



Department of the Treasury
Internal Revenue Service

Publication 919

(Rev. December 2004)
Cat. No. 63900P

How Do I Adjust My Tax Withholding?



**Get forms and other information
faster and easier by:**

Internet • www.irs.gov

FAX • 703-368-9694 (from your fax machine)



www.irs.gov/efile

Contents

Reminder	1
Introduction	1
Purpose of This Publication	2
Checking Your Withholding	2
Why Should I Check My Withholding?	2
When Should I Check My Withholding?	2
How Do I Check My Withholding?	3
What If Not Enough Tax Is Being Withheld?	3
What If Too Much Tax Is Being Withheld?	3
Adjusting Your Withholding	4
How Do I Adjust My Withholding?	4
When Will My New Form W-4 Go Into Effect?	6
Worksheet 1. Projected Tax for 2005	7
Worksheet 2. Projected Withholding for 2005	7
Worksheets 1a – 1d. Tax Rate Schedule Worksheets for 2005	8
Worksheet 3. Itemized Deductions Limit	10
Worksheet 4. Exemptions Phaseout	10
Worksheet 5. Figuring Tax If You Expect To Have Capital Gain or Qualified Dividends	11
Worksheet 6. Self-Employment Tax	12
Worksheet 7. Converting Credits to Withholding Allowances	13
Tables 1 – 3. Standard Deduction Tables for 2005	14
Form W-4	15
How To Get Tax Help	17

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.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T:I
1111 Constitution Ave. NW, IR-6406
Washington, DC 20224

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.

You can email us at [*taxforms@irs.gov](mailto:taxforms@irs.gov). (The asterisk must be included in the address.) Please put “Publications Comment” on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Tax questions. If you have a tax question, visit www.irs.gov or call 1-800-829-1040. We cannot answer tax questions at either of the addresses listed above.

Ordering forms and publications. Visit www.irs.gov/formspubs to download forms and publications, call 1-800-829-3676, or write to one of the three addresses shown under *How To Get Tax Help* in the back of this publication.

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 2005.

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 2005, showing tax withheld based on 2005 tax rates.
2. You prepare your 2004 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.



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 2005 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 2005 and you do not decrease your withholding, you may get a larger refund. You can get this money back earlier by reducing your withholding.

Changes to note for 2005 include a uniform definition of child that will apply for purposes of dependency exemptions and for qualifying for head of household filing status, the earned income credit, the child tax credit, and the child and dependent care credit. Income thresholds and contribution limits for certain retirement savings accounts are increased. You can elect to deduct state and local sales

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

taxes instead of state and local income taxes if you itemize deductions.

For information about changes in the law for 2004 and 2005, get Publication 553, Highlights of 2004 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 2005.

2. Fill out Worksheet 2 to project your total federal withholding for 2005 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.

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:

- You have more than one job at a time,
- Your spouse also works,
- You have income not subject to withholding, such as capital gains, rental income, interest, and dividends, or
- 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:

- You got a big refund for 2004 and your income, adjustments, deductions, and credits will remain about the same this year,
- Your income will remain about the same as last year, but your adjustments, deductions, or credits will increase significantly, or
- 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:

- Decrease the number of allowances you claim on line 5 of Form W-4, or
- 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 2005.
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 2005 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 2005 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 2005 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 2005, 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 2005 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 2005. 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 or qualifying widow(er).
5. They see that their combined estimated wages, \$68,000, falls between \$34,001 and \$79,000, and that the number to the right of this range is 6.7.
6. They enter 6.7 on line 11.
7. They multiply line 10 by line 11 and enter the result, \$17,822, on line 12.

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>
Health coverage tax credit	Publication 502, <i>Medical and Dental Expenses</i>
District of Columbia first-time homebuyer credit	Form 8859 Instructions

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 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 2005	Project the taxable income you will have for 2005 and the amount of tax you will have to pay on that income.
Worksheet 2. Projected Withholding for 2005	Project the amount of federal income tax that you will have withheld in 2005, 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 2005	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 \$145,950 (\$72,975 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: \$145,950 if single; \$218,950 if married filing jointly or qualifying widow(er); \$109,475 if married filing separately; or \$182,450 if head of household.
Worksheet 5. Figuring Tax If You Expect To Have Capital Gain or Qualified Dividends	Figure projected tax on all taxable income if you expect to have a capital gain or qualified dividends in 2005.
Worksheet 6. Self-Employment Tax	Figure your projected self-employment tax for 2005 if you and/or your spouse are self-employed in 2005 and your own wages and self-employment income for 2005 will be more than \$90,000, or your spouse's wages and self-employment income will be more than \$90,000.
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 2005	Determine your projected standard deduction for 2005. Do not use this table if you plan to itemize your deductions.

Worksheet 1. Projected Tax for 2005

Use this worksheet to figure the amount of your projected tax for 2005.
(Note: Enter combined amounts if married filing joint return.)

1. Enter amount of adjusted gross income (AGI) you expect in 2005. (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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Not more than \$145,950 (\$72,975 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 \$145,950 (\$72,975 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 -0-)	3	
4. If the amount on line 1 is: <ul style="list-style-type: none"> Not more than the amount shown below for your 2005 filing status, multiply the number of exemptions you plan to claim on your 2005 tax return by \$3,200 and enter the result here. More than the amount shown below for your 2005 filing status, use <i>Worksheet 4</i> to figure the amount to enter here <ul style="list-style-type: none"> Single, \$145,950 Married filing jointly or Qualifying widow(er), \$218,950 Head of household, \$182,450 Married filing separately, \$109,475 	4	
5. Subtract line 4 from line 3. (If zero or less, enter -0-)	5	
6. If the amount on line 1: <ul style="list-style-type: none"> Does not include capital gain or qualified dividends, use <i>Worksheet 1a, 1b, 1c, or 1d</i>, as appropriate, to figure the tax to enter here. Includes capital gain or qualified dividends, 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 -0-)	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: <ul style="list-style-type: none"> \$400 or more, but no more than \$90,000, multiply your expected net self-employment income by .9235, and multiply that result by .153 and enter here. More than \$90,000, 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 2005 . Enter it here and on line 1 of <i>Worksheet 2</i>	13	

Worksheet 2. Projected Withholding for 2005

Use this worksheet to figure the amount of your projected withholding for 2005, compare it to your projected tax for 2005, 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 2005 from line 13 of <i>Worksheet 1</i>	1	
2. Enter your total federal income tax withheld to date in 2005 from all of your jobs. (You should be able to find your withholding to date on your last payslip or statement.)	2	
3. Enter the federal tax withholding you expect for the rest of 2005. 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 2005	4	
5. Compare the amounts on lines 1 and 4. If: <ul style="list-style-type: none"> 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 2005 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 2005

Worksheet 1a. For Single Filing Status

If you expect your filing status for 2005 to be **single**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain or qualified dividends included in the total on line 1 of *Worksheet 1*, or
- On lines 28 and 30 of *Worksheet 5* if there is capital gain or qualified dividends 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 lines 28 and 30 of <i>Worksheet 5</i> , enter the amount from line 1 or 14 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																						
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> <th>Column C</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>10%</td> <td>\$0.00</td> </tr> <tr> <td>\$7,300</td> <td>15%</td> <td>\$730.00</td> </tr> <tr> <td>\$29,700</td> <td>25%</td> <td>\$4,090.00</td> </tr> <tr> <td>\$71,950</td> <td>28%</td> <td>\$14,652.50</td> </tr> <tr> <td>\$150,150</td> <td>33%</td> <td>\$36,548.50</td> </tr> <tr> <td>\$326,450</td> <td>35%</td> <td>\$94,727.50</td> </tr> </tbody> </table>	Column A	Column B	Column C	\$0	10%	\$0.00	\$7,300	15%	\$730.00	\$29,700	25%	\$4,090.00	\$71,950	28%	\$14,652.50	\$150,150	33%	\$36,548.50	\$326,450	35%	\$94,727.50		
Column A	Column B	Column C																						
\$0	10%	\$0.00																						
\$7,300	15%	\$730.00																						
\$29,700	25%	\$4,090.00																						
\$71,950	28%	\$14,652.50																						
\$150,150	33%	\$36,548.50																						
\$326,450	35%	\$94,727.50																						
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 28 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 2005 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 or qualified dividends included in the total on line 1 of *Worksheet 1*, or
- On lines 28 and 30 of *Worksheet 5* if there is capital gain or qualified dividends 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 lines 28 and 30 of <i>Worksheet 5</i> , enter the amount from line 1 or 14 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																						
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> <th>Column C</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>10%</td> <td>\$0.00</td> </tr> <tr> <td>\$10,450</td> <td>15%</td> <td>\$1,045.00</td> </tr> <tr> <td>\$39,800</td> <td>25%</td> <td>\$5,447.50</td> </tr> <tr> <td>\$102,800</td> <td>28%</td> <td>\$21,197.50</td> </tr> <tr> <td>\$166,450</td> <td>33%</td> <td>\$39,019.50</td> </tr> <tr> <td>\$326,450</td> <td>35%</td> <td>\$91,819.50</td> </tr> </tbody> </table>	Column A	Column B	Column C	\$0	10%	\$0.00	\$10,450	15%	\$1,045.00	\$39,800	25%	\$5,447.50	\$102,800	28%	\$21,197.50	\$166,450	33%	\$39,019.50	\$326,450	35%	\$91,819.50		
Column A	Column B	Column C																						
\$0	10%	\$0.00																						
\$10,450	15%	\$1,045.00																						
\$39,800	25%	\$5,447.50																						
\$102,800	28%	\$21,197.50																						
\$166,450	33%	\$39,019.50																						
\$326,450	35%	\$91,819.50																						
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 28 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 2005 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 or qualified dividends included in the total on line 1 of *Worksheet 1*, or
- On lines 28 and 30 of *Worksheet 5* if there is capital gain or qualified dividends 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 lines 28 and 30 of <i>Worksheet 5</i> , enter the amount from line 1 or 14 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																						
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> <th>Column C</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>10%</td> <td>\$0.00</td> </tr> <tr> <td>\$14,600</td> <td>15%</td> <td>\$1,460.00</td> </tr> <tr> <td>\$59,400</td> <td>25%</td> <td>\$8,180.00</td> </tr> <tr> <td>\$119,950</td> <td>28%</td> <td>\$23,317.50</td> </tr> <tr> <td>\$182,800</td> <td>33%</td> <td>\$40,915.50</td> </tr> <tr> <td>\$326,450</td> <td>35%</td> <td>\$88,320.00</td> </tr> </tbody> </table>	Column A	Column B	Column C	\$0	10%	\$0.00	\$14,600	15%	\$1,460.00	\$59,400	25%	\$8,180.00	\$119,950	28%	\$23,317.50	\$182,800	33%	\$40,915.50	\$326,450	35%	\$88,320.00		
Column A	Column B	Column C																						
\$0	10%	\$0.00																						
\$14,600	15%	\$1,460.00																						
\$59,400	25%	\$8,180.00																						
\$119,950	28%	\$23,317.50																						
\$182,800	33%	\$40,915.50																						
\$326,450	35%	\$88,320.00																						
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 28 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 2005 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 or qualified dividends included in the total on line 1 of *Worksheet 1*, or
- On lines 28 and 30 of *Worksheet 5* if there is capital gain or qualified dividends 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 lines 28 and 30 of <i>Worksheet 5</i> , enter the amount from line 1 or 14 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																						
	<table border="1"> <thead> <tr> <th>Column A</th> <th>Column B</th> <th>Column C</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>10%</td> <td>\$0.00</td> </tr> <tr> <td>\$7,300</td> <td>15%</td> <td>\$730.00</td> </tr> <tr> <td>\$29,700</td> <td>25%</td> <td>\$4,090.00</td> </tr> <tr> <td>\$59,975</td> <td>28%</td> <td>\$11,658.75</td> </tr> <tr> <td>\$91,400</td> <td>33%</td> <td>\$20,457.75</td> </tr> <tr> <td>\$163,225</td> <td>35%</td> <td>\$44,160.00</td> </tr> </tbody> </table>	Column A	Column B	Column C	\$0	10%	\$0.00	\$7,300	15%	\$730.00	\$29,700	25%	\$4,090.00	\$59,975	28%	\$11,658.75	\$91,400	33%	\$20,457.75	\$163,225	35%	\$44,160.00		
Column A	Column B	Column C																						
\$0	10%	\$0.00																						
\$7,300	15%	\$730.00																						
\$29,700	25%	\$4,090.00																						
\$59,975	28%	\$11,658.75																						
\$91,400	33%	\$20,457.75																						
\$163,225	35%	\$44,160.00																						
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 28 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 2005 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 \$145,950 (\$72,975 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 Form W-4 <i>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 \$3,200 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: \$145,950 if single \$218,950 if married filing jointly or qualifying widow(er) \$109,475 if married filing separately \$182,450 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 or Qualified Dividends

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 or qualified dividends.

1. Enter the amount from <i>Worksheet 1</i>	1.	_____	
2. Enter your expected qualified dividends for 2005	2.	_____	
3. Enter the net capital gain expected for 2005	3.	_____	
4. Add lines 2 and 3	4.	_____	
5. Enter your 28% rate gain or loss expected for 2005	5.	_____	
6. Enter the unrecaptured section 1250 gain expected for 2005	6.	_____	
7. Add lines 5 and 6	7.	_____	
8. Enter the smaller of line 3 or line 7	8.	_____	
9. Subtract line 8 from line 4	9.	_____	
10. Subtract line 9 from 1. If zero or less, enter -0-	10.	_____	
11. Enter the smaller of line 1 or \$59,400 (\$29,700 if single or married filing separately; \$39,800 if head of household).	11.	_____	
12. Enter the smaller of line 10 or line 11	12.	_____	
13. Subtract line 4 from line 1. If zero or less, enter -0-	13.	_____	
14. Enter the larger of line 12 or line 13. If line 11 and line 12 are the same, skip lines 15 and 16 and go on to line 17.	14.	_____	
15. Subtract line 12 from line 11	15.	_____	
16. Multiply line 15 by 5% (.05). If lines 1 and 11 are the same, skip lines 17–27 and go to line 28			16. _____
17. Enter the smaller of line 1 or line 9	17.	_____	
18. Subtract the amount from line 15 from line 17. If zero or less, enter -0-	18.	_____	
19. Multiply line 18 by 15% (.15). If line 6 is zero or blank, skip lines 20 – 24 and go to line 25			19. _____
20. Enter the smaller of line 3 or line 6	20.	_____	
21. Add lines 4 and 14	21.	_____	
22. Subtract line 1 from line 21. If zero or less, enter -0-	22.	_____	
23. Subtract line 22 from line 20. If zero or less, enter -0-	23.	_____	
24. Multiply line 23 by 25% (.25). If line 5 is zero or blank, skip lines 25 – 27 and go to line 28			24. _____
25. Add lines 14, 15, 18, and 23	25.	_____	
26. Subtract line 25 from line 1	26.	_____	
27. Multiply line 26 by 28% (.28)	27.	_____	
28. Tax on the amount on line 14 from the <i>2005 Tax Rate Schedule</i>	28.	_____	
29. Add lines 16, 19, 24, 27, and 28	29.	_____	
30. Tax on the amount on line 1 from the <i>2005 Tax Rate Schedule</i>	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 this worksheet separately for each spouse, and combine the amounts on line 11 of *Worksheet 1*.

1. Enter expected self-employment income for 2005	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	\$90,000
5. Enter estimated wages for 2005	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 Worksheet 1.		
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	
1. Credit for child and dependent care expenses. (See <i>Caution</i> below.)		2	
2. Credit for the elderly or the disabled		3	
3. Child tax credit (including additional child tax credit). (See <i>Caution</i> below.)		4	
4. Education credits		5	
5. Adoption credit		6	
6. Foreign tax credit		7	
7. Retirement savings contributions credit		8	
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)		9	
9. Earned income credit (unless you requested advance payment).		10	
10. Add lines 1 through 9. This is your total estimated tax credits		11	
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		12	

Married Filing Joint Returns or Qualifying Widow(er)			
If combined income from all sources is:		Multiply credits by:	
\$0 - \$34,000		10.0	
\$34,001 - \$79,000		6.7	
\$79,001 - \$145,000		4.0	
\$145,001 - \$210,000		3.6	
\$210,001 - \$350,000		3.0	
\$350,001 and over	—	2.8	

Head of Household			
If combined income from all sources is:		Multiply credits by:	
\$0 - \$24,000		10.0	
\$24,001 - \$53,000		6.7	
\$53,001 - \$120,000		4.0	
\$120,001 - \$185,000		3.6	
\$185,001 - \$345,000		3.0	
\$345,001 and over	—	2.8	

Single			
If combined income from all sources is:		Multiply credits by:	
\$0 - \$15,000		10.0	
\$15,001 - \$38,000		6.7	
\$38,001 - \$81,000		4.0	
\$81,001 - \$165,000		3.6	
\$165,001 - \$340,000		3.0	
\$340,001 and over	—	2.8	

Married Filing Separately			
If combined income from all sources is:		Multiply credits by:	
\$0 - \$15,000		10.0	
\$15,001 - \$38,000		6.7	
\$38,001 - \$70,000		4.0	
\$70,001 - \$100,000		3.6	
\$100,001 - \$175,000		3.0	
\$175,001 and over	—	2.8	

12. Multiply line 10 by line 11. Enter the result here and include it in the total on line 5 of the Form *W-4 Deductions and Adjustments Worksheet*.
Caution. If you entered an amount on line 1 of this worksheet, enter "0" on line F of the Form *W-4 Personal Allowances Worksheet*. If you entered an amount on line 3 of this worksheet, enter "0" on line G of the Form *W-4 Personal Allowances Worksheet*

Standard Deduction Tables for 2005

There are three standard deduction tables. Use the appropriate one to arrive at your standard deduction for 2005.

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 2005.

If Your Filing Status is:	Your Standard Deduction is:
Single, or Married filing separately	\$5,000
Married filing joint return or Qualifying widow(er) with dependent child	10,000
Head of household	7,300

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 2005, 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	\$6,250
	2	7,500
Married filing jointly or Qualifying widow(er) with dependent child	1	11,000
	2	12,000
	3	13,000
	4	14,000
Married filing separately	1	6,000
	2	7,000
	3	8,000
	4	9,000
Head of household	1	8,550
	2	9,800



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 2005.

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>\$800</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 or Married filing separate return, enter \$5,000 • Married filing jointly or Qualifying widow(er) with dependent child, enter \$10,000 • Head of household, enter \$7,300 	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 \$1,250 (\$1,000 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 2005.</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 (2005)

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 2005 expires February 16, 2006. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds \$800 and includes more than \$250 of unearned income (for example, 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 2005. 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 to initiate a name change and obtain a social security card showing your correct name.

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:
 {
 • 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.
 } **B** _____

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):
 • If your total income will be less than \$54,000 (\$79,000 if married), enter "2" for each eligible child.
 • If your total income will be between \$54,000 and \$84,000 (\$79,000 and \$119,000 if married), enter "1" for each eligible child plus "1" **additional** if you have four or more eligible children. **G** _____

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 (\$25,000 if married) 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		Employee's Withholding Allowance Certificate		OMB No. 1545-0010
Department of the Treasury Internal Revenue Service		▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.		2005
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 2005, and I certify that I meet both of the following conditions for exemption. • 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 ▶ 7				
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.				
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 (EIN)	

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2005)

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 2005 tax return.

- 1** Enter an estimate of your 2005 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 2005, you may have to reduce your itemized deductions if your income is over \$145,950 (\$72,975 if married filing separately). See *Worksheet 3* in Pub. 919 for details.) **1** \$ _____
- 2** Enter: $\left\{ \begin{array}{l} \$10,000 \text{ if married filing jointly or qualifying widow(er)} \\ \$ 7,300 \text{ if head of household} \\ \$ 5,000 \text{ if single or married filing separately} \end{array} \right\}$ **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 2005 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 2005 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 \$3,200 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 (See *Two earners/two jobs* on page 1.)

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 2005. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2004. 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 HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	
\$0 - \$40,000	\$0 - \$4,000	0	\$40,001 and over	30,001 - 36,000	6	\$0 - \$6,000	0	
	4,001 - 8,000	1		36,001 - 45,000	7		6,001 - 12,000	1
	8,001 - 18,000	2		45,001 - 50,000	8		12,001 - 18,000	2
	18,001 and over	3		50,001 - 60,000	9		18,001 - 24,000	3
\$40,001 and over	\$0 - \$4,000	0		60,001 - 65,000	10	24,001 - 31,000	4	
	4,001 - 8,000	1		65,001 - 75,000	11	31,001 - 45,000	5	
	8,001 - 18,000	2		75,001 - 90,000	12	45,001 - 60,000	6	
	18,001 - 22,000	3		90,001 - 100,000	13	60,001 - 75,000	7	
	22,001 - 25,000	4		100,001 - 115,000	14	75,001 - 80,000	8	
	25,001 - 30,000	5		115,001 and over	15	80,001 - 100,000	9	
						100,001 and over	10	

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 - \$60,000	\$480	\$0 - \$30,000	\$480
60,001 - 110,000	800	30,001 - 70,000	800
110,001 - 160,000	900	70,001 - 140,000	900
160,001 - 280,000	1,060	140,001 - 320,000	1,060
280,001 and over	1,120	320,001 and over	1,120

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 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 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, 45 min.; Learning about the law or the form, 12 min.; Preparing the form, 58 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: Internal Revenue Service, Tax Products Coordinating Committee, SE:W-CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. **Do not** send Form W-4 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 independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate toll free 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.
- Visit www.irs.gov/advocate.

For more information, see Publication 1546, The Taxpayer Advocate Service of the IRS—How To Get Help With Unresolved Tax Problems.

Free tax services. To find out what services are available, get Publication 910, IRS 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.



Internet. You can access the IRS website 24 hours a day, 7 days a week, at www.irs.gov:

- *E-file* your return. Find out about commercial tax preparation and *e-file* services available free to eligible taxpayers.
- Check the status of your 2004 refund. Click on *Where's My Refund*. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2004 tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.
- Download forms, instructions, and publications.
- Order IRS products online.
- Research your tax questions online.
- Search publications online by topic or keyword.
- View Internal Revenue Bulletins (IRBs) published in the last few years.

- Figure your withholding allowances using our Form W-4 calculator.
- Sign up to receive local and national tax news by email.
- Get information on starting and operating a small business.



Fax. You can get over 100 of the most requested forms and instructions 24 hours a day, 7 days a week, by fax. Just call 703-368-9694 from the telephone connected to your fax machine. When you call, you will hear instructions on how to use the service. The items you request will be faxed to you.

For help with transmission problems, call 703-487-4608.

Long-distance charges may apply.



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call 1-800-829-3676 to order current-year forms, instructions, and publications and prior-year forms and instructions. You should receive your order within 10 days.
- *Asking tax questions.* Call the IRS with your tax questions at 1-800-829-1040.
- *Solving problems.* You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.
- *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 and press 2 to listen to pre-recorded messages covering various tax topics.
- *Refund information.* If you would like to check the status of your 2004 refund, call 1-800-829-4477 and press 1 for automated refund information or call 1-800-829-1954. Be sure to wait at least 6 weeks from the date you filed your return (3 weeks if you filed electronically). Have your 2004 tax return available because you will need to know your filing status and the exact whole dollar amount of your refund.

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 government offices, credit unions, and office supply stores have a 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 Taxpayer Assistance Center every business day to ask tax questions or get help with a tax problem. An employee can explain IRS letters, request adjustments to your account, or help you set up a payment plan. You can set up an appointment by calling your local Center 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. To find the number, go to www.irs.gov/localcontacts or look in the phone book under *United States Government, Internal Revenue Service*.



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

- **Western part of U.S.:**
Western Area Distribution Center
Rancho Cordova, CA 95743-0001
- **Central part of U.S.:**
Central Area Distribution Center

P.O. Box 8903
Bloomington, IL 61702-8903

- **Eastern part of U.S. and foreign addresses:**
Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261-5074



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

- Current-year forms, instructions, and publications.
- Prior-year forms and instructions.
- Frequently requested tax forms that may be filled in electronically, printed out for submission, or saved for recordkeeping.
- Internal Revenue Bulletins.

Buy the CD-ROM from National Technical Information Service (NTIS) at www.irs.gov/cdorders for \$22 (no handling fee) or call 1-877-233-6767 toll free to buy the CD-ROM for \$22 (plus a \$5 handling fee). The first release is available in early January and the final release is available in late February.



CD-ROM for small businesses. Publication 3207, The Small Business Resource Guide, CD-ROM 2004, 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 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 early April. You can get a free copy by calling 1-800-829-3676 or by visiting www.irs.gov/smallbiz.

Tax Publications for Individual Taxpayers

See *How To Get Tax Help* for a variety of ways to get publications, including by computer, phone, and mail.

General Guides

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax (For Individuals)
- 334 Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509 Tax Calendars for 2005
- 553 Highlights of 2004 Tax Changes
- 910 IRS Guide to Free Tax Services

Specialized Publications

- 3 Armed Forces' Tax Guide
- 54 Tax Guide for U.S. Citizens and Residents Aliens Abroad
- 225 Farmer's Tax Guide
- 378 Fuel Tax Credits and Refunds
- 463 Travel, Entertainment, Gift, and Car Expenses
- 501 Exemptions, Standard Deduction, and Filing Information
- 502 Medical and Dental Expenses (Including the Health Coverage Tax Credit)
- 503 Child and Dependent Care Expenses
- 504 Divorced or Separated Individuals
- 505 Tax Withholding and Estimated Tax
- 514 Foreign Tax Credit for Individuals
- 516 U.S. Government Civilian Employees Stationed Abroad
- 517 Social Security and Other Information for Members of the Clergy and Religious Workers
- 519 U.S. Tax Guide for Aliens
- 521 Moving Expenses
- 523 Selling Your Home
- 524 Credit for the Elderly or the Disabled
- 525 Taxable and Nontaxable Income
- 526 Charitable Contributions
- 527 Residential Rental Property
- 529 Miscellaneous Deductions
- 530 Tax Information for First-Time Homeowners

- 531 Reporting Tip Income
- 533 Self-Employment Tax
- 536 Net Operating Losses (NOLs) for Individuals, Estates, and Trusts
- 537 Installment Sales
- 541 Partnerships
- 544 Sales and Other Dispositions of Assets
- 547 Casualties, Disasters, and Thefts
- 550 Investment Income and Expenses
- 551 Basis of Assets
- 552 Recordkeeping for Individuals
- 554 Older Americans' Tax Guide
- 555 Community Property
- 556 Examination of Returns, Appeal Rights, and Claims for Refund
- 559 Survivors, Executors, and Administrators
- 561 Determining the Value of Donated Property
- 564 Mutual Fund Distributions
- 570 Tax Guide for Individuals With Income From U.S. Possessions
- 571 Tax-Sheltered Annuity Plans (403(b) Plans)
- 575 Pension and Annuity Income
- 584 Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
- 587 Business Use of Your Home (Including Use by Daycare Providers)
- 590 Individual Retirement Arrangements (IRAs)
- 593 Tax Highlights for U.S. Citizens and Residents Going Abroad
- 594 What You Should Know About the IRS Collection Process
- 595 Tax Highlights for Commercial Fishermen
- 596 Earned Income Credit (EIC)
- 721 Tax Guide to U.S. Civil Service Retirement Benefits
- 901 U.S. Tax Treaties

- 907 Tax Highlights for Persons with Disabilities
- 908 Bankruptcy Tax Guide
- 911 Direct Sellers
- 915 Social Security and Equivalent Railroad Retirement Benefits
- 919 How Do I Adjust My Tax Withholding?
- 925 Passive Activity and At-Risk Rules
- 926 Household Employer's Tax Guide
- 929 Tax Rules for Children and Dependents
- 936 Home Mortgage Interest Deduction
- 946 How To Depreciate Property
- 947 Practice Before the IRS and Power of Attorney
- 950 Introduction to Estate and Gift Taxes
- 967 The IRS Will Figure Your Tax
- 968 Tax Benefits for Adoption
- 969 Health Savings Accounts and Other Tax-Favored Health Plans
- 970 Tax Benefits for Education
- 971 Innocent Spouse Relief
- 972 Child Tax Credit
- 1542 Per Diem Rates
- 1544 Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
- 1546 The Taxpayer Advocate Service—How to Get Help With Unresolved Problems

Spanish Language Publications

- 1SP Derechos del Contribuyente
- 579SP Cómo Preparar la Declaración de Impuesto Federal
- 594SP Comprendiendo el Proceso de Cobro
- 596SP Crédito por Ingreso del Trabajo
- 850 English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service
- 1544SP Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupación o Negocio)

Commonly Used Tax Forms

See *How To Get Tax Help* for a variety of ways to get forms, including by computer, fax, phone, and mail. For fax orders only, use the catalog number when ordering.

Form Number and Title	Catalog Number	Form Number and Title	Catalog Number
1040 U.S. Individual Income Tax Return	11320	2106 Employee Business Expenses	11700
Sch A&B Itemized Deductions & Interest and Ordinary Dividends	11330	2106-EZ Unreimbursed Employee Business Expenses	20604
Sch C Profit or Loss From Business	11334	2210 Underpayment of Estimated Tax by Individuals, Estates, and Trusts	11744
Sch C-EZ Net Profit From Business	14374	2441 Child and Dependent Care Expenses	11862
Sch D Capital Gains and Losses	11338	2848 Power of Attorney and Declaration of Representative	11980
Sch D-1 Continuation Sheet for Schedule D	10424	3903 Moving Expenses	12490
Sch E Supplemental Income and Loss	11344	4562 Depreciation and Amortization	12906
Sch EIC Earned Income Credit	13339	4868 Application for Automatic Extension of Time To File U.S. Individual Income Tax Return	13141
Sch F Profit or Loss From Farming	11346	4952 Investment Interest Expense Deduction	13177
Sch H Household Employment Taxes	12187	5329 Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts	13329
Sch J Farm Income Averaging	25513	6251 Alternative Minimum Tax—Individuals	13600
Sch R Credit for the Elderly or the Disabled	11359	8283 Noncash Charitable Contributions	62299
Sch SE Self-Employment Tax	11358	8582 Passive Activity Loss Limitations	63704
1040A U.S. Individual Income Tax Return	11327	8606 Nondeductible IRAs	63966
Sch 1 Interest and Ordinary Dividends for Form 1040A Filers	12075	8812 Additional Child Tax Credit	10644
Sch 2 Child and Dependent Care Expenses for Form 1040A Filers	10749	8822 Change of Address	12081
Sch 3 Credit for the Elderly or the Disabled for Form 1040A Filers	12064	8829 Expenses for Business Use of Your Home	13232
1040EZ Income Tax Return for Single and Joint Filers With No Dependents	11329	8863 Education Credits	25379
1040-ES Estimated Tax for Individuals	11340	9465 Installment Agreement Request	14842
1040X Amended U.S. Individual Income Tax Return	11360		