

Filing status:
 ☐ Single
 ☐ Married filing jointly
 ☐ Married filing separately
 ☐ Head of household
 ☐ Qualifying widow(er)

Your first name and initial

Last name

Your social security number

Your standard deduction:
 ☐ Someone can claim you as a dependent
 ☐ You were born before January 2, 1954
 ☐ You are blind

If joint return, spouse's first name and initial

Last name

Spouse's social security number

Spouse standard deduction:
 ☐ Someone can claim your spouse as a dependent
 ☐ Spouse was born before January 2, 1954
 ☐ Full-year health care coverage or exempt (see inst.)

☐ Spouse is blind
 ☐ Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions.

Apt. no.

**Presidential Election Campaign**  
 (see inst.)
 ☐ You
 ☐ Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6.

If more than four dependents, see inst. and ✓ here ☐

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

**Sign Here**  
 Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature

Date

Your occupation

Spouse's signature. If a joint return, **both** must sign.

Date

Spouse's occupation

If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Preparer's name

Preparer's signature

PTIN

Firm's EIN

Check if:  
☐ 3rd Party Designee  
☐ Self-employed

Firm's name ▶

Phone no.

Firm's address ▶

Attach Form(s)  
W-2. Also attach  
Form(s) W-2G and  
1099-R if tax was  
withheld.

**Standard****Deduction for —**

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	
<b>2a</b>	Tax-exempt interest . . . . . <b>2a</b>	<b>2b</b>	Taxable interest . . . . . <b>2b</b>
<b>3a</b>	Qualified dividends . . . . . <b>3a</b>	<b>3b</b>	Ordinary dividends . . . . . <b>3b</b>
<b>4a</b>	IRAs, pensions, and annuities . . . . . <b>4a</b>	<b>4b</b>	Taxable amount . . . . . <b>4b</b>
<b>5a</b>	Social security benefits . . . . . <b>5a</b>	<b>5b</b>	Taxable amount . . . . . <b>5b</b>
<b>6</b>	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22 . . . . .	<b>6</b>	
<b>7</b>	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6 . . . . .	<b>7</b>	
<b>8</b>	<b>Standard deduction or itemized deductions</b> (from Schedule A) . . . . .	<b>8</b>	
<b>9</b>	Qualified business income deduction (see instructions) . . . . .	<b>9</b>	
<b>10</b>	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0- . . . . .	<b>10</b>	
<b>11</b>	<b>a</b> Tax (see inst.) (check if any from: <b>1</b> <input type="checkbox"/> Form(s) 8814 <b>2</b> <input type="checkbox"/> Form 4972 <b>3</b> <input type="checkbox"/> ) <b>b</b> Add any amount from Schedule 2 and check here <input type="checkbox"/>	<b>11</b>	
<b>12</b>	<b>a</b> Child tax credit/credit for other dependents <b>b</b> Add any amount from Schedule 3 and check here <input type="checkbox"/>	<b>12</b>	
<b>13</b>	Subtract line 12 from line 11. If zero or less, enter -0- . . . . .	<b>13</b>	
<b>14</b>	Other taxes. Attach Schedule 4 . . . . .	<b>14</b>	
<b>15</b>	Total tax. Add lines 13 and 14 . . . . .	<b>15</b>	
<b>16</b>	Federal income tax withheld from Forms W-2 and 1099 . . . . .	<b>16</b>	
<b>17</b>	Refundable credits: <b>a</b> EIC (see inst.) <b>b</b> Sch. 8812 <b>c</b> Form 8863 <b>Add any amount from Schedule 5</b> . . . . .	<b>17</b>	
<b>18</b>	Add lines 16 and 17. These are your total payments . . . . .	<b>18</b>	
<b>19</b>	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you <b>overpaid</b> . . . . .	<b>19</b>	
<b>20a</b>	Amount of line 19 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>20a</b>	
<b>b</b>	Routing number <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number		
<b>21</b>	Amount of line 19 you want <b>applied to your 2019 estimated tax</b> . . . . . <b>21</b>		
<b>22</b>	<b>Amount you owe</b> . Subtract line 18 from line 15. For details on how to pay, see instructions . . . . . <b>22</b>		
<b>23</b>	Estimated tax penalty (see instructions) . . . . . <b>23</b>		

**Refund**

Direct deposit?  
See instructions.

**Amount You Owe**

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

# Form W-4 (2018)

**Future developments.** For the latest information about any future developments related to Form W-4, such as legislation enacted after it was published, go to [www.irs.gov/FormW4](http://www.irs.gov/FormW4).

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

**Exemption from withholding.** You may claim exemption from withholding for 2018 if **both** of the following apply.

- For 2017 you had a right to a refund of **all** federal income tax withheld because you had **no** tax liability, **and**
- For 2018 you expect a refund of **all** federal income tax withheld because you expect to have **no** tax liability.

If you're exempt, complete **only** lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2018 expires February 15, 2019. See Pub. 505, Tax Withholding and Estimated Tax, to learn more about whether you qualify for exemption from withholding.

## General Instructions

If you aren't exempt, follow the rest of these instructions to determine the number of withholding allowances you should claim for withholding for 2018 and any additional amount of tax to have withheld. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

You can also use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to determine your tax withholding more accurately. Consider

using this calculator if you have a more complicated tax situation, such as if you have a working spouse, more than one job, or a large amount of nonwage income outside of your job. After your Form W-4 takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2018. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

**Filers with multiple jobs or working spouses.** If you have more than one job at a time, or if you're married and your spouse is also working, read all of the instructions including the instructions for the Two-Earners/Multiple Jobs Worksheet before beginning.

**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 might owe additional tax. Or, you can use the Deductions, Adjustments, and Other Income Worksheet on page 3 or the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make sure you have enough tax withheld from your paycheck. If you have pension or annuity income, see Pub. 505 or use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to find out if you should adjust your withholding on Form W-4 or W-4P.

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

## Specific Instructions

### Personal Allowances Worksheet

Complete this worksheet on page 3 first to determine the number of withholding allowances to claim.

#### Line C. Head of household please note:

Generally, you can claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

**Line E. Child tax credit.** When you file your tax return, you might be eligible to claim a credit for each of your qualifying children. To qualify, the child must be under age 17 as of December 31 and must be your dependent who lives with you for more than half the year. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your wages and other income, including income earned by a spouse, during the year.

#### Line F. Credit for other dependents.

When you file your tax return, you might be eligible to claim a credit for each of your dependents that don't qualify for the child tax credit, such as any dependent children age 17 and older. To learn more about this credit, see Pub. 505. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet, you will be asked about your total income. For this purpose, total income includes all of

----- Separate here and give Form W-4 to your employer. Keep the worksheet(s) for your records. -----

Form <b>W-4</b> Department of the Treasury Internal Revenue Service		<b>Employee's Withholding Allowance Certificate</b>		OMB No. 1545-0074 <b>2018</b>	
<b>1</b> Your first name and middle initial		Last name		<b>2</b> Your social security number	
Home address (number and street or rural route)		<b>3</b> <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <b>Note:</b> If married filing separately, check "Married, but withhold at higher Single rate."			
City or town, state, and ZIP code		<b>4</b> If your last name differs from that shown on your social security card, check here. You must call 800-772-1213 for a replacement card. <input type="checkbox"/>			
<b>5</b> Total number of allowances you're claiming (from the applicable worksheet on the following pages) . . . . .		<b>5</b>			
<b>6</b> Additional amount, if any, you want withheld from each paycheck . . . . .		<b>6</b>		\$	
<b>7</b> I claim exemption from withholding for 2018, and I certify that I meet <b>both</b> of the following conditions for exemption. • Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b> • This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability. If you meet both conditions, write "Exempt" here . . . . . <b>7</b>					
Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.					
<b>Employee's signature</b> (This form is not valid unless you sign it.) ►					
<b>8</b> Employer's name and address ( <b>Employer:</b> Complete boxes 8 and 10 if sending to IRS and complete boxes 8, 9, and 10 if sending to State Directory of New Hires.)		<b>9</b> First date of employment		<b>10</b> Employer identification number (EIN)	

your wages and other income, including income earned by a spouse, during the year.

**Line G. Other credits.** You might be able to reduce the tax withheld from your paycheck if you expect to claim other tax credits, such as the earned income tax credit and tax credits for education and child care expenses. If you do so, your paycheck will be larger but the amount of any refund that you receive when you file your tax return will be smaller. Follow the instructions for Worksheet 1-6 in Pub. 505 if you want to reduce your withholding to take these credits into account.

### **Deductions, Adjustments, and Additional Income Worksheet**

Complete this worksheet to determine if you're able to reduce the tax withheld from your paycheck to account for your itemized deductions and other adjustments to income such as IRA contributions. If you do so, your refund at the end of the year will be smaller, but your paycheck will be larger. You're not required to complete this worksheet or reduce your withholding if you don't wish to do so.

You can also use this worksheet to figure out how much to increase the tax withheld from your paycheck if you have a large amount of nonwage income, such as interest or dividends.

Another option is to take these items into account and make your withholding more accurate by using the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App). If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

### **Two-Earners/Multiple Jobs Worksheet**

Complete this worksheet if you have more

than one job at a time or are married filing jointly and have a working spouse. If you don't complete this worksheet, you might have too little tax withheld. If so, you will owe tax when you file your tax return and might be subject to a penalty.

Figure the total number of allowances you're entitled to claim and any additional amount of tax to withhold on all jobs using worksheets from only one Form W-4. Claim all allowances on the W-4 that you or your spouse file for the highest paying job in your family and claim zero allowances on Forms W-4 filed for all other jobs. For example, if you earn \$60,000 per year and your spouse earns \$20,000, you should complete the worksheets to determine what to enter on lines 5 and 6 of your Form W-4, and your spouse should enter zero ("0") on lines 5 and 6 of his or her Form W-4. See Pub. 505 for details.

Another option is to use the calculator at [www.irs.gov/W4App](http://www.irs.gov/W4App) to make your withholding more accurate.

**Tip:** If you have a working spouse and your incomes are similar, you can check the "Married, but withhold at higher Single rate" box instead of using this worksheet. If you choose this option, then each spouse should fill out the Personal Allowances Worksheet and check the "Married, but withhold at higher Single rate" box on Form W-4, but only one spouse should claim any allowances for credits or fill out the Deductions, Adjustments, and Additional Income Worksheet.

### **Instructions for Employer**

**Employees, do not complete box 8, 9, or 10. Your employer will complete these boxes if necessary.**

**New hire reporting.** Employers are

required by law to report new employees to a designated State Directory of New Hires. Employers may use Form W-4, boxes 8, 9, and 10 to comply with the new hire reporting requirement for a newly hired employee. A newly hired employee is an employee who hasn't previously been employed by the employer, or who was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days. Employers should contact the appropriate State Directory of New Hires to find out how to submit a copy of the completed Form W-4. For information and links to each designated State Directory of New Hires (including for U.S. territories), go to [www.acf.hhs.gov/programs/css/employers](http://www.acf.hhs.gov/programs/css/employers).

If an employer is sending a copy of Form W-4 to a designated State Directory of New Hires to comply with the new hire reporting requirement for a newly hired employee, complete boxes 8, 9, and 10 as follows.

**Box 8.** Enter the employer's name and address. If the employer is sending a copy of this form to a State Directory of New Hires, enter the address where child support agencies should send income withholding orders.

**Box 9.** If the employer is sending a copy of this form to a State Directory of New Hires, enter the employee's first date of employment, which is the date services for payment were first performed by the employee. If the employer rehired the employee after the employee had been separated from the employer's service for at least 60 days, enter the rehire date.

**Box 10.** Enter the employer's employer identification number (EIN).

**Personal Allowances Worksheet** (Keep for your records.)

<b>A</b>	Enter "1" for yourself . . . . .	<b>A</b> _____
<b>B</b>	Enter "1" if you will file as married filing jointly . . . . .	<b>B</b> _____
<b>C</b>	Enter "1" if you will file as head of household . . . . .	<b>C</b> _____
<b>D</b>	Enter "1" if: { <ul style="list-style-type: none"> <li>• You're single, or married filing separately, and have only one job; or</li> <li>• You're married filing jointly, have only one job, and your spouse doesn't work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul>	<b>D</b> _____
<b>E</b>	<b>Child tax credit.</b> See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> <li>• If your total income will be less than \$69,801 (\$101,401 if married filing jointly), enter "4" for each eligible child.</li> <li>• If your total income will be from \$69,801 to \$175,550 (\$101,401 to \$339,000 if married filing jointly), enter "2" for each eligible child.</li> <li>• If your total income will be from \$175,551 to \$200,000 (\$339,001 to \$400,000 if married filing jointly), enter "1" for each eligible child.</li> <li>• If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-" . . . . .</li> </ul>	
<b>F</b>	<b>Credit for other dependents.</b> <ul style="list-style-type: none"> <li>• If your total income will be less than \$69,801 (\$101,401 if married filing jointly), enter "1" for each eligible dependent.</li> <li>• If your total income will be from \$69,801 to \$175,550 (\$101,401 to \$339,000 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents).</li> <li>• If your total income will be higher than \$175,550 (\$339,000 if married filing jointly), enter "-0-" . . . . .</li> </ul>	
<b>G</b>	<b>Other credits.</b> If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here . . . . .	<b>G</b> _____
<b>H</b>	Add lines A through G and enter the total here . . . . .	<b>H</b> _____

For accuracy,  
complete all  
worksheets  
that apply.

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, or if you have a large amount of nonwage income and want to increase your withholding, see the **Deductions, Adjustments, and Additional Income Worksheet** below.
- If you **have more than one job at a time** or are **married filing jointly and you and your spouse both work**, and the combined earnings from all jobs exceed \$52,000 (\$24,000 if married filing jointly), see the **Two-Earners/Multiple Jobs Worksheet** on page 4 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 above.

**Deductions, Adjustments, and Additional Income Worksheet**

**Note:** Use this worksheet *only* if you plan to itemize deductions, claim certain adjustments to income, or have a large amount of nonwage income.

<b>1</b>	Enter an estimate of your 2018 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income. See Pub. 505 for details . . . . .	<b>1</b> \$ _____
<b>2</b>	Enter: { <ul style="list-style-type: none"> <li>\$24,000 if you're married filing jointly or qualifying widow(er)</li> <li>\$18,000 if you're head of household</li> <li>\$12,000 if you're single or married filing separately</li> </ul>	<b>2</b> \$ _____
<b>3</b>	<b>Subtract</b> line 2 from line 1. If zero or less, enter "-0-" . . . . .	<b>3</b> \$ _____
<b>4</b>	Enter an estimate of your 2018 adjustments to income and any additional standard deduction for age or blindness (see Pub. 505 for information about these items) . . . . .	<b>4</b> \$ _____
<b>5</b>	<b>Add</b> lines 3 and 4 and enter the total . . . . .	<b>5</b> \$ _____
<b>6</b>	Enter an estimate of your 2018 nonwage income (such as dividends or interest) . . . . .	<b>6</b> \$ _____
<b>7</b>	<b>Subtract</b> line 6 from line 5. If zero, enter "-0-". If less than zero, enter the amount in parentheses . . . . .	<b>7</b> \$ _____
<b>8</b>	<b>Divide</b> the amount on line 7 by \$4,150 and enter the result here. If a negative amount, enter in parentheses. Drop any fraction . . . . .	<b>8</b> _____
<b>9</b>	Enter the number from the <b>Personal Allowances Worksheet</b> , line H above . . . . .	<b>9</b> _____
<b>10</b>	<b>Add</b> lines 8 and 9 and enter the total here. If zero or less, enter "-0-". If you plan to use the <b>Two-Earners/Multiple Jobs Worksheet</b> , also enter this total on line 1, page 4. Otherwise, <b>stop here</b> and enter this total on Form W-4, line 5, page 1 . . . . .	<b>10</b> _____

**Two-Earners/Multiple Jobs Worksheet**

**Note:** Use this worksheet *only* if the instructions under line H from the **Personal Allowances Worksheet** direct you here.

- 1** Enter the number from the **Personal Allowances Worksheet**, line H, page 3 (or, if you used the **Deductions, Adjustments, and Additional Income Worksheet** on page 3, the number from line 10 of that worksheet) . . . . . **1** \_\_\_\_\_
  - 2** Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here. **However**, if you're married filing jointly and wages from the highest paying job are \$75,000 or less and the combined wages for you and your spouse are \$107,000 or less, don't enter more than "3" . . . . . **2** \_\_\_\_\_
  - 3** If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4, line 5, page 1. **Do not** use the rest of this worksheet . . . . . **3** \_\_\_\_\_
- Note:** If line 1 is **less than** line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.
- 4** Enter the number from line 2 of this worksheet . . . . . **4** \_\_\_\_\_
  - 5** Enter the number from line 1 of this worksheet . . . . . **5** \_\_\_\_\_
  - 6** **Subtract** line 5 from line 4 . . . . . **6** \_\_\_\_\_
  - 7** Find the amount in **Table 2** below that applies to the **HIGHEST** paying job and enter it here . . . . . **7** \$ \_\_\_\_\_
  - 8** **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . . . **8** \$ \_\_\_\_\_
  - 9** **Divide** line 8 by the number of pay periods remaining in 2018. For example, divide by 18 if you're paid every 2 weeks and you complete this form on a date in late April when there are 18 pay periods remaining in 2018. 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** \$ \_\_\_\_\_

<b>Table 1</b>				<b>Table 2</b>			
<b>Married Filing Jointly</b>		<b>All Others</b>		<b>Married Filing Jointly</b>		<b>All Others</b>	
If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying job are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying job are—	Enter on line 7 above
\$0 - \$5,000	0	\$0 - \$7,000	0	\$0 - \$24,375	\$420	\$0 - \$7,000	\$420
5,001 - 9,500	1	7,001 - 12,500	1	24,376 - 82,725	500	7,001 - 36,175	500
9,501 - 19,000	2	12,501 - 24,500	2	82,726 - 170,325	910	36,176 - 79,975	910
19,001 - 26,500	3	24,501 - 31,500	3	170,326 - 320,325	1,000	79,976 - 154,975	1,000
26,501 - 37,000	4	31,501 - 39,000	4	320,326 - 405,325	1,330	154,976 - 197,475	1,330
37,001 - 43,500	5	39,001 - 55,000	5	405,326 - 605,325	1,450	197,476 - 497,475	1,450
43,501 - 55,000	6	55,001 - 70,000	6	605,326 and over	1,540	497,476 and over	1,540
55,001 - 60,000	7	70,001 - 85,000	7				
60,001 - 70,000	8	85,001 - 90,000	8				
70,001 - 75,000	9	90,001 - 100,000	9				
75,001 - 85,000	10	100,001 - 105,000	10				
85,001 - 95,000	11	105,001 - 115,000	11				
95,001 - 130,000	12	115,001 - 120,000	12				
130,001 - 150,000	13	120,001 - 130,000	13				
150,001 - 160,000	14	130,001 - 145,000	14				
160,001 - 170,000	15	145,001 - 155,000	15				
170,001 - 180,000	16	155,001 - 185,000	16				
180,001 - 190,000	17	185,001 and over	17				
190,001 - 200,000	18						
200,001 and over	19						

**Privacy Act and Paperwork Reduction**

**Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. Failure to provide a properly completed form will result in your being treated as a single person who claims no withholding allowances; providing fraudulent information may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, the District of Columbia, and

U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You aren't required to provide the information requested on a form that's subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be

retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

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

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

## Filing Status

☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box.

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial		Last name		Your social security number	
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below.			State		ZIP code
Foreign country name		Foreign province/state/county		Foreign postal code	
Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse					

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☐ No

## Standard Deduction

Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent  
☐ Spouse itemizes on a separate return or you were a dual-status alien

## Age/Blindness

You: ☐ Were born before January 2, 1956 ☐ Are blind Spouse: ☐ Was born before January 2, 1956 ☐ Is blind

## Dependents

(see instructions):

If more than four dependents, see instructions and check here ▶ ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions):	Child tax credit	Credit for other dependents
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required.

1	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .		1	
2a	Tax-exempt interest . . . . .	2a		
3a	Qualified dividends . . . . .	3a		
4a	IRA distributions . . . . .	4a		
5a	Pensions and annuities . . . . .	5a		
6a	Social security benefits . . . . .	6a		
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . . ▶ <input type="checkbox"/>		7	
8	Other income from Schedule 1, line 9 . . . . .		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b> . . . . . ▶		9	
10	Adjustments to income:			
a	From Schedule 1, line 22 . . . . .	10a		
b	Charitable contributions if you take the standard deduction. See instructions . . . . .	10b		
c	Add lines 10a and 10b. These are your <b>total adjustments to income</b> . . . . . ▶	10c		
11	Subtract line 10c from line 9. This is your <b>adjusted gross income</b> . . . . . ▶		11	
12	<b>Standard deduction or itemized deductions</b> (from Schedule A) . . . . .		12	
13	Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . .		13	
14	Add lines 12 and 13 . . . . .		14	
15	<b>Taxable income.</b> Subtract line 14 from line 11. If zero or less, enter -0- . . . . .		15	

## Standard Deduction for—

- Single or Married filing separately, \$12,400
- Married filing jointly or Qualifying widow(er), \$24,800
- Head of household, \$18,650
- If you checked any box under **Standard Deduction**, see instructions.

<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> <input type="checkbox"/>	<b>16</b>	
<b>17</b>	Amount from Schedule 2, line 3	<b>17</b>	
<b>18</b>	Add lines 16 and 17	<b>18</b>	
<b>19</b>	Child tax credit or credit for other dependents	<b>19</b>	
<b>20</b>	Amount from Schedule 3, line 7	<b>20</b>	
<b>21</b>	Add lines 19 and 20	<b>21</b>	
<b>22</b>	Subtract line 21 from line 18. If zero or less, enter -0-	<b>22</b>	
<b>23</b>	Other taxes, including self-employment tax, from Schedule 2, line 10	<b>23</b>	
<b>24</b>	Add lines 22 and 23. This is your <b>total tax</b>	<b>24</b>	
<b>25</b>	Federal income tax withheld from:		
<b>a</b>	Form(s) W-2	<b>25a</b>	
<b>b</b>	Form(s) 1099	<b>25b</b>	
<b>c</b>	Other forms (see instructions)	<b>25c</b>	
<b>d</b>	Add lines 25a through 25c	<b>25d</b>	
<b>26</b>	2020 estimated tax payments and amount applied from 2019 return	<b>26</b>	
<b>27</b>	Earned income credit (EIC)	<b>27</b>	
<b>28</b>	Additional child tax credit. Attach Schedule 8812	<b>28</b>	
<b>29</b>	American opportunity credit from Form 8863, line 8	<b>29</b>	
<b>30</b>	Recovery rebate credit. See instructions	<b>30</b>	
<b>31</b>	Amount from Schedule 3, line 13	<b>31</b>	
<b>32</b>	Add lines 27 through 31. These are your <b>total other payments and refundable credits</b>	<b>32</b>	
<b>33</b>	Add lines 25d, 26, and 32. These are your <b>total payments</b>	<b>33</b>	

**Refund**Direct deposit?  
See instructions.

<b>34</b>	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	<b>34</b>	
<b>35a</b>	Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>35a</b>	
<b>b</b>	Routing number	<b>c</b>	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b>	Account number		
<b>36</b>	Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	<b>36</b>	

**Amount You Owe**

For details on how to pay, see instructions.

<b>37</b>	Subtract line 33 from line 24. This is the <b>amount you owe now</b>	<b>37</b>	
<b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.			
<b>38</b>	Estimated tax penalty (see instructions)	<b>38</b>	

**Third Party Designee**Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)
-----------------	-----------	--------------------------------------

**Sign Here**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)

Phone no.	Email address
-----------	---------------

**Paid Preparer Use Only**

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
Firm's EIN				





# 2021 W-4MN, Minnesota Employee Withholding Allowance/Exemption Certificate

## Employees

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

Employee's First Name and Initial	Last Name	Employee's Social Security Number
Permanent Address		<b>Marital Status (Check one):</b> <input type="checkbox"/> Single; Married, but legally separated; or Spouse is a nonresident alien <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate
City	State	ZIP Code

**Read instructions on back. Complete Section 1 OR Section 2, then sign and give the completed form to your employer. Do not complete both Section 1 and Section 2. Completing both sections will make the form invalid.**

### ☐ Section 1 — Determining Minnesota Allowances

- A** Enter "1" if no one else can claim you as a dependent ..... **A** \_\_\_\_\_
- B** Enter "1" if any of the following apply: ..... **B** \_\_\_\_\_
- You are single and have only one job
  - You are married, have only one job, and your spouse does not work
  - Your wages from a second job or your spouse's wages are \$1500 or less
- C** Enter "1" if you are married. 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 the number of dependents (other than your spouse or yourself) you will claim on your tax return. . . . **D** \_\_\_\_\_
- E** Enter "1" if you will use the filing status Head of Household (see instructions). . . . . **E** \_\_\_\_\_
- F Total number of allowances claimed.** Add steps A through E.  
If you plan to itemize deductions on your 2021 Minnesota income tax return, you may also complete the Itemized Deductions and Additional Income Worksheet. . . . . **F** \_\_\_\_\_

### ☐ Section 2 — Exemption From Minnesota Withholding

Complete Section 2 if you claim to be exempt from Minnesota income tax withholding (see Section 2 instructions for qualifications). If applicable, check one box below to indicate why you believe you are exempt:

- ☐ **A** I meet the requirements and claim exempt from both federal and Minnesota income tax withholding
- ☐ **B** Even though I did not claim exempt from federal withholding, I claim exempt from Minnesota withholding, because:
- I had no Minnesota income tax liability last year
  - I received a refund of all Minnesota income tax withheld
  - I expect to have no Minnesota income tax liability this year
- ☐ **C** All of these apply:
- My spouse is a military service member assigned to a military location in Minnesota
  - My domicile (legal residence) is in another state
  - I am in Minnesota solely to be with my spouse. My state of domicile is \_\_\_\_\_
- ☐ **D** I am an American Indian that resides and works on a reservation
- ☐ **E** I am a member of the Minnesota National Guard or an active duty U.S. military member and claim exempt from Minnesota withholding on my military pay
- ☐ **F** I receive a military pension or other military retirement pay as calculated under U.S. Code, title 10, sections 1401 through 1414, 1447 through 1455, and 12733, and I claim exempt from Minnesota withholding on this retirement pay

### Minnesota Allowances and Additional Withholding

- 1 Minnesota Allowances.** Enter Step F from Section 1 above or Step 10 of the Itemized Deductions Worksheet . . **1** \_\_\_\_\_
- 2** Additional Minnesota withholding you want deducted each pay period (see instructions) . . . . . **2** \_\_\_\_\_

*I certify that all information provided in Section 1 OR Section 2 is correct. I understand there is a \$500 penalty for filing a false Form W-4MN.*

Employee's Signature	Date	Daytime Phone Number
----------------------	------	----------------------

**Employees:** Give the completed form to your employer.

## Employers

See the employer instructions to determine if you must send a copy of this form to the Minnesota Department of Revenue. If required, enter your information below and mail this form to the address in the instructions. (Incomplete forms are considered invalid.) We may assess a \$50 penalty for each required Form W-4MN not filed with us. Keep a copy for your records.

Name of Employer	Federal Employer ID Number (FEIN)	Minnesota Tax ID Number
Address	City	State ZIP Code

## Form W-4MN Employee Instructions

*Complete this form for your employer to calculate the amount of Minnesota income tax to be withheld from your pay.*

### When should I complete Form W-4MN?

Complete Form W-4MN if any of these apply:

- You begin employment
- You change your filing status
- You reasonably expect to change your filing status in the next calendar year
- Your personal or financial situation changes
- You claim exempt from Minnesota withholding (see Section 2 instructions for qualifications)

If you have not had sufficient Minnesota income tax withheld from your wages, we may assess penalty and interest when you file your state income tax return.

**Note:** Your employer may be required to submit a copy of your Form W-4MN to the Minnesota Department of Revenue. You may be subject to a \$500 penalty if you provide a false Form W-4MN.

### What if I have completed federal Form W-4?

If you completed a 2021 Form W-4, you must complete Form W-4MN to determine your Minnesota withholding allowances.

### What if I am exempt from Minnesota withholding?

If you claim exempt from Minnesota withholding, complete only Section 2 of Form W-4MN and sign the form to validate it. If you complete Section 2, you must complete a new Form W-4MN by February 15 in each following year.

You cannot claim exempt from withholding if all of these apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

### What if I am a nonresident alien for U.S. income taxes?

If you are a nonresident alien, you are not allowed to claim exempt from withholding. You will check the single box for marital status regardless of your actual marital status and may enter one personal allowance on Step A. Enter zero on steps B, C, and E.

If you are resident of Canada, Mexico, South Korea, or India, and are allowed to claim dependents, you may enter the number of dependents on Step D.

### Section 1 — Minnesota Allowances Worksheet

Complete Section 1 to find your allowances for Minnesota withholding tax. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

If you expect to owe more income tax for the year than will be withheld, you can claim fewer allowances or request additional Minnesota withholding from your wages. Enter the amount of additional Minnesota income tax you want withheld on line 2 of Section 1.

#### Nonwage Income

Consider making estimated payments if you have a large amount of “nonwage income.” Nonwage income (other than tax-exempt income) includes interest, dividends, net rental income, unemployment compensation, gambling winnings, prizes and awards, hobby income, capital gains, royalties, and partnership income.

#### Two Earners or Multiple Jobs

If your spouse works or you have 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-4MN. Usually, your withholding will be more accurate when all allowances are claimed on the Form W-4MN for the highest paying job and zero allowances are claimed on the others.

#### Head of Household Filing Status

You may claim Head of Household as your filing status if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself, your dependents, and other qualifying individuals. Enter “1” on Step E if you may claim Head of Household as your filing status on your tax return.

#### What if I itemize deductions on my Minnesota return or have other nonwage income?

Use the Itemized Deductions and Additional Income Worksheet to find your Minnesota withholding allowances. Complete Section 1 on page 1, then follow the steps in the worksheet on the next page to find additional allowances.

### Section 2 — Minnesota Exemption

Your employer will not withhold Minnesota taxes from your pay if you are exempt from Minnesota withholding. You cannot claim exempt from withholding if all of these apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

*Continued*

**Itemized Deductions and Additional Income Worksheet**

- 1 Enter an estimate of your 2021 Minnesota itemized deductions. For 2021, you may have to reduce your itemized deductions if your income is over \$199,850 (\$99,925 for Married Filing Separately). . . . .
- 2 Enter one of the following based on your filing status: . . . . .
  - a. \$25,050 if Married Filing Jointly
  - b. \$18,800 if Head of Household
  - c. \$12,525 if Single or Married Filing Separately
- 3 Subtract step 2 from step 1. If zero or less, enter 0 . . . . .
- 4 Enter an estimate of your 2021 additional standard deduction (from page 11 of the Form M1 instructions). . . . .
- 5 Add steps 3 and 4 . . . . .
- 6 Enter an estimate of your 2021 taxable nonwage income . . . . .
- 7 Subtract step 6 from step 5. If zero, enter 0. If less than zero, enter the amount in parentheses. . . . .
- 8 Divide the amount on step 7 by \$4,350. If a negative amount, enter in parentheses. Do not include fractions . . . . .
- 9 Enter the number on step F of Section 1 on page 1 . . . . .
- 10 Add step 8 and 9 and enter the total here. If zero or less, enter 0. Enter this amount on line 1 of page 1. . . . .

**Box A**

Check box A of Section 2 to claim exempt if all of these apply:

- You meet the requirements to be exempt from federal withholding
- You had no Minnesota income tax liability in the prior year and received a full refund of Minnesota tax withheld
- You expect to have no Minnesota income tax liability for the current year

**Box B**

Check box B of Section 2 if you are not claiming exempt from federal withholding, but meet the second and third requirements for box A.

**Box C**

Check box C in Section 2 to claim exempt if all of these apply:

- You are the spouse of a military member assigned to duty in Minnesota
- You and your spouse are domiciled in another state
- You are in Minnesota solely to be with your active duty military spouse member

**Boxes D-F**

If you receive income from the following sources, it is exempt from Minnesota withholding. Your employer will not withhold Minnesota tax from that income when you check the appropriate box in Section 2.

- **Box D:** You receive wages as a member of an American Indian tribe living and working on the reservation of which you are an enrolled member.
- **Box E:** You receive wages for Minnesota National Guard (MNG) pay or for active duty U.S. military pay. MNG and active duty U.S. military members can claim exempt from Minnesota withholding on these wages, even if they are taxable federally. For more information, see Income Tax Fact Sheet 5, Military Personnel.
- **Box F:** You receive a military pension or other military retirement pay calculated under U.S. Code title 10, sections 1401 through 1414, 1447 through 1455, and 12733. You may claim exempt from Minnesota withholding on this income even if it is taxable federally.

**Note:** You may not want to claim exempt if you (or your spouse if filing a joint return) expect to have other forms of income subject to Minnesota tax and you want to avoid owing tax at the end of the year.

If you complete Section 2, you must complete a new Form W-4MN by February 15 in each following year.

**Nonresident Alien**

If you are a nonresident alien for federal tax purposes, do not complete Section 2.

**Additional Minnesota Withholding**

If you would like an additional amount of tax to be deducted per payment period, enter the amount on line 2. Do not enter a percentage of the payment you want to be deducted.

**Use of Information**

All information on Form W-4MN is private by state law. It cannot be given to others without your consent, except to the Internal Revenue Service, to other states that guarantee the same privacy, and by court order. Your name, address, and Social Security Number are required for identification. Information about your allowances is required to determine your correct tax. We ask for your phone number so we can call if we have a question.

**Questions?**

- Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)
- Email: [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us)
- Phone: 651-282-9999 or 1-800-657-3594 (toll-free)

# Form W-4MN Employer Instructions

## Form W-4MN Requirement

Federal Form W-4 will not determine withholding allowances used to determine the amount of Minnesota withholding. Employees completing a 2021 Form W-4 will need to complete 2021 Form W-4MN to determine the appropriate amount of Minnesota withholding.

## Lock-In Letters

Internal Revenue Service (IRS) Letter 2800C tells you when the IRS believes your employee may have filed an incorrect federal Form W-4. If you receive this letter, you must provide the Minnesota Department of Revenue with a copy of the employee's Form W-4MN. We will verify the number of allowances that the employee may claim for Minnesota purposes. Continue using the Form W-4MN you were using at the time you received Letter 2800C from the IRS, until we notify you to change the amount of allowances on the employee's Form W-4MN. If the employee has not completed a Form W-4MN, have them complete the form and use the allowances calculated on that form until notified by the department.

Use the amount on line 1 of page 1 for calculating the withholding tax for your employees.

## When does an employee complete Form W-4MN?

Employees complete Form W-4MN when they begin employment or when their personal or financial situation changes.

## How should I determine Minnesota withholding for an employee that does not complete Form W-4MN?

If an employee does not complete Form W-4MN and they have a federal Form W-4 (from 2019 or prior years) on file, use the allowances on their federal Form W-4. Otherwise, withhold Minnesota tax as if the employee is single with zero withholding allowances.

## What if my employee claims to be exempt from Minnesota withholding?

If your employee claims exempt from Minnesota withholding, they must complete Section 2 of Form W-4MN. They must provide you with a new Form W-4MN by February 15 of each year. If you are paying an employee for wages that are exempt from withholding, such as Medicaid Waiver Payments or wages to H-2A visa workers, do not send us Form W-4MN.

## When do I need to submit copies of a Form W-4MN to the department?

You must send copies of Form W-4MN to us if any of these apply:

- The employee claims more than 10 Minnesota withholding allowances
- The employee checked box A or B under Section 2, and you reasonably expect the employee's wages to exceed \$200 per week
- You believe the employee is not entitled to the number of allowances claimed

You do not need to submit Form W-4MN to us if the employee is asking to have additional Minnesota withholding deducted from their pay.

We may assess a \$50 penalty for each Form W-4MN you do not file with us when required.

Mail Forms W-4MN to:

Minnesota Department of Revenue  
Mail Station 6501  
600 N. Robert St.  
St. Paul, MN 55146-6501

## What if my employee is a resident of a reciprocity state?

If your employee is a resident of North Dakota or Michigan and they do not want you to withhold Minnesota tax from their wages, they must complete Form MWR, *Reciprocity Exemption/Affidavit of Residency*. They must complete a Form MWR by February 28 of each year, or within 30 days after they begin working or change their permanent residence. See Withholding Fact Sheet 20, *Reciprocity - Employee Withholding*, for more information.

## What is an invalid Form W-4MN?

A Form W-4MN is considered invalid if any of these apply:

- There is any unauthorized change or addition to the form, including any change to the language certifying the form is correct
- The employee indicates in any way the form is false by the date they provide you with the form
- The form is incomplete or lacks the necessary signatures
- Both Section 1 and Section 2 were completed
- The employer information is incomplete

## What if I receive an invalid form?

Do not use the invalid form to calculate Minnesota income tax withholding. Have the employee complete and submit a new Form W-4MN. If the employee does not give you a valid form, and you have an earlier Form W-4MN from them, use the earlier form to calculate their withholding.

If a valid Form W-4MN is not completed by the employee, withhold taxes as if the employee is single and claiming zero withholding allowances.

## What if my employee is a nonresident alien of the United States?

If the wages to this employee are subject to income tax withholding, you will use Table 1 and the procedure under **Withholding Adjustment for Nonresident Alien Employees** in IRS Publication 15-T to determine the correct Minnesota withholding tax. Do not use this procedure for nonresident alien students from India and business apprentices from India. See IRS Notice 1392 for special instructions and withholding exceptions.

# Income Tax Matters

A Segment of BestPrep's Financial Matters Series

**TAX**  
**form 1040**  
**Income**  
**REFUND**  
**April 15**  
**dependant**  
**Paycheck**  
**Working**

# Objectives

- Provide an overview on Income Taxes
- Review forms involved and key information to focus on
- Discuss how to fill out a Tax Return (1040)
- Identify resources to get help with taxes and how to file them
- Review common tax filing mistakes

# What is Income Tax?

- Income tax is the money taken out of your job earnings to pay for government services such as military, public safety, health care, education, transportation systems.
- Income tax is withheld by employers throughout the year.
  - Federal
  - State

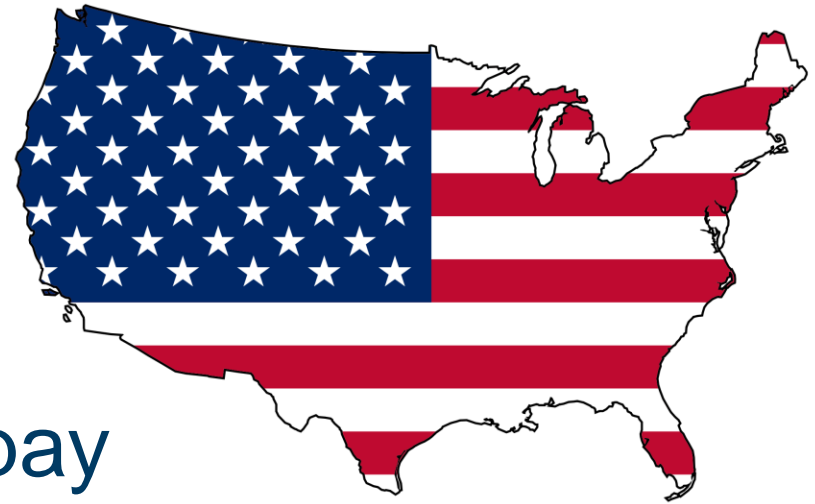


# Federal Income Tax

## The United States

- What is the range for income tax rates in the United states?

**10-37%**



- Wage earners really pay between 0-37%.



# Marginal Tax Rate

- Applies different tax rates to different levels of income
- As income rises, it is taxed at higher rate
- Income is not taxed at one rate but at many rates



# Federal Marginal Tax Rate Example

If your income is less than \$19,751 –  
Your tax rate is 10%

If your income is greater than \$518,401 –  
Your tax is \$156,235 plus 37% of income  
over \$518,401



# State Income Tax



The tax rates  
for MN range  
from  
5.35% - 9.85%

# The Tax Formula

Gross Income – Standard Deduction

-----

= Taxable Income

Taxable Income \* Tax Rate = **Tax owed**

- You **must** file a tax return if your gross income was at least \$12,400



# Should I File A Return?

- Even if you're not ***required*** to file a tax return, there are reasons you may ***want*** to file a tax return.
- Taxes are generally due on **April 15**



# The Form W-4

- Used by employers to calculate federal income tax withheld from your paycheck
- May file as exempt if no tax liability last year and do not expect liability this year
- The more allowances claimed the less tax withheld
- IRS Form 4
  - Very simple if no dependents – Focused on Filing Status (e.g. Single)
  - If exempt from withholding write “Exempt” in block 4

# IRS Form W-4 Exemption

- If owed no taxes last year and expect to owe no taxes this year, you are Exempt from withholding

**Step 4  
(optional):  
Other  
Adjustments**

**(a) Other income (not from jobs).** If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income . . . . .

**4(a)**

\$

**(b) Deductions.** If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . . . .

**4(b)**

\$

**(c) Extra withholding.** Enter any additional tax you want withheld each **pay period** .

**4(c)**

\$

*Exempt*

# The Form W-4 Worksheet

Read instructions on back. Complete Section 1 OR Section 2, then sign and give the completed form to your employer.  
Do not complete both Section 1 and Section 2. Completing both sections will make the form invalid.

## ☐ Section 1 — Determining Minnesota Allowances

- A** Enter "1" if no one else can claim you as a dependent ..... **A**
- B** Enter "1" if any of the following apply: ..... **B**
- You are single and have only one job
  - You are married, have only one job, and your spouse does not work
  - Your wages from a second job or your spouse's wages are \$1500 or less
- C** Enter "1" if you are married. 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 the number of dependents (other than your spouse or yourself) you will claim on your tax return. . . . **D**
- E** Enter "1" if you will use the filing status Head of Household (see instructions). . . . . **E**
- F Total number of allowances claimed.** Add steps A through E.  
If you plan to itemize deductions on your 2021 Minnesota income tax return, you may also complete the Itemized Deductions and Additional Income Worksheet. . . . . **F**

## ☐ Section 2 — Exemption From Minnesota Withholding

Complete Section 2 if you claim to be exempt from Minnesota income tax withholding (see Section 2 instructions for qualifications). If applicable, check one box below to indicate why you believe you are exempt:

- ☐ **A** I meet the requirements and claim exempt from both federal and Minnesota income tax withholding
- ☐ **B** Even though I did not claim exempt from federal withholding, I claim exempt from Minnesota withholding, because:
- I had no Minnesota income tax liability last year
  - I received a refund of all Minnesota income tax withheld
  - I expect to have no Minnesota income tax liability this year
- ☐ **C** All of these apply:
- My spouse is a military service member assigned to a military location in Minnesota
  - My domicile (legal residence) is in another state
  - I am in Minnesota solely to be with my spouse. My state of domicile is
- ☐ **D** I am an American Indian that resides and works on a reservation
- ☐ **E** I am a member of the Minnesota National Guard or an active duty U.S. military member and claim exempt from Minnesota withholding on my military pay
- ☐ **F** I receive a military pension or other military retirement pay as calculated under U.S. Code, title 10, sections 1401 through 1414, 1447 through 1455, and 12733, and I claim exempt from Minnesota withholding on this retirement pay



# The W-4 Certificate

## Minnesota Allowances and Additional Withholding

- 1 **Minnesota Allowances.** Enter Step F from Section 1 above or Step 10 of the Itemized Deductions Worksheet . . . 1
- 2 Additional Minnesota withholding you want deducted each pay period (see instructions) . . . . . 2

*I certify that all information provided in Section 1 OR Section 2 is correct. I understand there is a \$500 penalty for filing a false Form W-4MN.*

Employee's Signature

Date

Daytime Phone Number

**Employees:** Give the completed form to your employer.



# How to File Your Tax Form

- You may file paper Form 1040 by mail (required if first time filer under 16)
- By using IRS e-file <https://www.e-file.com>
- Other free on-line tax software (IRS Freefile)
- **Or** through an approved tax preparer.
- Electronic filing requires an IP (Identity Protection) PIN (online or use Form 15227)

# If You are Under Sixteen and This is My First Time Filing a Tax Return, Can I e-file?

- If you are under age 16 and you have never filed a tax return, you **CANNOT** e-file your first year.
- You can prepare your return on [efile.com](https://efile.com).  
Print it, and mail it to the IRS to file it.
- However, you will be able to e-file your return the next year.



# Your W2 Wage and Tax Statement

<b>22222</b> <b>b</b> Employer identification number (EIN)		<b>a</b> Employee's social security number OMB No. 1545-0008	
<b>c</b> Employer's name, address, and ZIP code		<b>1</b> Wages, tips, other compensation	<b>2</b> Federal income tax withheld
		<b>3</b> Social security wages	<b>4</b> Social security tax withheld
		<b>5</b> Medicare wages and tips	<b>6</b> Medicare tax withheld
<b>d</b> Control number		<b>7</b> Social security tips	<b>8</b> Allocated tips
		<b>9</b>	<b>10</b> Dependent care benefits
<b>e</b> Employee's first name and initial      Last name      Suff.		<b>11</b> Nonqualified plans	<b>12a</b>
		<b>13</b> Statutory employee      Retirement plan      Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<b>12b</b>
		<b>14</b> Other	<b>12c</b>
			<b>12d</b>
<b>f</b> Employee's address and ZIP code			
<b>15</b> State      Employer's state ID number	<b>16</b> State wages, tips, etc.	<b>17</b> State income tax	<b>18</b> Local wages, tips, etc.
		<b>19</b> Local income tax	<b>20</b> Locality name

Form **W-2** Wage and Tax Statement  
 Copy 1 — For State, City, or Local Tax Department

**2021**

Department of the Treasury—Internal Revenue Service

**Filing Status**
☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box.

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial		Last name		Your social security number	
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below.			State	ZIP code	
Foreign country name		Foreign province/state/county		Foreign postal code	
				<b>Presidential Election Campaign</b> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☐ No**Standard Deduction**
**Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent  
☐ Spouse itemizes on a separate return or you were a dual-status alien
**Age/Blindness**
**You:** ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind
**Dependents**

(see instructions):

If more than four dependents, see instructions and check here ▶ ☐

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions):	Child tax credit	Credit for other dependents
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required.

**Standard Deduction for—**  
☐ Single or Married filing separately

<b>1</b>	Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	
<b>2a</b>	Tax-exempt interest . . . . .	<b>2a</b>	
<b>3a</b>	Qualified dividends . . . . .	<b>3a</b>	
<b>4a</b>	IRA distributions . . . . .	<b>4a</b>	
<b>5a</b>	Pensions and annuities . . . . .	<b>5a</b>	
<b>6a</b>	Social security benefits . . . . .	<b>6a</b>	
		<b>b</b>	Taxable interest . . . . .
		<b>b</b>	Ordinary dividends . . . . .
		<b>b</b>	Taxable amount . . . . .
		<b>b</b>	Taxable amount . . . . .
		<b>b</b>	Taxable amount . . . . .
<b>7</b>	Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . . ▶ <input type="checkbox"/>	<b>7</b>	
<b>8</b>	Other income from Schedule 1, line 9 . . . . .	<b>8</b>	

<b>16</b>	<b>Tax</b> (see instructions). Check if any from Form(s): <b>1</b> <input type="checkbox"/> 8814 <b>2</b> <input type="checkbox"/> 4972 <b>3</b> <input type="checkbox"/> <input type="checkbox"/>	<b>16</b>	
<b>17</b>	Amount from Schedule 2, line 3	<b>17</b>	
<b>18</b>	Add lines 16 and 17	<b>18</b>	
<b>19</b>	Child tax credit or credit for other dependents	<b>19</b>	
<b>20</b>	Amount from Schedule 3, line 7	<b>20</b>	
<b>21</b>	Add lines 19 and 20	<b>21</b>	
<b>22</b>	Subtract line 21 from line 18. If zero or less, enter -0-	<b>22</b>	
<b>23</b>	Other taxes, including self-employment tax, from Schedule 2, line 10	<b>23</b>	
<b>24</b>	Add lines 22 and 23. This is your <b>total tax</b>	<b>24</b>	
<b>25</b>	Federal income tax withheld from:		
<b>a</b>	Form(s) W-2	<b>25a</b>	
<b>b</b>	Form(s) 1099	<b>25b</b>	
<b>c</b>	Other forms (see instructions)	<b>25c</b>	
<b>d</b>	Add lines 25a through 25c	<b>25d</b>	
<b>26</b>	2020 estimated tax payments and amount applied from 2019 return	<b>26</b>	
<b>27</b>	Earned income credit (EIC)	<b>27</b>	
<b>28</b>	Additional child tax credit. Attach Schedule 8812	<b>28</b>	
<b>29</b>	American opportunity credit from Form 8863, line 8	<b>29</b>	
<b>30</b>	Recovery rebate credit. See instructions	<b>30</b>	
<b>31</b>	Amount from Schedule 3, line 13	<b>31</b>	
<b>32</b>	Add lines 27 through 31. These are your <b>total other payments and refundable credits</b>	<b>32</b>	
<b>33</b>	Add lines 25d, 26, and 32. These are your <b>total payments</b>	<b>33</b>	
<b>Refund</b>	<b>34</b> If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you <b>overpaid</b>	<b>34</b>	
	<b>35a</b> Amount of line 34 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>35a</b>	
Direct deposit? See instructions.	<b>b</b> Routing number <input type="text"/> <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>d</b> Account number <input type="text"/>		
	<b>36</b> Amount of line 34 you want <b>applied to your 2021 estimated tax</b>	<b>36</b>	
<b>Amount You Owe</b>	<b>37</b> Subtract line 33 from line 24. This is the <b>amount you owe now</b>	<b>37</b>	
For details on how to pay, see instructions.	<b>Note:</b> Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.		
	<b>38</b> Estimated tax penalty (see instructions)	<b>38</b>	
<b>Third Party Designee</b>	Do you want to allow another person to discuss this return with the IRS? See instructions <input type="checkbox"/> <b>Yes. Complete below.</b> <input type="checkbox"/> <b>No</b>		
	Designee's name <input type="text"/> Phone no. <input type="text"/> Personal identification number (PIN) <input type="text"/>		
<b>Sign</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		

• If you have a qualifying child, attach Sch. EIC.  
• If you have nontaxable combat pay, see instructions.

# Common Filing Errors

1. Return is illegible
2. Incorrect filing status
3. Wrong number of exemptions
4. Enter income on wrong lines
5. Incorrectly calculate deductions and credits
6. Did not sign and date return
7. Did not include all W2s (paper return)
8. Not enough postage

# Where to Find Help

- IRS website ([www.irs.gov](http://www.irs.gov)) (documents, FAQs, chat)
- Volunteer Income Tax Assistance (VITA)
- Many community groups



# Questions?



**@BestPrepMN**



**/BestPrep**

BestPrep gratefully acknowledges the effort of several BestPrep volunteers and the support of the Minnesota Society of CPAs in creating this presentation.

## **Income Tax Matters Creation Committee**

Kari Grittner, Chair – Rasmussen College

Doug Faust – Casey, Menden, Faust, & Nelson

Laurie Lafontaine – Allina Health

