(f)(2)(A) and 6109 and their regulations. **Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may also subject you to penalties.** Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, to cities, states, and the District of Columbia for use in administering their tax laws, and using it in the National Directory of New Hires. We may also disclose this information to Federal and state agencies to enforce Federal nontax criminal laws and to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB

control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 46 min.; **Learning about the law or the form**, 13 min.; **Preparing the form**, 59 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the tax form to this address. Instead, give it to your employer.

How To Get Tax Help

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

Contacting your Taxpayer Advocate. If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate.

The Taxpayer Advocate 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.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate at **1-877-777-4778**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.

For more information, see Publication 1546, *The Taxpayer Advocate Service of the IRS*.

Free tax services. To find out what services are available, get Publication 910, *Guide to Free Tax Services*. It contains a list of free tax publications and an index of tax topics. It also describes other free tax information services, including tax education and assistance programs and a list of TeleTax topics.



Personal computer. With your personal computer and modem, you can access the IRS on the Internet at **www.irs.gov**. While visiting our web site, you can:

- See answers to frequently asked tax questions or request help by e-mail.
- Download forms and publications or search for forms and publications by topic or keyword.
- Order IRS products on-line.
- View forms that may be filled in electronically, print the completed form, and then save the form for recordkeeping.
- View Internal Revenue Bulletins published in the last few years.
- Search regulations and the Internal Revenue Code.
- Receive our electronic newsletters on hot tax issues and news.
- Learn about the benefits of filing electronically (IRS e-file).
- Get information on starting and operating a small business.

You can also reach us with your computer using File Transfer Protocol at **ftp.irs.gov**.



TaxFax Service. Using the phone attached to your fax machine, you can receive forms and instructions by calling **703-368-9694**. Follow the directions from the prompts. When you order forms, enter the catalog number for the form you need. The items you request will be faxed to you.

For help with transmission problems, call the FedWorld Help Desk at **703-487-4608**.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current and prior year forms, instructions, and publications.
- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.
- *Solving problems.* Take advantage of Everyday Tax Solutions service by calling your local IRS office to set up an in-person appointment at your convenience. Check your local directory assistance or **www.irs.gov** for the numbers.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call **1-800-829-4477** to listen to pre-recorded messages covering various tax topics.

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



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

- *Products.* You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Some IRS offices, libraries, grocery stores, copy centers, city and county governments, credit unions, and office supply stores have an extensive collection of products available to print from a CD-ROM or photocopy from reproducible proofs. Also, some IRS offices and libraries have the Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.
- *Services.* You can walk in to your local IRS office to ask tax questions or get help with a tax problem. Now you can set up an appointment by calling your local IRS office number and, at the prompt, leaving a

message requesting Everyday Tax Solutions help. A representative will call you back within 2 business days to schedule an in-person appointment at your convenience.



Mail. You can send your order for forms, instructions, and publications to the Distribution Center nearest to you and receive a response within 10 workdays after your request is received. Find the address that applies to your part of the country.

- **Western part of U.S.:**

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CD-ROM for tax products. You can order IRS Publication 1796, *Federal Tax Products on CD-ROM*, and obtain:

- Current tax forms, instructions, and publications.

- Prior-year tax forms and instructions.
- Popular tax forms that may be filled in electronically, printed out for submission, and saved for record-keeping.
- Internal Revenue Bulletins.

The CD-ROM can be purchased from National Technical Information Service (NTIS) by calling 1-877-233-6767 or on the Internet at <http://www.irs.gov/cdorders>. The first release is available in early January and the final release is available in late February.



CD-ROM for small businesses. IRS Publication 3207, *Small Business Resource Guide*, is a must for every small business owner or any taxpayer about to start a business. This handy, interactive CD contains all the business tax forms, instructions and publications needed to successfully manage a business. In addition, the CD provides an abundance of other helpful information, such as how to prepare a business plan, finding financing for your business, and much more. The design of the CD makes finding information easy and quick and incorporates file formats and browsers that can be run on virtually any desktop or laptop computer.

It is available in March. You can get a free copy by calling 1-800-829-3676 or by visiting the website at www.irs.gov/smallbiz.