

# LESSON 12-2

## Determining Payroll Tax Withholding

# EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE

| Form <b>W-4</b>  |  | <b>Employee's Withholding Allowance Certificate</b>   |                               | OMB No. 1545-0010                 |  |
|--|--|---|-------------------------------|-----------------------------------|--|
| Department of the Treasury<br>Internal Revenue Service   |  | For Privacy Act and Paperwork Reduction Act <b>3</b> See page 2.  |                               | 20-- <b>2</b>                     |  |
| <b>1</b>   | Type or print your first name and middle initial | Last name   | 2 Your social security number |                                   |  |
|  | Rick E.  | Selby   | 450 70 6432                   |                                   |  |
| Home address (number and street or rural route)  |  | 3 <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate.<br>Note: If married, but legally separated, or spouse is a nonresident alien, check the "Single" box. |                               | <b>4</b>                          |  |
| 1625 Northland Drive   |  | 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.  |                               |                                   |  |
| City or town, state, and ZIP code  |  | 5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)  |                               | 5 4                               |  |
| Clarkdale, GA 30020-6523   |  | 6 Additional amount, if any, you want withheld from each paycheck   |                               | 6 \$-0-                           |  |
| 7 I claim exemption from withholding for 20--, and I certify that I meet both of the following conditions for exemption:<br>Last year I had a right to a refund of all Federal income tax withheld because I had no tax liability and<br>This year I expect a refund of all Federal income tax withheld because I expect to have no tax liability. |  | 7   |                               |                                   |  |
| 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<br>(Form is not valid unless you sign it.)  |  | Date  |                               |                                   |  |
| Rick E. Selby <b>5</b>   |  | Feb. 15, 20 --  |                               |                                   |  |
| 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 |  |

1. Write the employee's name and address
2. Write the employee's social security number.
3. Check the appropriate marital status block.
4. Write the total number of withholding allowances claimed.
5. The employee signs and dates the form.

# EMPLOYEE'S INCOME TAX WITHHOLDING – MARRIED PERSONS

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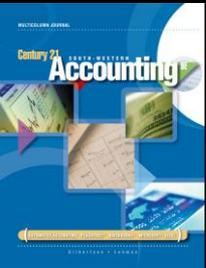
## 1 MARRIED Persons—SEMIMONTHLY Payroll Period

| 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—          |     |     |     |     |     |    |    |    |    |    |
| 1,040             | 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  |
| 1,860             | 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 |

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1. Select the appropriate table.
2. Locate the employee's total earnings.
3. Intersection of wages and number of allowances column.



# TERMS REVIEW

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- payroll taxes
- withholding allowance
- social security tax
- Medicare tax
- tax base