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# Circular E, Employer's Tax Guide

(Including 1998 Wage  
Withholding and  
Advance Earned Income  
Credit Payment Tables)



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## Contents

Changes To Note .....	2
Calendar .....	2
Important Reminders .....	3
General Information .....	3
1. Employer Identification Number (EIN) .....	3
2. Who Are Employees? .....	3
3. Family Employees .....	7
4. Employee's Social Security Number (SSN) .....	7
5. Wages and Other Compensation .....	8
6. Tips .....	10
7. Supplemental Wages .....	11
8. Payroll Period .....	11
9. Withholding From Employees' Wages .....	11
10. Advance Earned Income Credit (EIC) Payment .....	14
11. Depositing Taxes .....	15
12. Filing Form 941 .....	22
13. Reporting Adjustments on Form 941 .....	23
14. Federal Unemployment (FUTA) Tax .....	26
15. Special Rules for Various Types of Services and Payments .....	28
16. How To Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables .....	32
<b>Tables:</b>	
1998 Income Tax Withholding Tables:	
Percentage Method .....	34-35
Wage Bracket Method .....	36-55
1998 Advance EIC Payment Tables:	
Percentage Method .....	56-57
Wage Bracket Method .....	58-61
<b>Index</b> .....	<b>32</b>
<b>Form 7018-A (order blank)</b> .....	<b>33</b>

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## Changes To Note

### Employment tax rates and wage bases for 1998.

- 1) Social Security Tax:
  - a) Tax Rate—6.2% each for employers and employees
  - b) Wage Base—\$68,400
- 2) Medicare Tax:
  - a) Tax Rate—1.45% each for employers and employees
  - b) All wages subject to Medicare tax
- 3) Federal Unemployment (FUTA) Tax:
  - a) Tax Rate—6.2% (employers only)
  - b) Wage Base—\$7,000

**941 TeleFile: An alternative way to file Form 941.** Beginning with the 1st quarter of 1998, many employers will be able to file Form 941 by phone. If you receive TeleFile materials with your 1st quarter Form 941 package, check page TEL-1 of the **941 TeleFile Instructions** to see if you qualify for this alternative method of filing. There is no charge for the call and 941 TeleFile:

- ☛ Provides step-by-step instructions over the phone.
- ☛ Repeats all your entries so you can check their accuracy.
- ☛ Does the math for you. It figures your tax liability and any overpayment or balance due during the call.

**Electronic deposit requirement.** If your total deposits of social security, Medicare, railroad retirement, and withheld income taxes were more than \$50,000 in 1996, you must make electronic deposits for *all* depository tax liabilities that occur after 1997. When determining whether you exceeded the \$50,000 threshold, combine deposits of only the following tax returns you filed: Forms 941, 941-M, 941-PR, 941-SS, 943, 945, and CT-1. If you were required to deposit by electronic funds transfer in prior years, you must continue to do so in 1998. The **Electronic Federal Tax Payment System (EFTPS)** must be used to make electronic deposits. If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. However, if you were first required to use EFTPS on or after July 1, 1997, no penalties for failure to use EFTPS will be imposed prior to July 1, 1998. Taxpayers who are not required to make electronic deposits may voluntarily participate in EFTPS. To enroll in EFTPS, call 1-800-555-4477 or 1-800-945-8400. For general information about EFTPS, call 1-800-829-1040.

**Educational assistance programs.** The \$5,250 exclusion for employer-provided assistance programs, which expired for courses beginning after June 30, 1997, has been extended retroactively for courses be-

ginning before June 1, 2000. The educational assistance exclusion does not apply to graduate level courses beginning after June 30, 1996. See section 5 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for information on educational assistance programs.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. The IRS publishes a list of the designated private delivery services in September of each year. The list published in September 1997 includes only the following:

- ☛ Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, Second Day Service.
- ☛ DHL Worldwide Express (DHL): DHL "Same Day" Service, DHL USA Overnight.
- ☛ Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day.
- ☛ United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M.

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

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

**Inmate wages exempt from Federal unemployment (FUTA) tax.** Wages paid for services by inmates of a penal institution in a private sector job are exempt from FUTA tax. This exemption is effective for services performed after January 1, 1994. Services for a government agency performed by inmates of a penal institution continue to be exempt from FUTA.

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## Calendar

The following is a list of important dates. Also see **Pub. 509**, Tax Calendars for 1998.

**Note:** *For any due date, you will meet the "file" or "furnish" requirement if the form is properly addressed and mailed First-Class or sent by an IRS designated delivery service on or before the due date. See **Private delivery services** above for more information on IRS designated delivery services. If any date shown falls on a Saturday, Sunday, or legal holiday, use the next business day.*

### By January 31

**Furnish Forms 1099 and W-2.** Furnish each employee a completed **Form W-2**, Wage and Tax Statement. Furnish each recipient a completed Form 1099 (e.g., **Form 1099-R**, Distributions From Pensions, An-

nunities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and **Form 1099-MISC**, Miscellaneous Income). You may furnish Form W-2 or 1099 as explained in the **Note** on page 2.

**File Form 940 or 940-EZ.** File **Form 940** or **Form 940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all the FUTA tax when due, you may file Form 940 or 940-EZ by February 10.

**File Form 945.** File **Form 945**, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 1997. See **Nonpayroll Income Tax Withholding** on page 4 for more information.

## By February 15

**Request new Form W-4 from exempt employees.** Ask for a new **Form W-4**, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from withholding last year.

## On February 16

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

## By February 28

**File Forms 1099 and 1096.** File Copy A of all Forms 1099 with **Form 1096**, Annual Summary and Transmittal of U.S. Information Returns, with the Internal Revenue Service Center for your area.

**File Forms W-2 and W-3.** File Copy A of all Forms W-2 with **Form W-3**, Transmittal of Wage and Tax Statements, with the Social Security Administration (SSA).

**File Form 8027.** File **Form 8027**, Employer's Annual Information Return of Tip Income and Allocated Tips, with the Internal Revenue Service. (See section 6.)

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

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

**File Form 941.** File **Form 941**, Employer's Quarterly Federal Tax Return, and **deposit** any undeposited income, social security, and Medicare taxes. You may

pay these taxes with Form 941 if your total tax liability for the quarter is less than \$500. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

## Before December 1

**New Forms W-4.** Remind employees to submit a new Form W-4 if their withholding allowances have changed or will change for the next year.

## On December 31

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

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## Important Reminders

### Hiring New Employees

**Eligibility for employment.** You must verify that each new employee is legally eligible to work in the United States. This will include completing the Immigration and Naturalization Service (INS) **Form I-9**, Employment Eligibility Verification. You can get the form from INS offices. Contact the INS at 1-800-755-0777 for further information.

**Income tax withholding.** Ask each new employee to complete the 1998 Form W-4.

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

### Paying Wages, Pensions, or Annuities

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

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

**New Employees:**

- Verify work eligibility of employees . . . . . 3
- Record employees' names and SSNs from social security cards. . . . . 3
- Ask employees for 1998 Form W-4 . . . . . 3

**Each Payday:**

- Withhold Federal income tax based on each employee's Form W-4 . . . . . 32
- Withhold employee's share of social security and Medicare taxes . . . . . 13
- Include advance earned income credit in paycheck if employee requested it on Form W-5 . . . . . 14
- Deposit:
  - Withheld income tax, plus
  - Withheld and employer social security taxes, plus
  - Withheld and employer Medicare taxes, less
  - Any advance earned income credit . . . . . 15

**Note:** *Due date of deposit depends on your deposit schedule (monthly or semiweekly).*

**Quarterly (By April 30, July 31, October 31, and January 31):**

- Deposit FUTA tax in an authorized financial institution if undeposited amount is over \$100 . . . 27
- File Form 941 (pay tax with return if not required to deposit) . . . . . 22

**Annually (See Calendar for due dates):**

- Remind employees to submit a new Form W-4 if they need to change their withholding. . . . 12
- Ask for a new Form W-4 from employees claiming exemption from income tax withholding . . . . . 12
- Reconcile Forms 941 with Forms W-2 and W-3 . . . . . 23
- Furnish each employee a Form W-2 . . . . . 2
- File copy A of Forms W-2 and the transmittal Form W-3 with the SSA. . . . . 3
- Furnish each recipient a Form 1099 (e.g., Forms 1099-R and 1099-MISC). . . . . 2
- File Forms 1099 and the transmittal Form 1096 . . . . . 3
- File Form 940 or 940-EZ . . . . . 27
- File Form 945 for any nonpayroll income tax withholding . . . . . 4

**Information Returns**

You may have to file information returns to report certain types of payments made during the year. For example, you must file **Form 1099-MISC**, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (e.g., independent contractors) for services performed for your trade or business. For details about filing Forms 1099 and for information about required magnetic media filing, see the separate **Instructions for Forms 1099, 1098, 5498, and W-2G**. Do not use Forms 1099 to report wages and other compensation you paid to employees; report these on Form W-2. See the separate **Instructions for Form W-2** for details about filing Form W-2 and for information about required magnetic media filing. If you file 250 or more Forms W-2 or 1099, you must file them on magnetic media.

**Information reporting call site.** The IRS operates a centralized call site to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions related to reporting on information returns, call 304-263-8700.

**Nonpayroll Income Tax Withholding**

Nonpayroll income tax withholding must be reported on **Form 945**, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 1997 is due February 2, 1998 (because the

January 31 due date falls on a Saturday). Separate deposits are required for payroll (Form 941) and nonpayroll (Form 945) withholding. Nonpayroll items include:

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

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

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

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

**Backup withholding.** You generally must withhold 31% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number. This withholding is referred to as backup withholding.

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

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

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

## Recordkeeping

Keep all records of employment taxes for at least 4 years. These should be available for IRS review. Records should include:

- Your employer identification number.
- Amounts and dates of all wage, annuity, and pension payments.
- Amounts of tips reported.
- The fair market value of in-kind wages paid.
- Names, addresses, social security numbers, and occupations of employees and recipients.
- Any employee copies of Form W-2 that were returned to you as undeliverable.
- Dates of employment.
- Periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments you or third-party payers made to them.
- Copies of employees' and recipients' income tax withholding allowance certificates (Forms W-4, W-4P, W-4S, and W-4V).
- Dates and amounts of tax deposits you made.
- Copies of returns filed.
- Records of allocated tips.
- Records of fringe benefits provided, including substantiation.

## Change of Address

To notify the IRS of a new business mailing address or business location, file **Form 8822**, Change of Address.

## Telephone Help

**Tax questions.** You can call the IRS with your tax questions Monday through Friday during regular business hours. Check your telephone book for the local number or call 1-800-829-1040.

**Unresolved tax issues.** The **Problem Resolution Program** is for people who have been unable to resolve their problems with the IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS district director or call your local IRS office and ask for Problem Resolution assistance. This office cannot change the tax law or technical decisions. But it can help you clear up problems that resulted from previous contacts.

**Telephone help using TTY/TDD equipment.** If you have access to TTY/TDD equipment, you may call 1-800-829-4059 with your tax question or to order forms and publications. You may also use this number for problem resolution assistance.

**Recorded tax information (TeleTax).** The TeleTax service provides recorded tax information on topics that answer many individual and business Federal tax questions. You can listen to up to three topics on each call you make. Touch-tone service is available 24 hours a day, 7 days a week.

A list of employment tax topics is provided below. Select, by number, the topic you want to hear. Then call 1-800-829-4477 and select option 2, Recorded Tax Information. For the directory of topics, listen to topic 123.

## TeleTax Topics

Topic No.	Subject
751	Social security and Medicare withholding rates
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance earned income credit
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Form 941—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940/940-EZ—Deposit requirements
760	Form 940/940-EZ—Employer's Annual Federal Unemployment Tax Return
761	Form 945—Annual Return of Withheld Federal Income Tax
762	Tips—Withholding and reporting

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## General Information

This guide explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying employment taxes. It explains the forms you must give your employees, those your employees must give you, and those you must send to the IRS and SSA. This guide also has tax tables you need to figure the taxes to withhold for each employee for 1998.

Additional employment tax information is available in **Pub. 15-A, Employer's Supplemental Tax Guide**. Pub. 15-A includes specialized information supplementing the basic employment tax information provided in this guide.

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

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

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

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

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

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official.

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## 1. Employer Identification Number (EIN)

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

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

If you have not asked for an EIN, request one on **Form SS-4, Application for Employer Identification**

Number. You can get this form at SSA offices or by calling 1-800-TAX-FORM. Form SS-4 has information on how to apply for an EIN by mail or by telephone.

You should have only one EIN. If you have more than one and are not sure which one to use, please check with the Internal Revenue Service Center where you file your return. Give the numbers you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use.

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

See **Depositing without an EIN** on page 19 if you must make a deposit and you do not have an EIN.

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## 2. Who Are Employees?

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

**Employee status under common law.** Anyone who performs services for you is your employee if you can control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. Get **Pub. 15-A, Employer's Supplemental Tax Guide**, for more information on how to determine whether an individual providing services is an independent contractor or an employee.

Generally, people in business for themselves are not employees. For example, doctors, lawyers, veterinarians, construction contractors, and others in an independent trade in which they offer their services to the public are usually not employees. However, if the business is incorporated, corporate officers who work in the business are employees.

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

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

- 1) An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- 2) A full-time life insurance salesperson.
- 3) A homemaker who works by guidelines of the person for whom the work is done, with materials fur-

nished by and returned to that person or to someone that person designates.

- 4) A traveling or city salesperson (other than an agent-driver or commission-driver) who works full time (except for sideline sales activities) for one firm or person getting orders from customers. The orders must be for items for resale or use as supplies in the customer's business. The customers must be retailers, wholesalers, contractors, or operators of hotels, restaurants, or other businesses dealing with food or lodging.

Get Pub. 15–A for details on statutory employees.

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

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

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

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

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## 3. Family Employees

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

Payments for the services of a child under the age of 21 who works for his or her parent whether or not in a trade or business are not subject to social security, Medicare, and Federal unemployment (FUTA) taxes. However, they may still be subject to income tax withholding.

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

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

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

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

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

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

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## 4. Employee's Social Security Number (SSN)

You must get each employee's name and SSN because you must enter them on Form W–2. (This requirement also applies to resident and nonresident alien employees.) You may ask your employee to show you his or her social security card. The employee is required to show the card if they have it available. If you do not provide the correct employee name and SSN on Form W–2, you may owe a penalty.

Any employee without a social security card can get one by completing **Form SS–5**, Application for a Social Security Card. You can get this form at Social Security Administration (SSA) offices or by calling

1-800-772-1213. If your employee applied for an SSN but does not have it when you must file Form W-2, enter "Applied For" on the form. When the employee receives the SSN, file **Form W-2c**, Corrected Wage and Tax Statement, to show the employee's SSN.

**Note:** Record the name and number of each employee exactly as they are shown on the employee's social security card. If the employee's name is not correct as shown on the card (for example, because of marriage or divorce) the employee should request a new card from the SSA. Continue to use the old name until the employee shows you the new social security card with the new name.

If your employee was given a new social security card to show his or her correct name and number after an adjustment to his or her alien residence status, correct your records and show the new information on Form W-2. If you filed Form W-2 for the same employee in prior years under the old name and SSN, file Form W-2c to correct the name and number. Advise the employee to contact the local SSA office about 9 months after the Form W-2c is filed to ensure that the records were updated.

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## 5. Wages and Other Compensation

Wages subject to Federal employment taxes include all pay you give an employee for services performed. The pay may be in cash or in other forms. It includes salaries, vacation allowances, bonuses, commissions, and fringe benefits. It does not matter how you measure or make the payments. Also, compensation paid to a former employee for services performed while still employed are wages subject to employment taxes. See section 6 for a discussion of tips and section 7 for supplemental wages. Also see section 15 for exceptions to the general rules for wages. **Pub. 15-A**, Employer's Supplemental Tax Guide, provides additional information on wages and other compensation.

**Employee business expense reimbursements.** A reimbursement or allowance arrangement is a system by which you substantiate and pay the advances, reimbursements, and charges for your employees' business expenses. How you report a reimbursement or allowance amount depends on whether it is an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

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

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

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

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

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

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

- 1) Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation, or
- 2) You advance an amount to your employee for business expenses and your employee is not required to or does not return timely any amount he or she does not use for business expenses.

**Per diem or other fixed allowance.** You may reimburse your employees by travel days, or miles, or some other fixed allowance. In these cases, your employee is considered to have accounted to you if the payments do not exceed rates established by the Federal Government. The 1997 standard mileage rate was 31.5 cents per mile for auto expenses. See **Pub. 553**, Highlights of 1997 Tax Changes, for the 1998 standard mileage rate. The government per diem rates for meals and lodging in the continental United States are listed in **Pub. 1542**, Per Diem Rates. Other than the amount of these expenses, your employees' business expenses must be substantiated (for example, the business purpose of the travel or the number of business miles driven).

If the per diem or allowance paid exceeds the amounts specified, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and FUTA taxes. Show the amount equal to the specified amount in box 13 of Form W-2, using code L.

For more information, see chapter 16 in **Pub. 535**, Business Expenses.



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

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

**Moving expenses.** Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) are not includible in an employee's income unless you have knowledge that the employee deducted the expenses in a prior year. Reimbursed and employer-paid nonqualified moving expenses are includible in income and are subject to employment taxes and income tax withholding. For more information on moving expenses for 1997, get **Pub. 521**, Moving Expenses.

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

"For the convenience of the employer" means that you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals you provide at the place of work so an employee is available for emergencies during his or her lunch period are generally considered to be for your convenience.

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

For more information, see chapter 3 in Pub. 535.

**Health insurance plans.** If you pay the cost of an accident or health insurance plan for your employees, generally including a qualified long-term care insurance contract, your payments are not wages and are not subject to social security, Medicare, and Federal unemployment (FUTA) taxes, or income tax withholding.

**Medical savings accounts.** Your contributions to an employee's Medical Savings Account (MSA) are not subject to social security, Medicare, or FUTA taxes, or income tax withholding to the extent it is reasonable to believe at the time of payment of the contributions that

they will be excludable from the income of the employee. To the extent that it is **not** reasonable to believe they will be excludable, your contributions are subject to these taxes. Employee contributions to their MSA through a payroll deduction plan must be included in wages and are subject to social security, Medicare, and FUTA taxes and income tax withholding.

**Medical care reimbursements.** Medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and FUTA taxes, or income tax withholding.

**Fringe benefits.** Unless the law says otherwise, you must include fringe benefits in an employee's gross income. The benefits are subject to income tax withholding and employment taxes. Fringe benefits include cars you provide, flights on aircraft you provide, free or discounted commercial flights, vacations, discounts on property or services, memberships in country clubs or other social clubs, and tickets to entertainment or sporting events. In general, the amount you must include is the amount by which the fair market value of the benefits is more than the sum of what the employee paid for it plus any amount the law excludes. There are other special rules you and your employees may use to value certain fringe benefits. See Pub. 535 for more information.

**Nontaxable fringe benefits.** Some fringe benefits are not taxable if certain conditions are met. See chapter 4 of Pub. 535 for details. Examples are:

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

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

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

For more information, including the definition of a highly compensated employee, see Pub. 535.

**When fringe benefits are treated as paid.** You may choose to treat certain noncash fringe benefits as paid by the pay period, or by the quarter, or on any other basis you choose as long as you treat the benefits as paid at least as often as once a year. You do not have to make a formal choice of payment dates or notify the IRS of the dates you choose. You do not have to make this choice for all employees. You may change methods as often as you like, as long as you treat all benefits provided in a calendar year as paid by December 31 of the calendar year. See Pub. 535 for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

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

**Withholding on fringe benefits.** You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold Federal income tax on the value of the fringe benefits at the flat 28% supplemental wage rate.

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

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

If you determine by January 31 that you overestimated the value of a fringe benefit at the time you withheld and deposited for it, you may claim a refund for the overpayment or have it applied to your next employment tax return (see **Valuation of fringe benefits** on page 10). If you underestimated the value and deposited too little, you may be subject to the failure to deposit penalty. See section 11 for information on deposit penalties.

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

ever, you must recover the income taxes before April 1 of the following year.

**Sick pay.** In general, sick pay is any amount you pay, under a plan you take part in, to an employee because of sickness or injury. These amounts are sometimes paid by a third party, such as an insurance company or employees' trust. In either case, these payments are subject to social security, Medicare, or railroad retirement taxes, and Federal unemployment (FUTA) taxes. Sick pay becomes exempt from these taxes after the end of 6 calendar months after the calendar month the employee last worked for the employer. The payments are also subject to income tax. See Pub. 15-A for more information.

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## 6. Tips

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

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

Both Forms 4070 and **4070-A**, Employee's Daily Record of Tips, are included in **Pub. 1244**, Employee's Daily Record of Tips and Report to Employer.

You must collect income tax, employee social security tax, and employee Medicare tax on the employee's tips. You can collect these taxes from the employee's wages or from other funds he or she makes available. (See **Tips treated as supplemental wages** in section 7 for further information.) Stop collecting the employee social security tax when his or her wages and tips for tax year 1998 reach \$68,400; collect the income and employee Medicare taxes for the whole year on all wages and tips.

You are responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You are responsible for the employer Medicare tax for the whole year on all wages and tips.

File Form 941 to report withholding on tips. If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to deduct the employee tax, you no longer have to collect it. Show these tips and the uncollected social security and Medicare taxes on Form W-2 and on lines 6c, 6d, 7a, and 7b of Form 941. Report an adjustment on line 9 of Form 941 for the uncollected social security and Medicare taxes. (See section 13 and the **Instructions for Forms W-2**.)

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

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

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

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

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## 7. Supplemental Wages

Supplemental wages are compensation paid in addition to the employee's regular wages. They include, but are not limited to, bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay and retroactive pay increases for current employees, and payments for nondeductible moving expenses. Other payments subject to the supplemental wage rules include taxable fringe benefits and expense allowances paid under a nonaccountable plan.

If you pay supplemental wages with regular wages but do not specify the amount of each, withhold income tax as if the total were a single payment for a regular payroll period.

If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the income tax withholding method depends partly on whether you withhold income tax from your employee's regular wages:

- 1) If you **withheld** income tax from an employee's regular wages, you can use one of the following methods for the supplemental wages:
  - a) Withhold a flat 28% (no other percentage allowed).
  - b) Add the supplemental and regular wages for the most recent payroll period this year. Then figure the income tax withholding as if the total were a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
- 2) If you **did not withhold** income tax from the employee's regular wages, use method **b** above. (This would occur, for example, when the value of the employee's withholding allowances claimed on Form W-4 is more than the wages.)

Regardless of the method you use to withhold income tax on supplemental wages, they are subject to social security, Medicare, and FUTA taxes.

**Tips treated as supplemental wages.** Withhold the income tax on tips from wages or from other funds the employee makes available. If an employee receives regular wages and reports tips, figure income tax as if the tips were supplemental wages. If you have not withheld income tax from the regular wages, add the tips to the regular wages. Then withhold income tax on the total. If you withheld income tax from the regular wages, you can withhold on the tips by method **a** or **b** above.

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

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## 8. Payroll Period

The payroll period is a period of service for which you usually pay wages. When you have a regular payroll period, withhold income tax for that time period even if your employee does not work the full period.

When you do not have a payroll period, withhold the tax as if you paid wages on a daily or miscellaneous payroll period. Figure the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (e.g., commissions paid on completion of a sale), count back the number of days from the payment period to the latest of:

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

When you pay an employee for a period of less than 1 week, and the employee signs a statement under penalties of perjury that he or she is not working for any other employer during the same week for wages subject to withholding, figure withholding based on a weekly payroll period. If the employee later begins to work for another employer for wages subject to withholding, the employee must notify you within 10 days. You then figure withholding based on the daily or miscellaneous period.

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## 9. Withholding From Employees' Wages

### Income Tax Withholding

To know how much income tax to withhold from employees' wages, you should have a **Form W-4**, Employee's Withholding Allowance Certificate, on file for each employee. Ask all new employees to give you a

signed Form W-4 when they start work. Make the form effective with the first wage payment. If a new employee does not give you a completed Form W-4, withhold tax as if he or she is single, with no withholding allowances.

A Form W-4 remains in effect until the employee gives you a new one. If an employee gives you a Form W-4 that replaces an existing Form W-4, begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date you received the replacement Form W-4. For exceptions, see **Exemption from income tax withholding, Sending certain Forms W-4 to the IRS, and Invalid Forms W-4** below.

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

Employees may claim **fewer** withholding allowances than they are entitled to claim. They may wish to claim fewer allowances to ensure that they have enough withholding or to offset other sources of taxable income that are not subject to adequate withholding.

**Note:** A Form W-4 that makes a change for the next calendar year will not take effect in the current calendar year.

Get **Pub. 505**, Tax Withholding and Estimated Tax, for detailed instructions for completing Form W-4. Along with Form W-4, you may wish to order Pub. 505 and **Pub. 919**, Is My Withholding Correct for 1998?

When you receive a new Form W-4, do not adjust withholding for pay periods before the effective date of the new form. Also, do not accept any withholding or estimated tax payments from your employees in addition to withholding based on their Form W-4. If they require additional withholding, they should submit a new Form W-4 and, if necessary, pay estimated tax by filing **Form 1040-ES**, Estimated Tax for Individuals.

**Exemption from income tax withholding.** An employee may claim exemption from income tax withholding because he or she had no income tax liability last year and expects none this year. However, the wages are still subject to social security and Medicare taxes.

An employee must submit a Form W-4 to you each year by February 15 to claim exemption from withholding. If the employee does not give you a new Form W-4, withhold tax as if the employee is single with zero withholding allowances.

**Withholding on nonresident aliens.** In general, if you pay wages to nonresident aliens, you must withhold income tax (unless excepted by regulations), social security, and Medicare taxes as you would for a U.S. citizen. You must also give a Form W-2 to the nonresident alien and file it with the SSA. The wages are subject to FUTA tax as well. However, see **Pub. 515**, Withholding of Tax on Nonresident Aliens and Foreign

Corporations, and **Pub. 519**, U.S. Tax Guide for Aliens, for exceptions to these general rules.

**Form W-4.** To avoid underwithholding of income taxes, you should require nonresident aliens when completing Form W-4 to:

- ☒ Not claim exemption from income tax withholding.
- ☒ Request withholding as if they are single, regardless of their actual marital status.
- ☒ Claim only one allowance.
- ☒ Request an additional income tax withholding amount of \$4.00 per week.

**Note:** If the nonresident alien is a resident of Canada, Mexico, Japan, or Korea, he or she may claim more than one allowance.

**Nonwage withholding.** In some cases, an Internal Revenue Code section or a U.S. treaty provision will exempt payments to a nonresident alien from wages. These payments are not subject to regular income tax withholding. Form W-2 is not required in these cases. Instead, the payments are subject to withholding at a flat 30% or lower treaty rate, unless exempt from tax because of a Code or U.S. tax treaty provision.

Report these payments and any withheld tax on **Form 1042-S**, Foreign Person's U.S. Source Income Subject to Withholding. Form 1042-S is sent to the IRS with **Form 1042**, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. You may have to make deposits of the withheld income tax, using **Form 8109**, Federal Tax Deposit Coupon or EFTPS (see page 18). See Pub. 515 and the **Instructions for Form 1042-S** for more information.

**Sending certain Forms W-4 to the IRS.** You must send to the IRS copies of certain Forms W-4 received during the quarter from employees still employed by you at the end of the quarter. Send copies when the employee claims (1) more than 10 withholding allowances or (2) exemption from withholding and his or her wages would normally be more than \$200 per week. You are not required to send any other Forms W-4 unless the IRS notifies you in writing to do so.

Send in Forms W-4 that meet either of the above conditions each quarter with Form 941. Complete boxes 8 and 10 on any Forms W-4 you send in. You may use box 9 to identify the office responsible for processing the employee's payroll information. Also send copies of any written statements from employees in support of the claims made on Forms W-4. Send these statements even if the Forms W-4 are not in effect at the end of the quarter. You can send them to your IRS service center more often if you like. If you do so, include a cover letter giving your name, address, EIN, and the number of forms included. In certain cases, the IRS may notify you in writing that you must submit specified Forms W-4 more frequently to your district director separate from your Form 941.

If your Forms 941 are filed on magnetic media, this Form W-4 information also should be filed with the IRS on magnetic media. (See **Filing Form W-4 on magnetic media** on the next page.) If you file Form 941 electronically or by TeleFile, send your paper Forms

W-4 to your IRS service center with a cover letter. Magnetic media filers of Form 941 also may send paper Forms W-4 to their service center with a cover letter if they are unable to file them on magnetic media.

Base withholding on the Forms W-4 that you send in unless the IRS notifies you in writing to do otherwise. If the IRS notifies you about a particular employee, base withholding on the number of withholding allowances shown in the IRS notice. The employee will get a similar notice directly from the IRS. If the employee later gives you a new Form W-4, follow it only if (1) exempt status is not claimed or (2) the number of withholding allowances is equal to or fewer than the number in the IRS notice. Otherwise, disregard it and do not submit it to the IRS. Continue to follow the IRS notice.

If the employee prepares a new Form W-4 explaining any difference with the IRS notice, he or she may either submit it to the IRS or to you. If submitted to you, send the Form W-4 and explanation to the IRS office shown in the notice. Continue to withhold based on the notice until the IRS tells you to follow the new Form W-4.

**Filing Form W-4 on magnetic media.** Form W-4 information may be filed with the IRS on magnetic media. If you wish to file on magnetic media, you must submit **Form 4419**, Application for Filing Information Returns Magnetically/Electronically, to request authorization. See **Pub. 1245**, Specifications for Filing Form W-4, Employee's Withholding Allowance Certificate, Magnetically or Electronically. To get more information about magnetic media filing, call the IRS Martinsburg Computing Center at 304-263-8700.

**Invalid Forms W-4.** Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies that the form is correct. A Form W-4 is also invalid if, by the date an employee gives it to you, he or she indicates in any way that it is false. An employee who files a false Form W-4 may be subject to a \$500 penalty.

When you get an invalid Form W-4, do not use it to figure withholding. Tell the employee it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee were single and claiming no withholding allowances. However, if you have an earlier Form W-4 for this worker that is valid, withhold as you did before.

**Amounts exempt from levy on wages, salary, and other income.** If you receive a Notice of Levy on Wages, Salary, and Other Income (Forms 668-W or 668-W(c)), you must withhold amounts as described in the instructions for these forms. **Pub. 1494**, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Forms 668-W and 668-W(c)), shows the exempt amount.

## Social Security and Medicare Taxes

The Federal Insurance Contributions Act (FICA) provides for a Federal system of old-age, survivors, disability, and hospital insurance. The old-age, survivors, and disability insurance part is financed by the social

security tax. The hospital insurance part is financed by the Medicare tax. Each of these taxes is reported separately.

Social security and Medicare taxes are levied on both you and your employees (unless you or your employees are not subject to these taxes; see section 15). You, as an employer, must withhold and deposit the employee's part of the taxes and you must pay a matching amount. Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age or whether he or she is receiving social security benefits. (If the employee reported tips, see section 6.)

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

The employee tax rate for social security is 6.2% (amount withheld). The employer tax rate for social security is also 6.2% (12.4% total). The 1997 wage base was \$65,400. For 1998, the wage base is \$68,400.

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

**Successor employer.** If you received all or most of the property used in the trade or business of another employer, or a unit of that employer's trade or business, you may include the wages the other employer paid to your employees when you figure the annual wage limit for social security. See Regulations section 31.3121(a)(1)-1(b) for more information. Also see Rev. Proc. 96-60, 1996-2 C.B. 399, for the procedures used in filing returns in a predecessor-successor situation.

**Example:** Early in 1997, you bought all the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. You and Mr. Brown are subject to social security taxes on the first \$63,400 (\$65,400 less \$2,000) and Medicare taxes on all wages you pay him during the rest of the calendar year.

**International social security agreements.** The United States has social security agreements with many countries that eliminate dual taxation and coverage under both countries' systems. Compensation subject to social security and Medicare taxes may be exempt under one of these agreements. See **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information and a list of agreement countries.

## Part-Time Workers

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

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## 10. Advance Earned Income Credit (EIC) Payment

An employee who is eligible for the earned income credit (EIC) and has a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must give you a properly completed **Form W-5**, Earned Income Credit Advance Payment Certificate. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5.

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

For 1998, the advance payment can be as much as \$1,363. The tables that begin on page 56 reflect that limit.

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

- ☐ Whether he or she has a qualifying child.
- ☐ Whether he or she is married.
- ☐ If the employee is married, whether his or her spouse has a Form W-5 in effect with any employer.

An employee may have only one certificate in effect with a current employer at one time. If an employee is married and his or her spouse also works, each spouse should file a separate Form W-5.

**Length of effective period.** Form W-5 is effective for the first payroll period ending on or after the date the employee gives you the form (or the first wage payment made without regard to a payroll period). It remains in effect until the end of the calendar year unless the employee revokes it or files another one. Eligible employees must file a new Form W-5 each year.

**Change of status.** If an employee gives you a signed Form W-5 and later becomes ineligible for advance EIC payments, he or she must revoke Form W-5 within 10 days after learning about the change of circumstances. The employee must give you a new Form W-5 stating that he or she is no longer eligible for or no longer wants advance EIC payments.

If an employee's situation changes because his or her spouse files a Form W-5, the employee must file

a new Form W-5 showing that his or her spouse has a Form W-5 in effect with an employer. This will reduce the maximum amount of advance payments you can make to that employee.

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

**Invalid Form W-5.** The Form W-5 is invalid if it is incomplete, unsigned, or has an alteration or unauthorized addition. The form has been altered if any of the language has been deleted. Any writing added to the form other than the requested entries is an unauthorized addition.

You should consider a Form W-5 invalid if an employee has made an oral or written statement that clearly shows the Form W-5 to be false. If you receive an invalid form, tell the employee that it is invalid as of the date he or she made the oral or written statement. For advance EIC payment purposes, the invalid Form W-5 is considered void.

You are not required to determine if a completed and signed Form W-5 is correct. However, you should contact the IRS district director if you have reason to believe it has any incorrect statement.

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

- ☐ Wages, including reported tips, for the pay period.
- ☐ Whether the employee is married or single.
- ☐ Whether a married employee's spouse has a Form W-5 in effect with an employer.

**Note:** *If during the year you have paid an employee total wages of at least \$26,473, you must stop making advance EIC payments to that employee for the rest of the year.*

Figure the amount of advance EIC to include in the employee's pay by using the tables that begin on page 56. There are separate tables for employees whose spouses have a Form W-5 in effect. See page 33 for instructions on using the advance EIC payment tables. The amount of advance EIC paid to an employee during 1998 cannot exceed \$1,363.

**Paying the advance EIC to employees.** An advance EIC payment is not wages and is not subject to withholding of income, social security, or Medicare taxes. An advance EIC payment does not change the amount of income, social security, or Medicare taxes you withhold from the employee's wages. You add the EIC payment to the employee's net pay for the pay period. At the end of the year, you show the total advance EIC payments in box 9 on Form W-2. Do not include this amount as wages in box 1.

**Employer's returns.** Show the total payments you made to employees on the advance EIC line of your Form 941. Subtract this amount from your total taxes (see the separate **Instructions for Form 941**). Reduce

the amounts reported on line 17 of Form 941 or **Schedule B (Form 941)**, Employer's Record of Federal Tax Liability, by any advance EIC paid to employees.

Generally, employers will make the advance EIC payment from withheld income tax and employee and employer social security and Medicare taxes. These taxes are normally required to be paid over to the IRS either through Federal tax deposits or with employment tax returns. For purposes of deposit due dates, advance EIC payments are considered deposited on the day you pay wages (including the advance EIC payment) to your employees. The advance EIC payment reduces, in this order, the amount of income tax withholding, withheld employee social security and Medicare taxes, and the employer's share of social security and Medicare taxes.

**Example:** You have 10 employees, each entitled to an advance EIC payment of \$10. The total advance payments you make for the payroll period are \$100. The total income tax withholding for the payroll period is \$90. The total employee and employer social security and Medicare taxes for the payroll period is \$122.60 (\$61.30 each).

You are considered to have made a deposit of \$100 advance EIC payment on the day you paid wages, and you subtract this amount from your employment taxes for the payroll period. The \$100 is treated as if you paid the IRS the \$90 total income tax withholding and \$10 of the employee social security and Medicare taxes. You remain liable only for \$112.60 of the social security and Medicare taxes ( $\$51.30 + \$61.30 = \$112.60$ ).

**Advance EIC payments more than taxes due.** For any payroll period, if the total advance EIC payments are more than the total payroll taxes (withheld income tax and both employee and employer shares of social security and Medicare taxes), you may choose either to:

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

**Example:** You have 10 employees who are each entitled to an advance EIC payment of \$10. The total amount of advance EIC payable for the payroll period is \$100. The total employment tax for the payroll period is \$90 (including income tax withholding and social security and Medicare taxes). The advance EIC payable is \$10 more than the total employment tax. The \$10 excess is 10% of the advance EIC payable (\$100). You may—

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

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

## Required Notice to Employees

You must notify employees who have no income tax withheld that they may be able to claim a tax refund because of the EIC. Although you do not have to notify employees who claim exemption from withholding on **Form W-4**, Employee's Withholding Allowance Certificate, about the EIC, you are encouraged to notify any employees whose wages for 1997 were less than \$29,290 that they may be eligible to claim the credit for 1997. This is because eligible employees may get a refund of the amount of EIC that is more than the tax they owe. For example, an employee who had no tax withheld in 1997 and owes no tax, but is eligible for a \$790 EIC, can file a 1997 tax return to get a \$790 refund.

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

If a substitute Form W-2 is given on time but does not have the required statement, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 9, 1998.

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## 11. Depositing Taxes

In general, you must deposit income tax withheld and both the employer and employee social security and Medicare taxes (minus any advance EIC payments) by mailing or delivering a check, money order, or cash to an authorized financial institution or Federal Reserve bank. However, some taxpayers are required to deposit by electronic funds transfer. See **How To Deposit** on page 18 for information on electronic deposit requirements for 1998.

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

- You accumulate less than a \$500 tax liability (reduced by any advance earned income credit) during the quarter (line 13 of Form 941). However, if you are unsure that you will accumulate less than \$500, deposit under the appropriate rules so that you will not be subject to failure to deposit penalties, or
- You are a monthly schedule depositor and making a payment in accordance with the **Accuracy of Deposits Rule** discussed on page 18. This amount may be \$500 or more.

**Caution:** Only monthly schedule depositors (see below) are allowed to make this payment with the return.

**Separate deposit requirements for nonpayroll (Form 945) tax liabilities.** Separate deposits are required for nonpayroll and payroll income tax withholding. **Do not** combine deposits for Form 941 and Form 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below, except that the rules apply to an annual rather than a quarterly return period. For example, the \$500 rule discussed on page 15 applies to Form 945 on an annual basis. See the separate **Instructions for Form 945** for more information.

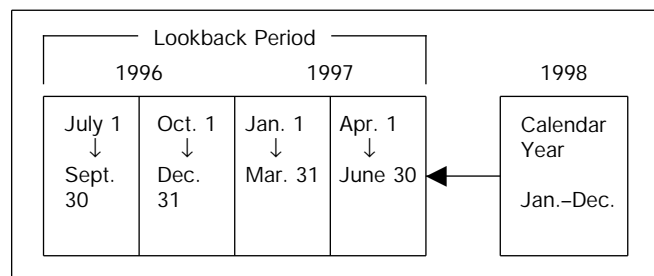
## When To Deposit

There are two deposit schedules—**monthly or semi-weekly**—for determining when you deposit social security, Medicare, and withheld income taxes. These schedules tell you when a deposit is due after a tax liability arises (e.g., when you have a payday). Prior to the beginning of each calendar year, you must determine which of the two deposit schedules you are required to use. The deposit schedule you must use is based on the total tax liability you reported on Form 941 during a four-quarter **lookback period** discussed below. Your deposit schedule is **not** determined by how often you pay your employees or make deposits (see **Application of Monthly and Semiweekly Schedules** on page 17).

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

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

Table 1. **Lookback Period for Calendar Year 1998**



**Adjustments and the lookback rule.** Determine your tax liability for the four quarters in the lookback period based on the tax liability as **originally** reported on Form 941. If you made adjustments to correct errors on previously filed Forms 941, these adjustments do

not affect the amount of tax liability for purposes of the lookback rule. If you report adjustments on your current Form 941 to correct errors on prior Forms 941, include these adjustments as part of your tax liability for the current quarter. If you filed Form 843 to claim a refund for a prior period overpayment, your tax liability does not change for either the prior period or the current period for purposes of the lookback rule.

**Example:** An employer originally reported a tax liability of \$45,000 for the four quarters in the lookback period ending June 30, 1997. The employer discovered during January 1998 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 1998 first quarter return. This employer is a monthly schedule depositor for 1998 since the lookback period tax liabilities are based on the amounts originally reported and they were less than \$50,000. The \$10,000 adjustment is part of the 1998 first quarter tax liability.

## Monthly Deposit Schedule

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

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

**New employers.** During the first calendar year of your business, your tax liability for each quarter in the lookback period is considered to be zero. Therefore, you are a monthly schedule depositor for the first calendar year of your business (but see the **\$100,000 Next-Day Deposit Rule** on page 17).

## Semiweekly Deposit Schedule

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

Table 2. **Semiweekly Deposit Schedule**

Payment Days/ Deposit Periods	Deposit By
Wednesday, Thursday, and/or Friday	Following Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Following Friday



**Semiweekly deposit period spanning two quarters.** If a quarter ends on a day other than Tuesday or Friday, taxes accumulated on the days during the quarter just ending are subject to one deposit obligation, and taxes accumulated on the days covered by the new quarter are subject to a separate deposit obligation. For example, if one quarter ends on Thursday and a new quarter begins on Friday, taxes accumulated on Wednesday and Thursday are subject to one deposit obligation and taxes accumulated on Friday are subject to a separate obligation. Separate deposits are required because two different quarters are affected.

**Summary of Steps To Determine Your Deposit Schedule**

1. Identify your lookback period (see Table 1).
2. Add the total taxes (line 11 of Form 941) you reported during the lookback period.
3. Determine if you are a monthly or semiweekly schedule depositor:

If the total taxes you reported in the lookback period were . . .	Then you are a . . .
\$50,000 or less	Monthly Schedule Depositor
More than \$50,000	Semiweekly Schedule Depositor

**Example of Monthly and Semiweekly Schedules**

Rose Co. reported Form 941 taxes as follows:

1997 Lookback Period		1998 Lookback Period	
3rd Quarter 1995	- \$12,000	3rd Quarter 1996	- \$12,000
4th Quarter 1995	- \$12,000	4th Quarter 1996	- \$12,000
1st Quarter 1996	- \$12,000	1st Quarter 1997	- \$12,000
2nd Quarter 1996	- <u>\$12,000</u>	2nd Quarter 1997	- <u>\$15,000</u>
	\$48,000		\$51,000

Rose Co. is a monthly schedule depositor for 1997 because its tax liability for the four quarters in its lookback period (third quarter 1995 through second quarter 1996) was not more than \$50,000. However, for 1998, Rose Co. must follow the semiweekly deposit schedule because the total taxes exceeded \$50,000 for the four quarters in its lookback period (third quarter 1996 through second quarter 1997).

**Deposits on Banking Days Only**

If a deposit is required to be made on a day that is not a banking day, the deposit is considered timely if it is made by the close of the next banking day. In addition to Federal and state bank holidays, Saturdays and Sundays are treated as nonbanking days. For example, if a deposit is required to be made on a Friday and Friday is not a banking day, the deposit will be considered timely if it is made by the following Monday (if that Monday is a banking day).

**Semiweekly schedule depositors** have at least 3 banking days to make a deposit. That is, if any of the 3 weekdays after the end of a semiweekly period is a banking holiday, you will have one additional banking

day to deposit. For example, if a semiweekly schedule depositor accumulated taxes for payments made on Friday and the following Monday is not a banking day, the deposit normally due on Wednesday may be made on Thursday (allowing 3 banking days to make the deposit).

**Application of Monthly and Semiweekly Schedules**

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

**Monthly schedule example:** Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each Friday during January 1998 but did not pay any wages during February. Under the monthly deposit schedule, Spruce Co. must deposit the combined tax liabilities for the January paydays by February 17 (February 15 is a Sunday and February 16 is a holiday). Spruce Co. does not have a deposit requirement for February (due by March 16) because no wages were paid and, therefore, it did not have a tax liability for the month.

**Semiweekly schedule example:** Green Inc., which has a semiweekly deposit schedule, pays wages once each month on the last day of the month. Although Green Inc. has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green Inc.'s tax liability for the March 31, 1998 (Tuesday) payday must be deposited by April 3, 1998 (Friday). Under the semiweekly deposit schedule, liabilities for wages paid on Saturday through Tuesday must be deposited by the following Friday.

**\$100,000 Next-Day Deposit Rule**

If you accumulate a tax liability (reduced by any advance EIC payments) of \$100,000 or more on any day during a **deposit period**, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor. For monthly schedule depositors, the deposit period is a calendar month. The deposit periods for semiweekly schedule depositors are Wednesday through Friday and Saturday through Tuesday.

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

In addition, once you accumulate at least \$100,000 in a deposit period, stop accumulating at the end of that day and begin to accumulate anew on the next day.

For example, Fir Co. is a semiweekly schedule depositor. On Monday, Fir Co. accumulates taxes of \$110,000 and must deposit this amount on Tuesday, the next banking day. On Tuesday, Fir Co. accumulates additional taxes of \$30,000. Because the \$30,000 is not added to the previous \$110,000 and is less than \$100,000, Fir Co. must deposit the \$30,000 by Friday following the semiweekly deposit schedule.

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

**Example:** Elm Inc. started its business on April 1, 1998. On April 15, it paid wages for the first time and accumulated a tax liability of \$40,000. On April 22, Elm Inc. paid wages and accumulated a liability of \$60,000, bringing its accumulated tax liability to \$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm Inc. accumulated a \$100,000 liability on April 22, it became a semiweekly schedule depositor on April 23. It will be a semiweekly schedule depositor for the remainder of 1998 and for 1999. Elm Inc. is required to deposit the \$100,000 by April 23 (Thursday), the next banking day.

## Accuracy of Deposits Rule

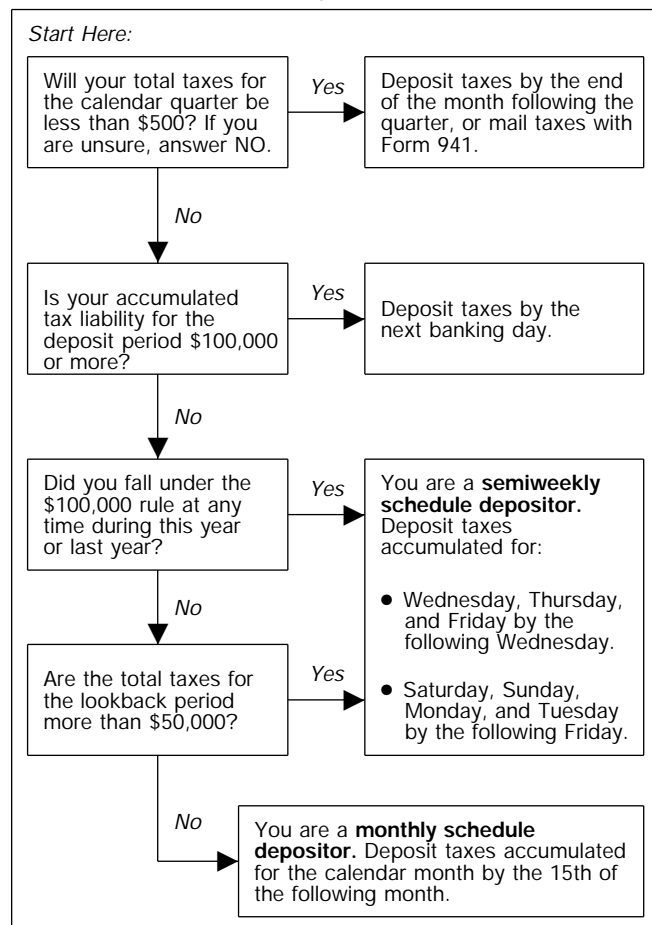
You are required to deposit 100% of your tax liability on or before the deposit due date. However, penalties will not be applied for depositing less than 100% if **both** of the following conditions are met:

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

☞ **Monthly Schedule Depositor.** Deposit the shortfall or pay it with your return by the due date of the Form 941 for the quarter in which the shortfall occurred. You may pay the shortfall with Form 941 even if the amount is \$500 or more.

☞ **Semiweekly Schedule Depositor.** Deposit by the earlier of the first Wednesday or Friday that falls on or after the 15th of the month following the month in which the shortfall occurred, or, if earlier, the due date of Form 941. For example, if a semiweekly schedule depositor has a deposit shortfall during February 1998, the shortfall makeup date is March 18, 1998 (Wednesday). However, if the shortfall occurred on the required April 1 deposit date for a March 27, 1998, pay date, the return due date for the March 27 tax liability (April 30) would come before the May 15 (Friday) shortfall makeup date. In this case, the shortfall must be deposited by April 30.

## When To Deposit Employment Taxes



## How To Deposit

The two methods of depositing employment taxes, including Form 945 taxes, are discussed below. See page 15 for exceptions explaining when taxes may be paid with the tax return instead of deposited. **Do not** deposit delinquent taxes assessed by the IRS. Send those payments directly to your Internal Revenue Service Center with a copy of any related notice the IRS sent you.

**Electronic deposits.** If your total deposits of social security, Medicare, railroad retirement, and withheld income taxes were more than \$50,000 in 1996, you must make electronic deposits for **all** depository tax liabilities that occur after 1997. When determining whether you exceeded the \$50,000 threshold, combine deposits of only the following tax returns you filed: Forms 941, 941-M, 941-PR, 941-SS, 943, 945, and CT-1 only. If you were required to deposit by electronic funds transfer in prior years, you must continue to do so in 1998. The **Electronic Federal Tax Payment System (EFTPS)** must be used to make electronic deposits. If you are required to make deposits by electronic funds transfer and fail to do so, you may be subject to a 10% penalty. However, if you were first required to use EFTPS on or after July 1, 1997, no penalties for failure to use EFTPS will be imposed prior to July 1, 1998. Taxpayers who are not required to make electronic deposits may voluntarily participate in EFTPS. To enroll in EFTPS, call 1-800-555-4477 or

1-800-945-8400. For general information about EFTPS, call 1-800-829-1040.

**Making Deposits With FTD Coupons.** If you are not making deposits by EFTPS, use **Form 8109**, Federal Tax Deposit Coupon, to make the deposits at an authorized financial institution or Federal Reserve bank.

For new employers, the IRS will send you a Federal Tax Deposit (FTD) coupon book 5 to 6 weeks after you receive an employer identification number (EIN). (Apply for an EIN on Form SS-4.) The IRS will keep track of the number of FTD coupons you use and **automatically** will send you additional coupons when you need them. If you do not receive your resupply of FTD coupons, call 1-800-829-1040. You can have the FTD coupon books sent to a branch office, tax preparer, or service bureau that is making your deposits by showing that address on **Form 8109-C**, FTD Address Change, which is in the FTD coupon book. (Filing Form 8109-C will not change your address of record; it will change only the address where the FTD coupons are mailed.) The FTD coupons will be preprinted with your name, address, and EIN. They have entry boxes for indicating the type of tax and the tax period for which the deposit is made.

It is very important to clearly mark the correct type of tax and tax period on each FTD coupon. This information is used by the IRS to credit your account.

If you have branch offices depositing taxes, give them FTD coupons and complete instructions so they can deposit the taxes when due.

Please use only your FTD coupons. If you use anyone else's FTD coupon, you may be subject to the failure to deposit penalty. This is because your account will be underpaid by the amount of the deposit credited to the other person's account. See **Deposit Penalties** on page 20 for details.

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

Authorized depositories must accept cash, a postal money order drawn to the order of the depository, or a check or draft drawn on and to the order of the depository. You may deposit taxes with a check drawn on another financial institution only if the depository is willing to accept that form of payment.

**Note:** *Be sure that the financial institution where you make deposits is an authorized depository. Deposits made at an unauthorized institution may be subject to the failure to deposit penalty.*

**Federal Reserve banks (FRBs).** If you want to make a deposit at an FRB, make the deposit with the FRB serving your area. Deposits may be subject to the

failure to deposit penalty if the payment is not considered an immediate credit item on the day it is received by the FRB. A personal check, including one drawn on a business account, is not an immediate credit item. To avoid a penalty, deposits made by personal checks drawn on other financial institutions must be made in advance of the deposit due date to allow time for check clearance.

**Depositing on time.** The IRS determines if deposits are on time by the date they are received by an authorized depository or FRB. To be considered timely, the funds must be available to the depository or FRB on the deposit due date before the institution's daily cutoff deadline. Contact your local depository or FRB for information concerning check clearance and cutoff schedules. However, a deposit received by the authorized depository or FRB after the due date will be considered timely if the taxpayer establishes that it was mailed in the United States at least 2 days before the due date.

**Note:** *If you are required to deposit any taxes more than once a month, any deposit of \$20,000 or more must be made by its due date to be timely.*

**Depositing without an EIN.** If you have applied for an EIN but **have not** received it, and you must make a deposit, make the deposit with your Internal Revenue Service Center. **Do not** make the deposit at an authorized depository or FRB. Make it payable to the Internal Revenue Service and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. Send an explanation with the deposit. **Do not** use **Form 8109-B**, Federal Tax Deposit Coupon, in this situation.

**Depositing without Form 8109.** If you do not have the preprinted Form 8109, you may use Form 8109-B to make deposits. Form 8109-B is an over-the-counter FTD coupon that is not preprinted with your identifying information. You may get this form by calling 1-800-829-1040. Be sure to have your EIN ready when you call. You will not be able to obtain this form by calling 1-800-TAX-FORM.

Use Form 8109-B to make deposits only if—

- You are a new employer and you have been assigned an EIN, but you have not received your initial supply of Forms 8109, or
- You have not received your resupply of preprinted Forms 8109.

**Deposit record.** For your records, a stub is provided with each FTD coupon in the coupon book. The FTD coupon itself will not be returned. It is used to credit your account. Your check, bank receipt, or money order is your receipt.

**How to claim credit for overpayments.** If you deposited more than the right amount of taxes for a quarter, you can choose on Form 941 for that quarter to have the overpayment refunded or applied as a credit to your next return. Do not ask the depository or EFTPS to request a refund from the IRS for you.

## Deposit Penalties

Penalties may apply if you do not make required deposits on time. The penalties do not apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. For amounts not properly or timely deposited, the penalty rates are:

- 2%** - Deposits made 1 to 5 days late.
- 5%** - Deposits made 6 to 15 days late.
- 10%** - Deposits made 16 or more days late. Also applies to amounts paid to the IRS within 10 days of the date of the first notice the IRS sent asking for the tax due.
- 10%** - Deposits made at an unauthorized financial institution, paid directly to the IRS, or paid with your tax return (but see **Depositing without an EIN** and **Payment with return** earlier for exceptions).
- 10%** - Amounts subject to electronic deposit requirements but not deposited using the Electronic Federal Tax Payment System (EFTPS).
- 15%** - Amounts still unpaid more than 10 days after the date of the first notice the IRS sent asking for the tax due or the day on which you receive notice and demand for immediate payment, whichever is earlier.

**Order in which deposits are applied.** Tax deposits are applied first to any past due undeposited amount, with the oldest liability satisfied first.

**Example:** Cedar Inc. is required to make a deposit of \$1,000 on April 15 and \$1,500 on May 15. It does not make the deposit on April 15. On May 15, Cedar Inc. deposits \$1,700 assuming that it has paid its May deposit in full and applied \$200 to the late April deposit. However, because deposits are applied first to past due underdeposits in due date order, \$1,000 of the May 15 deposit is applied to the late April deposit. The re-

maining \$700 is applied to the May 15 deposit. Therefore, in addition to an underdeposit of \$1,000 for April 15, Cedar Inc. has an underdeposit for May 15 of \$800. Penalties will be applied to both underdeposits as explained above.

**Trust fund recovery penalty.** If income, social security, and Medicare taxes that must be withheld are not withheld or are not deposited or paid to the IRS, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be **responsible** for collecting, accounting for, and paying over these taxes, and who acted **willfully** in not doing so.

A **responsible person** can be an officer or employee of a corporation, a partner or employee of a partnership, an accountant, a volunteer director/trustee, or an employee of a sole proprietorship. A responsible person also may include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

**Willfully** means voluntarily, consciously, and intentionally. A responsible person acts willfully if the person knows the required actions are not taking place.

**Separate accounting when deposits are not made or withheld taxes are not paid.** Separate accounting may be required if you do not pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive written notice from the district director requiring you to deposit taxes in a special trust account for the U.S. Government. You would also have to file monthly tax returns on **Form 941-M**, Employer's Monthly Federal Tax Return.

# Federal Tax Deposit (FTD) Coupon

(Use a soft lead pencil when completing Form 8109 or 8109-B)

<p>Mark the "X" in this box only if there is a change to Employer Identification Number (EIN) or Name.</p> <div style="border: 1px solid black; width: 30px; height: 30px; text-align: center; line-height: 30px;">X</div>	<p><b>2</b> AMOUNT OF DEPOSIT (Do NOT type, please print.)</p> <table border="1"> <tr> <th colspan="5">DOLLARS</th> <th colspan="5">CENTS</th> </tr> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>		DOLLARS					CENTS															<p><b>3</b> Darken only one TYPE OF TAX</p> <table border="1"> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">941</td> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">945</td> </tr> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">990-C</td> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">1120</td> </tr> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">943</td> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">990-T</td> </tr> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">720</td> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">990-PF</td> </tr> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">CT-1</td> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">1042</td> </tr> <tr> <td style="width: 30px; height: 30px;"><input type="checkbox"/></td> <td style="width: 30px; height: 30px;">940</td> <td colspan="2"></td> </tr> </table>		<input type="checkbox"/>	941	<input type="checkbox"/>	945	<input type="checkbox"/>	990-C	<input type="checkbox"/>	1120	<input type="checkbox"/>	943	<input type="checkbox"/>	990-T	<input type="checkbox"/>	720	<input type="checkbox"/>	990-PF	<input type="checkbox"/>	CT-1	<input type="checkbox"/>	1042	<input type="checkbox"/>	940		
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## Federal Tax Deposit Coupon

### Form 8109

**1. Verify your name and employer identification number (EIN)** on the preprinted FTD coupon. This will ensure that your deposit is applied to the proper account. To indicate a change, place an "X" in the box and enter the correct name and EIN. **DO NOT MAKE ADDRESS CHANGES** here. See the instructions under **FTD Address Change**, below.

**2. Hand-print the money amount**—do not type. Also, do not enter dollar signs, commas, decimal points, or leading zeroes. If your deposit is for whole dollars only, be sure to enter 00 in the CENTS boxes.

**3. To indicate the type of tax**, darken the box to the left of the appropriate form. Do not darken the "IRS USE ONLY" box.

**4. Always darken the box indicating the quarter that the deposit is for**—not the quarter in which you are making the deposits. For payroll, withholding, and excise tax deposits, the quarters are:

1st quarter - Jan. 1 through Mar. 31      3rd quarter - July 1 through Sept. 30

2nd quarter - Apr. 1 through June 30      4th quarter - Oct. 1 through Dec. 31

For business income tax deposits (this includes the excise tax on net investment income for Form 990-PF filers), darken the 1st Quarter box for deposits made before the end of your tax year. Darken the 4th Quarter box for deposits made after the end of the year.

Deposits for different types of taxes and for different quarters cannot be combined. Each needs its own FTD coupon.

**5. Be sure to include your daytime telephone number** in the space provided.

## FTD Address Change

### Form 8109C

If you are changing only your **address** (for example, if you want your coupons sent to a different address), continue to use the coupons you have. Show a change of address on **Form 8109C**, FTD Address Change. A new FTD coupon book will be issued. However, you may continue to use the old coupons until you receive the new book.

**Note:** *This address change only changes the address on the FTD coupons. It does not change your IRS account address (the address the IRS uses to send your tax forms, refunds, and notices to you).* If you want to change your account address, other than for FTD coupons, use **Form 8822**, Change of Address.

## Automatic Resupply

The FTD coupon book is designed so that the FTD coupon books will be sent automatically to you. If you must make an FTD deposit and you do not have a deposit coupon, call 1-800-829-1040 and provide the following information: business name, address where you want the coupon books sent, number of coupon books, and EIN. Also, include the month in which your tax year ends if you have a Form 1120, 990-C, 990-PF (with net investment income), 990-T, or 2438 filing requirement.

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## 12. Filing Form 941

Each quarter, all employers who pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes must file **Form 941**, Employer's Quarterly Federal Tax Return. However, the following exceptions apply:

- 1) **Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.** To alert the IRS that you will not have to file a return for one or more quarters during the year, mark the Seasonal employer box above line 1 on Form 941. The IRS will mail two Forms 941 to the seasonal filer once a year after March 1. The preprinted label will not include the date the quarter ended. You must enter the date the quarter ended when you file the return. Generally, the IRS will not inquire about unfiled returns if at least one taxable return is filed each year. However, you must mark the Seasonal employer box on every Form 941 you file. Otherwise, the IRS will expect a return to be filed for each quarter.
- 2) **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you are a sole proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941. Otherwise, report social security and Medicare taxes and income tax withholding for household employees on **Schedule H (Form 1040)**, Household Employment Taxes. See **Pub. 926**, Household Employer's Tax Guide, for more information.
- 3) **Employers reporting wages for employees in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or Puerto Rico.** If the employees are not subject to U.S. income tax withholding, use Form 941-SS. Employers in Puerto Rico use Form 941-PR.
- 4) **Agricultural employers reporting social security, Medicare, and withheld income taxes.** Report these on **Form 943**, Employer's Annual Tax Return for Agricultural Employees.

**Magnetic tape filing of Form 941.** Reporting agents filing Forms 941 for groups of taxpayers can file them on magnetic tape. See the reporting agent discussion in section 8 of **Pub. 15-A**, Employer's Supplemental Tax Guide, for more information.

**Penalties.** For each whole or part month a return is not filed when required (disregarding any extensions of the filing deadline), there is a penalty of 5% of the unpaid tax due with that return. The maximum penalty is 25%. Also, for each whole or part month the tax is paid late (disregarding any extensions of the payment deadline), a penalty of 0.5% of the amount of tax generally applies. The maximum for this penalty is also

25%. The penalties will not be charged if you have a reasonable cause for failing to file or pay.

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

**Do not file more than one Form 941 per quarter.** Employers with multiple locations or divisions must file only one Form 941 per quarter. Filing more than one return may result in processing delays and may require correspondence between you and the IRS.

**Hints on filing.** Do not report more than one calendar quarter on a return.

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

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

**Note:** *If you are required to file a final Form 941, you are also required to furnish Form W-2 to your employees by the due date of the final Form 941. File Forms W-2 and W-3 with the SSA by the last day of the month following the due date of your final Form 941. See the **Instructions for Form W-2** for more information.*

**Filing late Forms 941 for prior years.** If you are filing an original return for a quarter in a prior year and you are using the current year form, you will have to modify Form 941.

**Caution:** *The instructions on the form may be inappropriate for the year for which you are reporting taxes because of changes in the law, regulations, or procedures. Contact the IRS if you have any questions. The revision date (found under the form number at the top of the form) will tell you the year for which the form was developed.*

**Note:** *A form for a particular year can generally be used without modification for any quarter within that year. For example, a form with any 1998 revision date (e.g., January or October 1998) can generally be used without modification for any quarter of 1998.*

In all cases, however, be sure to correctly fill out the "Date quarter ended" section at the top of the form. If you are modifying a form with preprinted information, change the date (the date is shown with the month and year the quarter ends; for example, JUN98 would be for the quarter ending June 30, 1998). Cross out any inapplicable tax rate(s) shown on the form and write in the rate from Table 3 on the next page. You can get

tax rates and wage bases for years not shown in the table from the IRS.

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

Calendar Year	Wage Base (each employee)	Tax Rate on Taxable Wages and Tips
1997-Social Security	\$65,400	12.4%
1997-Medicare	All Wages	2.9
1996-Social Security	62,700	12.4
1996-Medicare	All Wages	2.9
1995-Social Security	61,200	12.4
1995-Medicare	All Wages	2.9

**Reconciling Forms W-2, W-3, and 941.** When there are discrepancies between Forms 941 filed with the IRS and Forms W-2 and W-3 filed with the SSA, we must contact you to resolve the discrepancies. This costs time and money, both for the Government and for you the employer.

To help reduce discrepancies—

- 1) Report bonuses as wages and as social security and Medicare wages on Forms W-2 and 941.
- 2) Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941.
- 3) Report social security taxes on Form W-2 in the box for social security tax withheld, not as social security wages.
- 4) Report Medicare taxes on Form W-2 in the box for Medicare tax withheld, not as Medicare wages.
- 5) Make sure social security wage amounts for each employee do not exceed the annual social security wage base.
- 6) Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages.
- 7) If you used an EIN on any quarterly Form 941 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for "Other EIN used this year."

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

- 1) Be sure the amounts on Form W-3 are the total amounts from Forms W-2.
- 2) Reconcile Form W-3 with your four quarterly Forms 941 by comparing amounts reported for—
  - a) Income tax withholding.
  - b) Social security wages, social security tips, and Medicare wages and tips. Form W-3 should include Form 941 adjustments only for the current year (i.e., if the Form 941 adjustments in-

clude amounts for a prior year, do not report those prior year adjustments on the current-year Forms W-2 and W-3).

- c) Social security and Medicare taxes. The amounts shown on the four quarterly Forms 941, including current-year adjustments, should be approximately twice the amounts shown on Form W-3. This is because Form 941 includes both the employer and employee shares of social security and Medicare taxes.
- d) Advance earned income credit.

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

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

## 13. Reporting Adjustments on Form 941

There are two types of adjustments: current period adjustments and adjustments to correct errors on prior period returns. See the instructions for Forms 941 and 941c for more information on how to report these adjustments.

### Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes on lines 6b, 6d, and 7b of Form 941 must be adjusted to arrive at your correct tax liability (e.g., excluding amounts withheld by a third-party payer or amounts you were not required to withhold). Current period adjustments are reported on line 9 of Form 941 and include the following:

**Adjustment of tax on tips.** If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. Report the entire amount of these tips on lines 6c (social security tips) and 7a (Medicare wages and tips). Include as an adjustment on line 9 the total uncollected employee share of the social security and Medicare taxes.

**Adjustment of tax on group-term life insurance premiums paid for former employees.** The employee share of social security and Medicare taxes on group-term life insurance over \$50,000 for a former employee is paid by the former employee with his or her

### Current Period Adjustment Example

7	Taxable Medicare wages and tips . . . . .	<b>7a</b>	\$		×	2.9% (.029) =	<b>7b</b>		
8	Total social security and Medicare taxes (add lines 6a, 6b, and 7). Check here if wages are not subject to social security and/or Medicare tax . . . . . <input type="checkbox"/>	<b>8</b>							
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ <u>(1000.00)</u> ± Fractions of Cents \$ <u>10.00</u> ± Other \$ <u>(200.00)</u> =	<b>9</b>						(1190	00)
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions). . . . .	<b>10</b>							
11	<b>Total taxes</b> (add lines 5 and 10) . . . . .	<b>11</b>							

tax return and is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 6b and 7b (social security and Medicare taxes), and back out the amount of the employee share of these taxes as an adjustment on line 9. See Pub. 15–A for more information on group-term life insurance.

**Note:** Enter the amount of the above adjustments in the “Other” adjustment entry space on line 9 and provide a brief supporting statement explaining the nature and amount of the adjustments (see the example below). Do not use Form 941c as the supporting statement for current period adjustments.

**Adjustment of tax on third-party sick pay.** Report both the employer and employee shares of social security and Medicare taxes for sick pay on lines 6b and 7b of Form 941. Deduct on line 9 the social security and Medicare taxes on third-party sick pay for which you are not responsible. Also enter the sick pay tax adjustment in the “Sick Pay” adjustment entry space. No additional statement for this adjustment is required. See section 7 of Pub. 15–A for more information.

**Fractions of cents adjustment.** If there is a difference between the total tax on line 8 and the total deducted from your employees’ wages or tips plus the employer’s contribution, and this difference is caused by adding or dropping fractions of cents in collecting the tax, report the difference on line 9. Also enter the amount of this adjustment in the entry space for “Fractions of Cents.” No additional statement for this adjustment is required.

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

- **Third-party sick pay:** It included taxes of \$2,000 for sick pay on lines 6b and 7b for social security and Medicare taxes. However, the third-party payer of the sick pay withheld and paid to the IRS the employee share (\$1,000) of these taxes. Cedar Inc. is entitled to a \$1,000 sick pay adjustment (negative).
- **Fractions of cents:** Cedar Inc. determined that the amounts calculated and deposited for social security and Medicare taxes during the quarter were a net \$10 more than the amount figured on lines 6b and 7b (social security and Medicare taxes). This difference was caused by adding or dropping fractions

of cents when figuring employment taxes for each wage payment. It must report a \$10 fractions-of-cents adjustment (positive).

- **Life insurance premiums:** Cedar Inc. paid group-term life insurance premiums for policies in excess of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar Inc. must include the employee share of these taxes with the social security and Medicare taxes reported on lines 6b and 7b of Form 941. It is entitled to a \$200 adjustment (negative).

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

### Prior Period Adjustments

Generally, you can correct errors on prior quarter Forms 941 by making an adjustment on the Form 941 for the quarter during which the error was discovered. For example, if you made an error in reporting social security tax on your second quarter 1997 Form 941 and discovered the error during January 1998, correct the error by making an adjustment on your first quarter 1998 Form 941.

The adjustment increases or decreases your tax liability for the quarter in which it is reported (the quarter the error is discovered) and is interest free. The net adjustments reported on Form 941 may include any number of corrections for one or more previous quarters, including both overpayments and underpayments.

You are required to provide background information and certifications supporting prior quarter adjustments. File with Form 941 a **Form 941c**, Supporting Statement To Correct Information, or attach a statement that shows:

- What the error was.
- Quarter in which the error was made.
- The amount of the error for each quarter.
- Date on which you found the error.
- That you repaid the employee tax or received from each affected employee a written consent to this refund or credit, if the entry corrects an overcollection.



**Prior Period Adjustment Example**

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

17 Monthly Summary of Federal Tax Liability			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter
-0-	4000.00	4500.00	8500.00

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ Print Your Name and Title ▶ Date ▶

For Paperwork Reduction Act Notice, see page 4 of separate instructions. Cat. No. 17001Z Form **941** (Rev. 1-98)

¶ If the entry corrects social security and Medicare taxes overcollected in an earlier year, that you received from the employee a written statement that he or she will not claim a refund or credit for the amount.

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

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

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

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

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

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

If the adjustment corrects an **underreported liability** in a prior quarter, report the adjustment on the entry

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

**Example of reporting prior period adjustments:** Elm Co., a monthly schedule depositor, discovered on January 9, 1998, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 1998 were: January—\$4,500, February—\$4,500, and March—\$4,500. Elm Co. completed line 17 of Form 941 as shown in the **Prior Period Adjustment Example** above.

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

**Note:** Do not make any changes to the record of Federal tax liability for current quarter adjustments. The amounts reported on the record reflect the **actual amounts you withheld from employees' wages for social security and Medicare taxes**. Because the current quarter adjustments make the amounts reported on lines 6b, 6d, and 7b of Form 941 equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of Federal tax liability are necessary for these adjustments.

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

**Collecting underwithheld taxes from employees.** If you withheld no income, social security, or Medicare taxes or less than the right amount from an employee's wages, you can make it up from later pay to that employee. But you are the one who owes the underpayment to the IRS. Reimbursement is up to you and the employee. Underwithheld income tax must be recovered from the employee *on or before the last day of the*

calendar year. There are special rules for tax on tips (see section 6) and fringe benefits (see section 5).

**Refunding amounts incorrectly withheld from employees.** If you withheld more than the right amount of income, social security, or Medicare taxes from wages paid, give the employee the excess. Any excess income tax withholding must be reimbursed to the employee prior to the end of the calendar year. Keep in your records the employee's written receipt showing the date and amount of the repayment. If you don't have a receipt, you must report and pay each excess amount when you file the return for the quarter in which you withheld too much tax.

**Correcting filed Form W-2 and W-3 statements.** When adjustments are made to correct social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also may need to file **Form W-2c**, Corrected Wage and Tax Statement, and **Form W-3c**, Transmittal of Corrected Wage and Tax Statements.

## Wage Repayments

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

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

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

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

**Note:** *The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or credit in some cases) for the repaid wages on his or her income tax return for the year of repayment.*

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## 14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a Federal and a state unemployment tax. Only the employer pays FUTA tax; it is not deducted from the employee's wages. For information, see the **Instructions for Form 940**.

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

### 1) General test.

You are subject to FUTA tax on the wages you pay employees who are not farmworkers or household workers if in the current or preceding calendar year:

- a) You paid wages of \$1,500 or more in any calendar quarter in 1996 or 1997 or
- b) You had one or more employees for at least some of a day in any 20 or more different weeks in 1996 or 20 or more different weeks in 1997.

### 2) Household employees test.

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

### 3) Farmworkers test.

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

- a) You paid cash wages of \$20,000 or more to farmworkers during any calendar quarter in 1996 or 1997 or
- b) You employed 10 or more farmworkers during at least some part of a day (whether or not at the same time) during any 20 or more different weeks in 1996 or 20 or more different weeks in 1997.

**Computing FUTA tax.** For 1997 and 1998, the FUTA tax rate is 6.2%. The tax applies to the first \$7,000 amount you pay each employee as wages during the year. The \$7,000 is the Federal wage base. Your state wage base may be different. Generally, you can take a credit against your FUTA tax for amounts you paid into state unemployment funds. This credit cannot be more than 5.4% of taxable wages. If you are entitled to the maximum 5.4% credit, the FUTA tax rate after the credit is .8%. See the Instructions for Form 940 for more information.

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

**Depositing FUTA tax.** For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of wages paid during the quarter by .008 (.8%). Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in wages for the calendar year. If any part of the wages subject to FUTA are exempt from state unemployment tax, you may deposit more than the .008 rate. For example, in certain states, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits, are exempt from state unemployment tax.

If your FUTA tax liability for a quarter is \$100 or less, you do not have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter in 1998 is over \$100 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax by electronic funds transfer (EFTPS) or in an authorized financial institution using **Form 8109**, Federal Tax Deposit Coupon. See section 11 for information on these two deposit methods.

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

**When to deposit.** Deposit the FUTA tax by the last day of the first month after the quarter ends.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$100, deposit the entire amount by the due date of Form 940

or Form 940-EZ (January 31). If it is \$100 or less, you can either make a deposit or pay the tax with your Form 940 or 940-EZ by January 31.

**Table 4. When To Deposit FUTA Taxes**

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

**Reporting FUTA tax.** Use **Form 940** or **940-EZ**, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report this tax. The IRS will mail a preaddressed Form 940 or 940-EZ to you if you filed a return the year before. If you do not receive Form 940 or 940-EZ, you can get the form by calling 1-800-TAX-FORM (1-800-829-3676).

**Form 940-EZ requirements.** You may be able to use Form 940-EZ if (1) you paid unemployment taxes ("contributions") to only one state, (2) you paid state unemployment taxes by the due date of Form 940 or 940-EZ, and (3) all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax. Otherwise, use Form 940. For example, if you paid wages to corporate officers (these wages are subject to FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940-EZ.

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

## 15. Special Rules for Various Types of Services and Payments

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

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
<b>Aliens, nonresident.</b>	See page 12 and <b>Pub. 515</b> , Withholding of Tax on Nonresident Aliens and Foreign Corporations, and <b>Pub. 519</b> , U.S. Tax Guide for Aliens.		
<b>Aliens, resident:</b> 1. Service performed in the U.S.  2. Service performed outside U.S.	Same as U.S. citizen.  Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.)  Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Same as U.S. citizen.  Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S., or alien is employed on such vessel or aircraft when it touches U.S. port.
<b>Cafeteria plan benefits under section 125.</b>	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit were provided outside the plan. (See <b>Pub. 15-A</b> for more information.)		
<b>Deceased worker:</b> 1. Wages paid to beneficiary or estate in same calendar year as worker's death. (See <b>Instructions for Form W-2</b> for details.)  2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt  Exempt	Taxable  Exempt	Taxable  Exempt
<b>Dependent care assistance programs</b> (limited to \$5,000; \$2,500 if married filing separately).	Exempt to the extent it is reasonable to believe that amounts are excludable from gross income under section 129.		
<b>Disabled worker's wages</b> paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker did not perform any service for employer during period for which payment is made.	Taxable
<b>Employee business expense reimbursement:</b> a. Accountable plan. 1. Amounts not exceeding specified government rate for per diem or standard mileage. 2. Amounts in excess of specified government rate for per diem or standard mileage. b. Nonaccountable plan. (See page 8 for details.)	Exempt  Withhold  Withhold	Exempt  Taxable  Taxable	Exempt  Taxable  Taxable
<b>Fishing and related activities.</b>	See <b>Pub. 595</b> , Tax Highlights for Commercial Fishermen.		
<b>Foreign governments and international organizations.</b>	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
<b>Foreign service by U.S. citizens:</b> 1. As U.S. government employee. 2. For foreign affiliates of American employers and other private employers.	Withhold  Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911 or (2) the employer is required by law of the foreign country to withhold income tax on such payment.	Same as within U.S.  Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates or (2) U.S. citizen works for American employer.	Exempt  Exempt unless (1) on American vessel or aircraft and work is performed under contract made in U.S. or worker is employed on vessel when it touches U.S. port or (2) U.S. citizen works for American employer (except in a contiguous country with which the U.S. has an agreement for unemployment compensation) or in the U.S. Virgin Islands.
<b>Homeworkers</b> (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. (see page 6 for details.)	Withhold  Exempt	Taxable  Taxable if paid \$100 or more in cash in a year.	Taxable  Exempt
<b>Hospital employees:</b> 1. Interns 2. Patients	Withhold  Withhold	Taxable  Taxable (Exempt for state or local government hospitals.)	Exempt  Exempt
<b>Household employees:</b> 1. Domestic service in private homes. (Farmers see Circular A.)  2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree).  Exempt (withhold if both employer and employee agree).	Taxable if paid \$1,100 or more in cash in 1998. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not the principal occupation of the employee.  Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid total cash wages of \$1,000 or more (for <b>all</b> household employees) in any quarter in the current or preceding calendar year.  Taxable if employer paid total cash wages of \$1,000 or more (for <b>all</b> household employees) in any quarter in the current or preceding calendar year.
<b>Insurance for employees:</b> 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. (See <b>Pub. 15-A</b> for more details.)	Exempt (except 2% shareholder-employees of S corporations).  Exempt	Exempt  Exempt, except for the cost of group-term life insurance that is includible in the employee's gross income. (Special rules apply for former employees.)	Exempt  Exempt
<b>Insurance agents or solicitors:</b> 1. Full-time life insurance salesperson.  2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. (See page 6.)  Withhold only if employee under common law.	Taxable  Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions.  Taxable if (1) employee under common law and (2) not paid solely by commissions.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
<b>Interest on loans with below-market interest rates</b> (foregone interest and deemed original issue discount). (See <b>Pub. 15-A</b> for more information.)	Exempt (but deemed payments of compensation-related loans must be shown on Form W-2).	Exempt, unless loans are compensation related.	Exempt, unless loans are compensation related.
<b>Leave-sharing plans:</b> Amounts paid to an employee pursuant to a leave-sharing plan.	Withhold	Taxable	Taxable
<b>Newspaper carriers and vendors:</b> Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Pub 15-A for information on statutory nonemployee status.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
<b>Noncash payments:</b> 1. For household work, agricultural labor, and service not in the course of the employer's trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree). Optional with employer.	Exempt Taxable	Exempt Taxable
<b>Nonprofit organizations.</b>	See <b>Pub. 15-A.</b>		
<b>Partners:</b> Payments to members of general partnership.	Exempt	Exempt	Exempt
<b>Railroads, etc.:</b> Payments subject to the Railroad Retirement Act	Withhold	Exempt	Exempt
<b>Religious exemptions.</b>	See <b>Pub. 15-A.</b>		
<b>Retirement and pension plans:</b> 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (e.g., 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Employee salary reduction contributions to a SIMPLE retirement account. 6. Distributions from qualified retirement and pension plans and section 403(b) annuities.  (See <b>Pub. 15-A</b> for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.)	Exempt  Generally exempt, but see section 402(g) for limitation.  Generally exempt, but see section 402(g) for salary reduction SEP limitation.  Generally exempt, but see section 402(g) for limitation.  Exempt  Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. (See Pub. 15-A.)	Exempt  Taxable  Exempt, except for amounts contributed under a salary reduction SEP agreement.  Taxable if paid through a salary reduction agreement (written or otherwise).  Taxable  Exempt	Exempt  Taxable  Exempt, except for amounts contributed under a salary reduction SEP agreement.  Taxable if paid through a salary reduction agreement (written or otherwise).  Taxable  Exempt
<b>Salespersons:</b> 1. Common law employees. 2. Statutory employees.  3. Statutory nonemployees (qualified real estate agents and direct sellers). (See page 7 for details.)	Withhold Exempt  Exempt	Taxable Taxable  Exempt	Taxable Taxable, except for full-time life insurance sales agents.  Exempt
<b>Scholarships and fellowship grants:</b> (includible in income under section 117(c)).	Withhold	Taxability depends on the nature of the employment and the status of the organization. See <b>Students</b> on page 31.	

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

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

## Income Tax Withholding

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

### Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 36–55) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of wages, find the amount of tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

**Note:** If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances in Table 5 before using the percentage method tables (pages 34–35).

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

To adapt the tables to more than 10 allowances:

- 1) Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. (The allowance values are in Table 5, **Percentage Method—1998 Amount for One Withholding Allowance** below.)
- 2) Subtract the result from the employee's wages.
- 3) On this amount, find and withhold the tax in the column for 10 allowances.

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

### Percentage Method

If you do not want to use the wage bracket tables on pages 36 through 55 to figure how much income tax to withhold, you can use a percentage computation based on Table 5 below and the appropriate rate table. This

method works for any number of withholding allowances the employee claims and any amount of wages.

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

- 1) Multiply one withholding allowance (see Table 5 below) by the number of allowances the employee claims.
- 2) Subtract that amount from the employee's wages.
- 3) Determine the amount to withhold from the appropriate table on pages 34 and 35.

**Table 5. Percentage Method—1998 Amount for One Withholding Allowance**

Payroll Period	One Withholding Allowance
Weekly . . . . .	\$ 51.92
Biweekly . . . . .	103.85
Semimonthly . . . . .	112.50
Monthly . . . . .	225.00
Quarterly . . . . .	675.00
Semiannually . . . . .	1,350.00
Annually . . . . .	2,700.00
Daily or miscellaneous (each day of the payroll period) . . . . .	10.38

**Example:** An unmarried employee is paid \$450 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax to withhold as follows:

- |   |                 |
|---|-----------------|
| 1. Total wage payment . . . . .   | \$450.00        |
| 2. One allowance . . . . .  | \$51.92         |
| 3. Allowances claimed on Form W-4 <u>2</u>                                      |                 |
| 4. Multiply line 2 by line 3 . . . . .  | <u>\$103.84</u> |
| 5. Amount subject to withholding (subtract line 4 from line 1) . . . . .        | \$346.16        |
| 6. Tax to be withheld on \$346.16 from Table 1—single person, page 34 . . . . . | <u>\$ 44.27</u> |

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar.

**Annual income tax withholding.** Figure the income tax to withhold on annual wages under the Percentage Method for an annual payroll period. Then prorate the tax back to the payroll period.

**Example:** A married person claims four withholding allowances. She is paid \$1,000 a week. Multiply the weekly wages by 52 weeks to figure the annual wage of \$52,000. Subtract \$10,800 (the value of four withholding allowances for 1998) for a balance of \$41,200. Using the table for the annual payroll period, \$5,212.50 is withheld. Divide the annual tax by 52. The weekly tax is \$100.24.



## Alternative Methods of Income Tax Withholding

Rather than the Percentage or Wage Bracket Methods described on page 32, you can use an alternative method to withhold income tax. **Pub. 15–A**, Employer's Supplemental Tax Guide, describes these alternative methods and contains:

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

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

## Advance Payment Methods for the Earned Income Credit (EIC)

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

The number of withholding allowances an employee claims on Form W–4 is not used in figuring the advance EIC payment. Nor does it matter that the employee has claimed exemption from income tax withholding on Form W–4.

## Wage Bracket Method

If you use the wage bracket tables on pages 58 through 61, figure the advance EIC payment as follows.

Find the employee's gross wages before any deductions using the appropriate table. There are different tables for **(a)** single or married employees without spouse filing a certificate and **(b)** married employees with both spouses filing certificates. Determine the amount of the advance EIC payment shown in the appropriate table for the amount of wages paid.

## Percentage Method

If you do not want to use the wage bracket tables to figure how much to include in an employee's wages for the advance EIC payment, you can use the percentage method based on the appropriate rate table on pages 56 and 57.

Find the employee's gross wages before any deductions in the appropriate table on pages 56 and 57. There are different tables for **(a)** single or married employees without spouse filing a certificate and **(b)** married employees with both spouses filing certificates. Find the advance EIC payment shown in the appropriate table for the amount of wages paid.

## Whole-Dollar Withholding and Paying Advance EIC (Rounding)

The income tax withholding amounts in the wage bracket tables (pages 36–55) have been rounded to whole-dollar amounts.

When employers use the percentage method (pages 34–35) or an alternative method of income tax withholding, the tax for the pay period may be rounded to the nearest dollar.

The wage bracket tables for advance EIC payments (pages 58–61) have also been rounded to whole-dollar amounts. If you use the percentage method for advance EIC payments (pages 56–57), the payments may be rounded to the nearest dollar.

## Tables for Percentage Method of Withholding (For Wages Paid in 1998)

### TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$51 . . . . .		\$0		Not over \$124 . . . . .		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$51	—\$517 . . . . .	15%	—\$51	\$124	—\$899 . . . . .	15%	—\$124
\$517	—\$1,105 . . . . .	\$69.90 plus 28%	—\$517	\$899	—\$1,855 . . . . .	\$116.25 plus 28%	—\$899
\$1,105	—\$2,493 . . . . .	\$234.54 plus 31%	—\$1,105	\$1,855	—\$3,084 . . . . .	\$383.93 plus 31%	—\$1,855
\$2,493	—\$5,385 . . . . .	\$664.82 plus 36%	—\$2,493	\$3,084	—\$5,439 . . . . .	\$764.92 plus 36%	—\$3,084
\$5,385	. . . . .	\$1,705.94 plus 39.6%	—\$5,385	\$5,439	. . . . .	\$1,612.72 plus 39.6%	—\$5,439

### TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$102 . . . . .		\$0		Not over \$248 . . . . .		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$102	—\$1,035 . . . . .	15%	—\$102	\$248	—\$1,798 . . . . .	15%	—\$248
\$1,035	—\$2,210 . . . . .	\$139.95 plus 28%	—\$1,035	\$1,798	—\$3,710 . . . . .	\$232.50 plus 28%	—\$1,798
\$2,210	—\$4,987 . . . . .	\$468.95 plus 31%	—\$2,210	\$3,710	—\$6,167 . . . . .	\$767.86 plus 31%	—\$3,710
\$4,987	—\$10,769 . . . . .	\$1,329.82 plus 36%	—\$4,987	\$6,167	—\$10,879 . . . . .	\$1,529.53 plus 36%	—\$6,167
\$10,769	. . . . .	\$3,411.34 plus 39.6%	—\$10,769	\$10,879	. . . . .	\$3,225.85 plus 39.6%	—\$10,879

### TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$110 . . . . .		\$0		Not over \$269 . . . . .		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$110	—\$1,121 . . . . .	15%	—\$110	\$269	—\$1,948 . . . . .	15%	—\$269
\$1,121	—\$2,394 . . . . .	\$151.65 plus 28%	—\$1,121	\$1,948	—\$4,019 . . . . .	\$251.85 plus 28%	—\$1,948
\$2,394	—\$5,402 . . . . .	\$508.09 plus 31%	—\$2,394	\$4,019	—\$6,681 . . . . .	\$831.73 plus 31%	—\$4,019
\$5,402	—\$11,667 . . . . .	\$1,440.57 plus 36%	—\$5,402	\$6,681	—\$11,785 . . . . .	\$1,656.95 plus 36%	—\$6,681
\$11,667	. . . . .	\$3,695.97 plus 39.6%	—\$11,667	\$11,785	. . . . .	\$3,494.39 plus 39.6%	—\$11,785

### TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$221 . . . . .		\$0		Not over \$538 . . . . .		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$221	—\$2,242 . . . . .	15%	—\$221	\$538	—\$3,896 . . . . .	15%	—\$538
\$2,242	—\$4,788 . . . . .	\$303.15 plus 28%	—\$2,242	\$3,896	—\$8,038 . . . . .	\$503.70 plus 28%	—\$3,896
\$4,788	—\$10,804 . . . . .	\$1,016.03 plus 31%	—\$4,788	\$8,038	—\$13,363 . . . . .	\$1,663.46 plus 31%	—\$8,038
\$10,804	—\$23,333 . . . . .	\$2,880.99 plus 36%	—\$10,804	\$13,363	—\$23,571 . . . . .	\$3,314.21 plus 36%	—\$13,363
\$23,333	. . . . .	\$7,391.43 plus 39.6%	—\$23,333	\$23,571	. . . . .	\$6,989.09 plus 39.6%	—\$23,571

**Tables for Percentage Method of Withholding (Continued)**  
(For Wages Paid in 1998)

**TABLE 5—QUARTERLY Payroll Period**

<b>(a) SINGLE person</b> (including head of household)—				<b>(b) MARRIED person</b> —			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$663 . . . . .		\$0		Not over \$1,613 . . . . .		\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>		<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>	
\$663	—\$6,725	15%	—\$663	\$1,613	—\$11,688	15%	—\$1,613
\$6,725	—\$14,363	\$909.30 plus 28%	—\$6,725	\$11,688	—\$24,113	\$1,511.25 plus 28%	—\$11,688
\$14,363	—\$32,413	\$3,047.94 plus 31%	—\$14,363	\$24,113	—\$40,088	\$4,990.25 plus 31%	—\$24,113
\$32,413	—\$70,000	\$8,643.44 plus 36%	—\$32,413	\$40,088	—\$70,713	\$9,942.50 plus 36%	—\$40,088
\$70,000		\$22,174.76 plus 39.6%	—\$70,000	\$70,713		\$20,967.50 plus 39.6%	—\$70,713

**TABLE 6—SEMIANNUAL Payroll Period**

<b>(a) SINGLE person</b> (including head of household)—				<b>(b) MARRIED person</b> —			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$1,325 . . . . .		\$0		Not over \$3,225 . . . . .		\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>		<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>	
\$1,325	—\$13,450	15%	—\$1,325	\$3,225	—\$23,375	15%	—\$3,225
\$13,450	—\$28,725	\$1,818.75 plus 28%	—\$13,450	\$23,375	—\$48,225	\$3,022.50 plus 28%	—\$23,375
\$28,725	—\$64,825	\$6,095.75 plus 31%	—\$28,725	\$48,225	—\$80,175	\$9,980.50 plus 31%	—\$48,225
\$64,825	—\$140,000	\$17,286.75 plus 36%	—\$64,825	\$80,175	—\$141,425	\$19,885.00 plus 36%	—\$80,175
\$140,000		\$44,349.75 plus 39.6%	—\$140,000	\$141,425		\$41,935.00 plus 39.6%	—\$141,425

**TABLE 7—ANNUAL Payroll Period**

<b>(a) SINGLE person</b> (including head of household)—				<b>(b) MARRIED person</b> —			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,650 . . . . .		\$0		Not over \$6,450 . . . . .		\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>		<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>	
\$2,650	—\$26,900	15%	—\$2,650	\$6,450	—\$46,750	15%	—\$6,450
\$26,900	—\$57,450	\$3,637.50 plus 28%	—\$26,900	\$46,750	—\$96,450	\$6,045.00 plus 28%	—\$46,750
\$57,450	—\$129,650	\$12,191.50 plus 31%	—\$57,450	\$96,450	—\$160,350	\$19,961.00 plus 31%	—\$96,450
\$129,650	—\$280,000	\$34,573.50 plus 36%	—\$129,650	\$160,350	—\$282,850	\$39,770.00 plus 36%	—\$160,350
\$280,000		\$88,699.50 plus 39.6%	—\$280,000	\$282,850		\$83,870.00 plus 39.6%	—\$282,850

**TABLE 8—DAILY or MISCELLANEOUS Payroll Period**

<b>(a) SINGLE person</b> (including head of household)—				<b>(b) MARRIED person</b> —			
If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:		If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$10.20 . . . . .		\$0		Not over \$24.80 . . . . .		\$0	
<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>		<b>Over—</b>	<b>But not over—</b>	<b>of excess over—</b>	
\$10.20	—\$103.50	15%	—\$10.20	\$24.80	—\$179.80	15%	—\$24.80
\$103.50	—\$221.00	\$14.00 plus 28%	—\$103.50	\$179.80	—\$371.00	\$23.25 plus 28%	—\$179.80
\$221.00	—\$498.70	\$46.90 plus 31%	—\$221.00	\$371.00	—\$616.70	\$76.79 plus 31%	—\$371.00
\$498.70	—\$1,076.90	\$132.99 plus 36%	—\$498.70	\$616.70	—\$1,087.90	\$152.96 plus 36%	—\$616.70
\$1,076.90		\$341.14 plus 39.6%	—\$1,076.90	\$1,087.90		\$322.59 plus 39.6%	—\$1,087.90

**SINGLE Persons—WEEKLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$55	0	0	0	0	0	0	0	0	0	0	0
55	60	1	0	0	0	0	0	0	0	0	0	0
60	65	2	0	0	0	0	0	0	0	0	0	0
65	70	2	0	0	0	0	0	0	0	0	0	0
70	75	3	0	0	0	0	0	0	0	0	0	0
75	80	4	0	0	0	0	0	0	0	0	0	0
80	85	5	0	0	0	0	0	0	0	0	0	0
85	90	5	0	0	0	0	0	0	0	0	0	0
90	95	6	0	0	0	0	0	0	0	0	0	0
95	100	7	0	0	0	0	0	0	0	0	0	0
100	105	8	0	0	0	0	0	0	0	0	0	0
105	110	8	1	0	0	0	0	0	0	0	0	0
110	115	9	1	0	0	0	0	0	0	0	0	0
115	120	10	2	0	0	0	0	0	0	0	0	0
120	125	11	3	0	0	0	0	0	0	0	0	0
125	130	11	4	0	0	0	0	0	0	0	0	0
130	135	12	4	0	0	0	0	0	0	0	0	0
135	140	13	5	0	0	0	0	0	0	0	0	0
140	145	14	6	0	0	0	0	0	0	0	0	0
145	150	14	7	0	0	0	0	0	0	0	0	0
150	155	15	7	0	0	0	0	0	0	0	0	0
155	160	16	8	0	0	0	0	0	0	0	0	0
160	165	17	9	1	0	0	0	0	0	0	0	0
165	170	17	10	2	0	0	0	0	0	0	0	0
170	175	18	10	3	0	0	0	0	0	0	0	0
175	180	19	11	3	0	0	0	0	0	0	0	0
180	185	20	12	4	0	0	0	0	0	0	0	0
185	190	20	13	5	0	0	0	0	0	0	0	0
190	195	21	13	6	0	0	0	0	0	0	0	0
195	200	22	14	6	0	0	0	0	0	0	0	0
200	210	23	15	8	0	0	0	0	0	0	0	0
210	220	25	17	9	1	0	0	0	0	0	0	0
220	230	26	18	11	3	0	0	0	0	0	0	0
230	240	28	20	12	4	0	0	0	0	0	0	0
240	250	29	21	14	6	0	0	0	0	0	0	0
250	260	31	23	15	7	0	0	0	0	0	0	0
260	270	32	24	17	9	1	0	0	0	0	0	0
270	280	34	26	18	10	2	0	0	0	0	0	0
280	290	35	27	20	12	4	0	0	0	0	0	0
290	300	37	29	21	13	5	0	0	0	0	0	0
300	310	38	30	23	15	7	0	0	0	0	0	0
310	320	40	32	24	16	8	1	0	0	0	0	0
320	330	41	33	26	18	10	2	0	0	0	0	0
330	340	43	35	27	19	11	4	0	0	0	0	0
340	350	44	36	29	21	13	5	0	0	0	0	0
350	360	46	38	30	22	14	7	0	0	0	0	0
360	370	47	39	32	24	16	8	0	0	0	0	0
370	380	49	41	33	25	17	10	2	0	0	0	0
380	390	50	42	35	27	19	11	3	0	0	0	0
390	400	52	44	36	28	20	13	5	0	0	0	0
400	410	53	45	38	30	22	14	6	0	0	0	0
410	420	55	47	39	31	23	16	8	0	0	0	0
420	430	56	48	41	33	25	17	9	2	0	0	0
430	440	58	50	42	34	26	19	11	3	0	0	0
440	450	59	51	44	36	28	20	12	5	0	0	0
450	460	61	53	45	37	29	22	14	6	0	0	0
460	470	62	54	47	39	31	23	15	8	0	0	0
470	480	64	56	48	40	32	25	17	9	1	0	0
480	490	65	57	50	42	34	26	18	11	3	0	0
490	500	67	59	51	43	35	28	20	12	4	0	0
500	510	68	60	53	45	37	29	21	14	6	0	0
510	520	70	62	54	46	38	31	23	15	7	0	0
520	530	72	63	56	48	40	32	24	17	9	1	0
530	540	75	65	57	49	41	34	26	18	10	3	0
540	550	78	66	59	51	43	35	27	20	12	4	0
550	560	81	68	60	52	44	37	29	21	13	6	0
560	570	83	69	62	54	46	38	30	23	15	7	0
570	580	86	72	63	55	47	40	32	24	16	9	1
580	590	89	74	65	57	49	41	33	26	18	10	2
590	600	92	77	66	58	50	43	35	27	19	12	4

**SINGLE Persons—WEEKLY Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$600	\$610	95	80	68	60	52	44	36	29	21	13	5
610	620	97	83	69	61	53	46	38	30	22	15	7
620	630	100	86	71	63	55	47	39	32	24	16	8
630	640	103	88	74	64	56	49	41	33	25	18	10
640	650	106	91	77	66	58	50	42	35	27	19	11
650	660	109	94	79	67	59	52	44	36	28	21	13
660	670	111	97	82	69	61	53	45	38	30	22	14
670	680	114	100	85	70	62	55	47	39	31	24	16
680	690	117	102	88	73	64	56	48	41	33	25	17
690	700	120	105	91	76	65	58	50	42	34	27	19
700	710	123	108	93	79	67	59	51	44	36	28	20
710	720	125	111	96	82	68	61	53	45	37	30	22
720	730	128	114	99	84	70	62	54	47	39	31	23
730	740	131	116	102	87	73	64	56	48	40	33	25
740	750	134	119	105	90	76	65	57	50	42	34	26
750	760	137	122	107	93	78	67	59	51	43	36	28
760	770	139	125	110	96	81	68	60	53	45	37	29
770	780	142	128	113	98	84	70	62	54	46	39	31
780	790	145	130	116	101	87	72	63	56	48	40	32
790	800	148	133	119	104	90	75	65	57	49	42	34
800	810	151	136	121	107	92	78	66	59	51	43	35
810	820	153	139	124	110	95	81	68	60	52	45	37
820	830	156	142	127	112	98	83	69	62	54	46	38
830	840	159	144	130	115	101	86	72	63	55	48	40
840	850	162	147	133	118	104	89	74	65	57	49	41
850	860	165	150	135	121	106	92	77	66	58	51	43
860	870	167	153	138	124	109	95	80	68	60	52	44
870	880	170	156	141	126	112	97	83	69	61	54	46
880	890	173	158	144	129	115	100	86	71	63	55	47
890	900	176	161	147	132	118	103	88	74	64	57	49
900	910	179	164	149	135	120	106	91	77	66	58	50
910	920	181	167	152	138	123	109	94	80	67	60	52
920	930	184	170	155	140	126	111	97	82	69	61	53
930	940	187	172	158	143	129	114	100	85	71	63	55
940	950	190	175	161	146	132	117	102	88	73	64	56
950	960	193	178	163	149	134	120	105	91	76	66	58
960	970	195	181	166	152	137	123	108	94	79	67	59
970	980	198	184	169	154	140	125	111	96	82	69	61
980	990	201	186	172	157	143	128	114	99	85	70	62
990	1,000	204	189	175	160	146	131	116	102	87	73	64
1,000	1,010	207	192	177	163	148	134	119	105	90	76	65
1,010	1,020	209	195	180	166	151	137	122	108	93	78	67
1,020	1,030	212	198	183	168	154	139	125	110	96	81	68
1,030	1,040	215	200	186	171	157	142	128	113	99	84	70
1,040	1,050	218	203	189	174	160	145	130	116	101	87	72
1,050	1,060	221	206	191	177	162	148	133	119	104	90	75
1,060	1,070	223	209	194	180	165	151	136	122	107	92	78
1,070	1,080	226	212	197	182	168	153	139	124	110	95	81
1,080	1,090	229	214	200	185	171	156	142	127	113	98	84
1,090	1,100	232	217	203	188	174	159	144	130	115	101	86
1,100	1,110	235	220	205	191	176	162	147	133	118	104	89
1,110	1,120	238	223	208	194	179	165	150	136	121	106	92
1,120	1,130	241	226	211	196	182	167	153	138	124	109	95
1,130	1,140	244	228	214	199	185	170	156	141	127	112	98
1,140	1,150	247	231	217	202	188	173	158	144	129	115	100
1,150	1,160	250	234	219	205	190	176	161	147	132	118	103
1,160	1,170	253	237	222	208	193	179	164	150	135	120	106
1,170	1,180	256	240	225	210	196	181	167	152	138	123	109
1,180	1,190	259	243	228	213	199	184	170	155	141	126	112
1,190	1,200	262	246	231	216	202	187	172	158	143	129	114
1,200	1,210	266	249	233	219	204	190	175	161	146	132	117
1,210	1,220	269	253	236	222	207	193	178	164	149	134	120
1,220	1,230	272	256	240	224	210	195	181	166	152	137	123
1,230	1,240	275	259	243	227	213	198	184	169	155	140	126
1,240	1,250	278	262	246	230	216	201	186	172	157	143	128

\$1,250 and over

Use Table 1(a) for a **SINGLE person** on page 34. Also see the instructions on page 32.

**MARRIED Persons—WEEKLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$125	0	0	0	0	0	0	0	0	0	0	0
125	130	1	0	0	0	0	0	0	0	0	0	0
130	135	1	0	0	0	0	0	0	0	0	0	0
135	140	2	0	0	0	0	0	0	0	0	0	0
140	145	3	0	0	0	0	0	0	0	0	0	0
145	150	4	0	0	0	0	0	0	0	0	0	0
150	155	4	0	0	0	0	0	0	0	0	0	0
155	160	5	0	0	0	0	0	0	0	0	0	0
160	165	6	0	0	0	0	0	0	0	0	0	0
165	170	7	0	0	0	0	0	0	0	0	0	0
170	175	7	0	0	0	0	0	0	0	0	0	0
175	180	8	0	0	0	0	0	0	0	0	0	0
180	185	9	1	0	0	0	0	0	0	0	0	0
185	190	10	2	0	0	0	0	0	0	0	0	0
190	195	10	2	0	0	0	0	0	0	0	0	0
195	200	11	3	0	0	0	0	0	0	0	0	0
200	210	12	4	0	0	0	0	0	0	0	0	0
210	220	14	6	0	0	0	0	0	0	0	0	0
220	230	15	7	0	0	0	0	0	0	0	0	0
230	240	17	9	1	0	0	0	0	0	0	0	0
240	250	18	10	3	0	0	0	0	0	0	0	0
250	260	20	12	4	0	0	0	0	0	0	0	0
260	270	21	13	6	0	0	0	0	0	0	0	0
270	280	23	15	7	0	0	0	0	0	0	0	0
280	290	24	16	9	1	0	0	0	0	0	0	0
290	300	26	18	10	2	0	0	0	0	0	0	0
300	310	27	19	12	4	0	0	0	0	0	0	0
310	320	29	21	13	5	0	0	0	0	0	0	0
320	330	30	22	15	7	0	0	0	0	0	0	0
330	340	32	24	16	8	0	0	0	0	0	0	0
340	350	33	25	18	10	2	0	0	0	0	0	0
350	360	35	27	19	11	3	0	0	0	0	0	0
360	370	36	28	21	13	5	0	0	0	0	0	0
370	380	38	30	22	14	6	0	0	0	0	0	0
380	390	39	31	24	16	8	0	0	0	0	0	0
390	400	41	33	25	17	9	2	0	0	0	0	0
400	410	42	34	27	19	11	3	0	0	0	0	0
410	420	44	36	28	20	12	5	0	0	0	0	0
420	430	45	37	30	22	14	6	0	0	0	0	0
430	440	47	39	31	23	15	8	0	0	0	0	0
440	450	48	40	33	25	17	9	1	0	0	0	0
450	460	50	42	34	26	18	11	3	0	0	0	0
460	470	51	43	36	28	20	12	4	0	0	0	0
470	480	53	45	37	29	21	14	6	0	0	0	0
480	490	54	46	39	31	23	15	7	0	0	0	0
490	500	56	48	40	32	24	17	9	1	0	0	0
500	510	57	49	42	34	26	18	10	3	0	0	0
510	520	59	51	43	35	27	20	12	4	0	0	0
520	530	60	52	45	37	29	21	13	6	0	0	0
530	540	62	54	46	38	30	23	15	7	0	0	0
540	550	63	55	48	40	32	24	16	9	1	0	0
550	560	65	57	49	41	33	26	18	10	2	0	0
560	570	66	58	51	43	35	27	19	12	4	0	0
570	580	68	60	52	44	36	29	21	13	5	0	0
580	590	69	61	54	46	38	30	22	15	7	0	0
590	600	71	63	55	47	39	32	24	16	8	1	0
600	610	72	64	57	49	41	33	25	18	10	2	0
610	620	74	66	58	50	42	35	27	19	11	4	0
620	630	75	67	60	52	44	36	28	21	13	5	0
630	640	77	69	61	53	45	38	30	22	14	7	0
640	650	78	70	63	55	47	39	31	24	16	8	0
650	660	80	72	64	56	48	41	33	25	17	10	2
660	670	81	73	66	58	50	42	34	27	19	11	3
670	680	83	75	67	59	51	44	36	28	20	13	5
680	690	84	76	69	61	53	45	37	30	22	14	6
690	700	86	78	70	62	54	47	39	31	23	16	8
700	710	87	79	72	64	56	48	40	33	25	17	9
710	720	89	81	73	65	57	50	42	34	26	19	11
720	730	90	82	75	67	59	51	43	36	28	20	12
730	740	92	84	76	68	60	53	45	37	29	22	14

**MARRIED Persons—WEEKLY Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$740	\$750	93	85	78	70	62	54	46	39	31	23	15
750	760	95	87	79	71	63	56	48	40	32	25	17
760	770	96	88	81	73	65	57	49	42	34	26	18
770	780	98	90	82	74	66	59	51	43	35	28	20
780	790	99	91	84	76	68	60	52	45	37	29	21
790	800	101	93	85	77	69	62	54	46	38	31	23
800	810	102	94	87	79	71	63	55	48	40	32	24
810	820	104	96	88	80	72	65	57	49	41	34	26
820	830	105	97	90	82	74	66	58	51	43	35	27
830	840	107	99	91	83	75	68	60	52	44	37	29
840	850	108	100	93	85	77	69	61	54	46	38	30
850	860	110	102	94	86	78	71	63	55	47	40	32
860	870	111	103	96	88	80	72	64	57	49	41	33
870	880	113	105	97	89	81	74	66	58	50	43	35
880	890	114	106	99	91	83	75	67	60	52	44	36
890	900	116	108	100	92	84	77	69	61	53	46	38
900	910	118	109	102	94	86	78	70	63	55	47	39
910	920	121	111	103	95	87	80	72	64	56	49	41
920	930	124	112	105	97	89	81	73	66	58	50	42
930	940	126	114	106	98	90	83	75	67	59	52	44
940	950	129	115	108	100	92	84	76	69	61	53	45
950	960	132	117	109	101	93	86	78	70	62	55	47
960	970	135	120	111	103	95	87	79	72	64	56	48
970	980	138	123	112	104	96	89	81	73	65	58	50
980	990	140	126	114	106	98	90	82	75	67	59	51
990	1,000	143	129	115	107	99	92	84	76	68	61	53
1,000	1,010	146	131	117	109	101	93	85	78	70	62	54
1,010	1,020	149	134	120	110	102	95	87	79	71	64	56
1,020	1,030	152	137	122	112	104	96	88	81	73	65	57
1,030	1,040	154	140	125	113	105	98	90	82	74	67	59
1,040	1,050	157	143	128	115	107	99	91	84	76	68	60
1,050	1,060	160	145	131	116	108	101	93	85	77	70	62
1,060	1,070	163	148	134	119	110	102	94	87	79	71	63
1,070	1,080	166	151	136	122	111	104	96	88	80	73	65
1,080	1,090	168	154	139	125	113	105	97	90	82	74	66
1,090	1,100	171	157	142	128	114	107	99	91	83	76	68
1,100	1,110	174	159	145	130	116	108	100	93	85	77	69
1,110	1,120	177	162	148	133	119	110	102	94	86	79	71
1,120	1,130	180	165	150	136	121	111	103	96	88	80	72
1,130	1,140	182	168	153	139	124	113	105	97	89	82	74
1,140	1,150	185	171	156	142	127	114	106	99	91	83	75
1,150	1,160	188	173	159	144	130	116	108	100	92	85	77
1,160	1,170	191	176	162	147	133	118	109	102	94	86	78
1,170	1,180	194	179	164	150	135	121	111	103	95	88	80
1,180	1,190	196	182	167	153	138	124	112	105	97	89	81
1,190	1,200	199	185	170	156	141	126	114	106	98	91	83
1,200	1,210	202	187	173	158	144	129	115	108	100	92	84
1,210	1,220	205	190	176	161	147	132	117	109	101	94	86
1,220	1,230	208	193	178	164	149	135	120	111	103	95	87
1,230	1,240	210	196	181	167	152	138	123	112	104	97	89
1,240	1,250	213	199	184	170	155	140	126	114	106	98	90
1,250	1,260	216	201	187	172	158	143	129	115	107	100	92
1,260	1,270	219	204	190	175	161	146	131	117	109	101	93
1,270	1,280	222	207	192	178	163	149	134	120	110	103	95
1,280	1,290	224	210	195	181	166	152	137	123	112	104	96
1,290	1,300	227	213	198	184	169	154	140	125	113	106	98
1,300	1,310	230	215	201	186	172	157	143	128	115	107	99
1,310	1,320	233	218	204	189	175	160	145	131	116	109	101
1,320	1,330	236	221	206	192	177	163	148	134	119	110	102
1,330	1,340	238	224	209	195	180	166	151	137	122	112	104
1,340	1,350	241	227	212	198	183	168	154	139	125	113	105
1,350	1,360	244	229	215	200	186	171	157	142	128	115	107
1,360	1,370	247	232	218	203	189	174	159	145	130	116	108
1,370	1,380	250	235	220	206	191	177	162	148	133	119	110
1,380	1,390	252	238	223	209	194	180	165	151	136	121	111

\$1,390 and over

Use Table 1(b) for a MARRIED person on page 34. Also see the instructions on page 32.

**SINGLE Persons—BIWEEKLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$105	0	0	0	0	0	0	0	0	0	0	0
105	110	1	0	0	0	0	0	0	0	0	0	0
110	115	2	0	0	0	0	0	0	0	0	0	0
115	120	2	0	0	0	0	0	0	0	0	0	0
120	125	3	0	0	0	0	0	0	0	0	0	0
125	130	4	0	0	0	0	0	0	0	0	0	0
130	135	5	0	0	0	0	0	0	0	0	0	0
135	140	5	0	0	0	0	0	0	0	0	0	0
140	145	6	0	0	0	0	0	0	0	0	0	0
145	150	7	0	0	0	0	0	0	0	0	0	0
150	155	8	0	0	0	0	0	0	0	0	0	0
155	160	8	0	0	0	0	0	0	0	0	0	0
160	165	9	0	0	0	0	0	0	0	0	0	0
165	170	10	0	0	0	0	0	0	0	0	0	0
170	175	11	0	0	0	0	0	0	0	0	0	0
175	180	11	0	0	0	0	0	0	0	0	0	0
180	185	12	0	0	0	0	0	0	0	0	0	0
185	190	13	0	0	0	0	0	0	0	0	0	0
190	195	14	0	0	0	0	0	0	0	0	0	0
195	200	14	0	0	0	0	0	0	0	0	0	0
200	205	15	0	0	0	0	0	0	0	0	0	0
205	210	16	0	0	0	0	0	0	0	0	0	0
210	215	17	1	0	0	0	0	0	0	0	0	0
215	220	17	2	0	0	0	0	0	0	0	0	0
220	225	18	3	0	0	0	0	0	0	0	0	0
225	230	19	3	0	0	0	0	0	0	0	0	0
230	235	20	4	0	0	0	0	0	0	0	0	0
235	240	20	5	0	0	0	0	0	0	0	0	0
240	245	21	6	0	0	0	0	0	0	0	0	0
245	250	22	6	0	0	0	0	0	0	0	0	0
250	260	23	7	0	0	0	0	0	0	0	0	0
260	270	24	9	0	0	0	0	0	0	0	0	0
270	280	26	10	0	0	0	0	0	0	0	0	0
280	290	27	12	0	0	0	0	0	0	0	0	0
290	300	29	13	0	0	0	0	0	0	0	0	0
300	310	30	15	0	0	0	0	0	0	0	0	0
310	320	32	16	1	0	0	0	0	0	0	0	0
320	330	33	18	2	0	0	0	0	0	0	0	0
330	340	35	19	4	0	0	0	0	0	0	0	0
340	350	36	21	5	0	0	0	0	0	0	0	0
350	360	38	22	7	0	0	0	0	0	0	0	0
360	370	39	24	8	0	0	0	0	0	0	0	0
370	380	41	25	10	0	0	0	0	0	0	0	0
380	390	42	27	11	0	0	0	0	0	0	0	0
390	400	44	28	13	0	0	0	0	0	0	0	0
400	410	45	30	14	0	0	0	0	0	0	0	0
410	420	47	31	16	0	0	0	0	0	0	0	0
420	430	48	33	17	2	0	0	0	0	0	0	0
430	440	50	34	19	3	0	0	0	0	0	0	0
440	450	51	36	20	5	0	0	0	0	0	0	0
450	460	53	37	22	6	0	0	0	0	0	0	0
460	470	54	39	23	8	0	0	0	0	0	0	0
470	480	56	40	25	9	0	0	0	0	0	0	0
480	490	57	42	26	11	0	0	0	0	0	0	0
490	500	59	43	28	12	0	0	0	0	0	0	0
500	520	61	46	30	14	0	0	0	0	0	0	0
520	540	64	49	33	17	2	0	0	0	0	0	0
540	560	67	52	36	20	5	0	0	0	0	0	0
560	580	70	55	39	23	8	0	0	0	0	0	0
580	600	73	58	42	26	11	0	0	0	0	0	0
600	620	76	61	45	29	14	0	0	0	0	0	0
620	640	79	64	48	32	17	1	0	0	0	0	0
640	660	82	67	51	35	20	4	0	0	0	0	0
660	680	85	70	54	38	23	7	0	0	0	0	0
680	700	88	73	57	41	26	10	0	0	0	0	0
700	720	91	76	60	44	29	13	0	0	0	0	0
720	740	94	79	63	47	32	16	1	0	0	0	0
740	760	97	82	66	50	35	19	4	0	0	0	0
760	780	100	85	69	53	38	22	7	0	0	0	0
780	800	103	88	72	56	41	25	10	0	0	0	0



**SINGLE Persons—BIWEEKLY Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
<b>\$800</b>	<b>\$820</b>	106	91	75	59	44	28	13	0	0	0	0
<b>820</b>	<b>840</b>	109	94	78	62	47	31	16	0	0	0	0
<b>840</b>	<b>860</b>	112	97	81	65	50	34	19	3	0	0	0
<b>860</b>	<b>880</b>	115	100	84	68	53	37	22	6	0	0	0
<b>880</b>	<b>900</b>	118	103	87	71	56	40	25	9	0	0	0
<b>900</b>	<b>920</b>	121	106	90	74	59	43	28	12	0	0	0
<b>920</b>	<b>940</b>	124	109	93	77	62	46	31	15	0	0	0
<b>940</b>	<b>960</b>	127	112	96	80	65	49	34	18	3	0	0
<b>960</b>	<b>980</b>	130	115	99	83	68	52	37	21	6	0	0
<b>980</b>	<b>1,000</b>	133	118	102	86	71	55	40	24	9	0	0
<b>1,000</b>	<b>1,020</b>	136	121	105	89	74	58	43	27	12	0	0
<b>1,020</b>	<b>1,040</b>	139	124	108	92	77	61	46	30	15	0	0
<b>1,040</b>	<b>1,060</b>	144	127	111	95	80	64	49	33	18	2	0
<b>1,060</b>	<b>1,080</b>	150	130	114	98	83	67	52	36	21	5	0
<b>1,080</b>	<b>1,100</b>	155	133	117	101	86	70	55	39	24	8	0
<b>1,100</b>	<b>1,120</b>	161	136	120	104	89	73	58	42	27	11	0
<b>1,120</b>	<b>1,140</b>	167	139	123	107	92	76	61	45	30	14	0
<b>1,140</b>	<b>1,160</b>	172	143	126	110	95	79	64	48	33	17	1
<b>1,160</b>	<b>1,180</b>	178	149	129	113	98	82	67	51	36	20	4
<b>1,180</b>	<b>1,200</b>	183	154	132	116	101	85	70	54	39	23	7
<b>1,200</b>	<b>1,220</b>	189	160	135	119	104	88	73	57	42	26	10
<b>1,220</b>	<b>1,240</b>	195	166	138	122	107	91	76	60	45	29	13
<b>1,240</b>	<b>1,260</b>	200	171	142	125	110	94	79	63	48	32	16
<b>1,260</b>	<b>1,280</b>	206	177	148	128	113	97	82	66	51	35	19
<b>1,280</b>	<b>1,300</b>	211	182	153	131	116	100	85	69	54	38	22
<b>1,300</b>	<b>1,320</b>	217	188	159	134	119	103	88	72	57	41	25
<b>1,320</b>	<b>1,340</b>	223	194	164	137	122	106	91	75	60	44	28
<b>1,340</b>	<b>1,360</b>	228	199	170	141	125	109	94	78	63	47	31
<b>1,360</b>	<b>1,380</b>	234	205	176	147	128	112	97	81	66	50	34
<b>1,380</b>	<b>1,400</b>	239	210	181	152	131	115	100	84	69	53	37
<b>1,400</b>	<b>1,420</b>	245	216	187	158	134	118	103	87	72	56	40
<b>1,420</b>	<b>1,440</b>	251	222	192	163	137	121	106	90	75	59	43
<b>1,440</b>	<b>1,460</b>	256	227	198	169	140	124	109	93	78	62	46
<b>1,460</b>	<b>1,480</b>	262	233	204	175	146	127	112	96	81	65	49
<b>1,480</b>	<b>1,500</b>	267	238	209	180	151	130	115	99	84	68	52
<b>1,500</b>	<b>1,520</b>	273	244	215	186	157	133	118	102	87	71	55
<b>1,520</b>	<b>1,540</b>	279	250	220	191	162	136	121	105	90	74	58
<b>1,540</b>	<b>1,560</b>	284	255	226	197	168	139	124	108	93	77	61
<b>1,560</b>	<b>1,580</b>	290	261	232	203	174	144	127	111	96	80	64
<b>1,580</b>	<b>1,600</b>	295	266	237	208	179	150	130	114	99	83	67
<b>1,600</b>	<b>1,620</b>	301	272	243	214	185	156	133	117	102	86	70
<b>1,620</b>	<b>1,640</b>	307	278	248	219	190	161	136	120	105	89	73
<b>1,640</b>	<b>1,660</b>	312	283	254	225	196	167	139	123	108	92	76
<b>1,660</b>	<b>1,680</b>	318	289	260	231	202	172	143	126	111	95	79
<b>1,680</b>	<b>1,700</b>	323	294	265	236	207	178	149	129	114	98	82
<b>1,700</b>	<b>1,720</b>	329	300	271	242	213	184	155	132	117	101	85
<b>1,720</b>	<b>1,740</b>	335	306	276	247	218	189	160	135	120	104	88
<b>1,740</b>	<b>1,760</b>	340	311	282	253	224	195	166	138	123	107	91
<b>1,760</b>	<b>1,780</b>	346	317	288	259	230	200	171	142	126	110	94
<b>1,780</b>	<b>1,800</b>	351	322	293	264	235	206	177	148	129	113	97
<b>1,800</b>	<b>1,820</b>	357	328	299	270	241	212	183	153	132	116	100
<b>1,820</b>	<b>1,840</b>	363	334	304	275	246	217	188	159	135	119	103
<b>1,840</b>	<b>1,860</b>	368	339	310	281	252	223	194	165	138	122	106
<b>1,860</b>	<b>1,880</b>	374	345	316	287	258	228	199	170	141	125	109
<b>1,880</b>	<b>1,900</b>	379	350	321	292	263	234	205	176	147	128	112
<b>1,900</b>	<b>1,920</b>	385	356	327	298	269	240	211	181	152	131	115
<b>1,920</b>	<b>1,940</b>	391	362	332	303	274	245	216	187	158	134	118
<b>1,940</b>	<b>1,960</b>	396	367	338	309	280	251	222	193	164	137	121
<b>1,960</b>	<b>1,980</b>	402	373	344	315	286	256	227	198	169	140	124
<b>1,980</b>	<b>2,000</b>	407	378	349	320	291	262	233	204	175	146	127
<b>2,000</b>	<b>2,020</b>	413	384	355	326	297	268	239	209	180	151	130
<b>2,020</b>	<b>2,040</b>	419	390	360	331	302	273	244	215	186	157	133
<b>2,040</b>	<b>2,060</b>	424	395	366	337	308	279	250	221	192	163	136
<b>2,060</b>	<b>2,080</b>	430	401	372	343	314	284	255	226	197	168	139
<b>2,080</b>	<b>2,100</b>	435	406	377	348	319	290	261	232	203	174	145

\$2,100 and over

Use Table 2(a) for a **SINGLE person** on page 34. Also see the instructions on page 32.

**MARRIED Persons—BIWEEKLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$250	0	0	0	0	0	0	0	0	0	0	0
250	260	1	0	0	0	0	0	0	0	0	0	0
260	270	3	0	0	0	0	0	0	0	0	0	0
270	280	4	0	0	0	0	0	0	0	0	0	0
280	290	6	0	0	0	0	0	0	0	0	0	0
290	300	7	0	0	0	0	0	0	0	0	0	0
300	310	9	0	0	0	0	0	0	0	0	0	0
310	320	10	0	0	0	0	0	0	0	0	0	0
320	330	12	0	0	0	0	0	0	0	0	0	0
330	340	13	0	0	0	0	0	0	0	0	0	0
340	350	15	0	0	0	0	0	0	0	0	0	0
350	360	16	0	0	0	0	0	0	0	0	0	0
360	370	18	2	0	0	0	0	0	0	0	0	0
370	380	19	3	0	0	0	0	0	0	0	0	0
380	390	21	5	0	0	0	0	0	0	0	0	0
390	400	22	6	0	0	0	0	0	0	0	0	0
400	410	24	8	0	0	0	0	0	0	0	0	0
410	420	25	9	0	0	0	0	0	0	0	0	0
420	430	27	11	0	0	0	0	0	0	0	0	0
430	440	28	12	0	0	0	0	0	0	0	0	0
440	450	30	14	0	0	0	0	0	0	0	0	0
450	460	31	15	0	0	0	0	0	0	0	0	0
460	470	33	17	1	0	0	0	0	0	0	0	0
470	480	34	18	3	0	0	0	0	0	0	0	0
480	490	36	20	4	0	0	0	0	0	0	0	0
490	500	37	21	6	0	0	0	0	0	0	0	0
500	520	39	24	8	0	0	0	0	0	0	0	0
520	540	42	27	11	0	0	0	0	0	0	0	0
540	560	45	30	14	0	0	0	0	0	0	0	0
560	580	48	33	17	2	0	0	0	0	0	0	0
580	600	51	36	20	5	0	0	0	0	0	0	0
600	620	54	39	23	8	0	0	0	0	0	0	0
620	640	57	42	26	11	0	0	0	0	0	0	0
640	660	60	45	29	14	0	0	0	0	0	0	0
660	680	63	48	32	17	1	0	0	0	0	0	0
680	700	66	51	35	20	4	0	0	0	0	0	0
700	720	69	54	38	23	7	0	0	0	0	0	0
720	740	72	57	41	26	10	0	0	0	0	0	0
740	760	75	60	44	29	13	0	0	0	0	0	0
760	780	78	63	47	32	16	0	0	0	0	0	0
780	800	81	66	50	35	19	3	0	0	0	0	0
800	820	84	69	53	38	22	6	0	0	0	0	0
820	840	87	72	56	41	25	9	0	0	0	0	0
840	860	90	75	59	44	28	12	0	0	0	0	0
860	880	93	78	62	47	31	15	0	0	0	0	0
880	900	96	81	65	50	34	18	3	0	0	0	0
900	920	99	84	68	53	37	21	6	0	0	0	0
920	940	102	87	71	56	40	24	9	0	0	0	0
940	960	105	90	74	59	43	27	12	0	0	0	0
960	980	108	93	77	62	46	30	15	0	0	0	0
980	1,000	111	96	80	65	49	33	18	2	0	0	0
1,000	1,020	114	99	83	68	52	36	21	5	0	0	0
1,020	1,040	117	102	86	71	55	39	24	8	0	0	0
1,040	1,060	120	105	89	74	58	42	27	11	0	0	0
1,060	1,080	123	108	92	77	61	45	30	14	0	0	0
1,080	1,100	126	111	95	80	64	48	33	17	2	0	0
1,100	1,120	129	114	98	83	67	51	36	20	5	0	0
1,120	1,140	132	117	101	86	70	54	39	23	8	0	0
1,140	1,160	135	120	104	89	73	57	42	26	11	0	0
1,160	1,180	138	123	107	92	76	60	45	29	14	0	0
1,180	1,200	141	126	110	95	79	63	48	32	17	1	0
1,200	1,220	144	129	113	98	82	66	51	35	20	4	0
1,220	1,240	147	132	116	101	85	69	54	38	23	7	0
1,240	1,260	150	135	119	104	88	72	57	41	26	10	0
1,260	1,280	153	138	122	107	91	75	60	44	29	13	0
1,280	1,300	156	141	125	110	94	78	63	47	32	16	1
1,300	1,320	159	144	128	113	97	81	66	50	35	19	4
1,320	1,340	162	147	131	116	100	84	69	53	38	22	7
1,340	1,360	165	150	134	119	103	87	72	56	41	25	10
1,360	1,380	168	153	137	122	106	90	75	59	44	28	13

**MARRIED Persons—BIWEEKLY Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$1,380	\$1,400	171	156	140	125	109	93	78	62	47	31	16
1,400	1,420	174	159	143	128	112	96	81	65	50	34	19
1,420	1,440	177	162	146	131	115	99	84	68	53	37	22
1,440	1,460	180	165	149	134	118	102	87	71	56	40	25
1,460	1,480	183	168	152	137	121	105	90	74	59	43	28
1,480	1,500	186	171	155	140	124	108	93	77	62	46	31
1,500	1,520	189	174	158	143	127	111	96	80	65	49	34
1,520	1,540	192	177	161	146	130	114	99	83	68	52	37
1,540	1,560	195	180	164	149	133	117	102	86	71	55	40
1,560	1,580	198	183	167	152	136	120	105	89	74	58	43
1,580	1,600	201	186	170	155	139	123	108	92	77	61	46
1,600	1,620	204	189	173	158	142	126	111	95	80	64	49
1,620	1,640	207	192	176	161	145	129	114	98	83	67	52
1,640	1,660	210	195	179	164	148	132	117	101	86	70	55
1,660	1,680	213	198	182	167	151	135	120	104	89	73	58
1,680	1,700	216	201	185	170	154	138	123	107	92	76	61
1,700	1,720	219	204	188	173	157	141	126	110	95	79	64
1,720	1,740	222	207	191	176	160	144	129	113	98	82	67
1,740	1,760	225	210	194	179	163	147	132	116	101	85	70
1,760	1,780	228	213	197	182	166	150	135	119	104	88	73
1,780	1,800	231	216	200	185	169	153	138	122	107	91	76
1,800	1,820	236	219	203	188	172	156	141	125	110	94	79
1,820	1,840	241	222	206	191	175	159	144	128	113	97	82
1,840	1,860	247	225	209	194	178	162	147	131	116	100	85
1,860	1,880	253	228	212	197	181	165	150	134	119	103	88
1,880	1,900	258	231	215	200	184	168	153	137	122	106	91
1,900	1,920	264	235	218	203	187	171	156	140	125	109	94
1,920	1,940	269	240	221	206	190	174	159	143	128	112	97
1,940	1,960	275	246	224	209	193	177	162	146	131	115	100
1,960	1,980	281	252	227	212	196	180	165	149	134	118	103
1,980	2,000	286	257	230	215	199	183	168	152	137	121	106
2,000	2,020	292	263	234	218	202	186	171	155	140	124	109
2,020	2,040	297	268	239	221	205	189	174	158	143	127	112
2,040	2,060	303	274	245	224	208	192	177	161	146	130	115
2,060	2,080	309	280	250	227	211	195	180	164	149	133	118
2,080	2,100	314	285	256	230	214	198	183	167	152	136	121
2,100	2,120	320	291	262	233	217	201	186	170	155	139	124
2,120	2,140	325	296	267	238	220	204	189	173	158	142	127
2,140	2,160	331	302	273	244	223	207	192	176	161	145	130
2,160	2,180	337	308	278	249	226	210	195	179	164	148	133
2,180	2,200	342	313	284	255	229	213	198	182	167	151	136
2,200	2,220	348	319	290	261	232	216	201	185	170	154	139
2,220	2,240	353	324	295	266	237	219	204	188	173	157	142
2,240	2,260	359	330	301	272	243	222	207	191	176	160	145
2,260	2,280	365	336	306	277	248	225	210	194	179	163	148
2,280	2,300	370	341	312	283	254	228	213	197	182	166	151
2,300	2,320	376	347	318	289	260	231	216	200	185	169	154
2,320	2,340	381	352	323	294	265	236	219	203	188	172	157
2,340	2,360	387	358	329	300	271	242	222	206	191	175	160
2,360	2,380	393	364	334	305	276	247	225	209	194	178	163
2,380	2,400	398	369	340	311	282	253	228	212	197	181	166
2,400	2,420	404	375	346	317	288	258	231	215	200	184	169
2,420	2,440	409	380	351	322	293	264	235	218	203	187	172
2,440	2,460	415	386	357	328	299	270	241	221	206	190	175
2,460	2,480	421	392	362	333	304	275	246	224	209	193	178
2,480	2,500	426	397	368	339	310	281	252	227	212	196	181
2,500	2,520	432	403	374	345	316	286	257	230	215	199	184
2,520	2,540	437	408	379	350	321	292	263	234	218	202	187
2,540	2,560	443	414	385	356	327	298	269	240	221	205	190
2,560	2,580	449	420	390	361	332	303	274	245	224	208	193
2,580	2,600	454	425	396	367	338	309	280	251	227	211	196
2,600	2,620	460	431	402	373	344	314	285	256	230	214	199
2,620	2,640	465	436	407	378	349	320	291	262	233	217	202
2,640	2,660	471	442	413	384	355	326	297	268	238	220	205
2,660	2,680	477	448	418	389	360	331	302	273	244	223	208

\$2,680 and over

Use Table 2(b) for a MARRIED person on page 34. Also see the instructions on page 32.

**SINGLE Persons—SEMIMONTHLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$115	0	0	0	0	0	0	0	0	0	0	0
115	120	1	0	0	0	0	0	0	0	0	0	0
120	125	2	0	0	0	0	0	0	0	0	0	0
125	130	3	0	0	0	0	0	0	0	0	0	0
130	135	3	0	0	0	0	0	0	0	0	0	0
135	140	4	0	0	0	0	0	0	0	0	0	0
140	145	5	0	0	0	0	0	0	0	0	0	0
145	150	6	0	0	0	0	0	0	0	0	0	0
150	155	6	0	0	0	0	0	0	0	0	0	0
155	160	7	0	0	0	0	0	0	0	0	0	0
160	165	8	0	0	0	0	0	0	0	0	0	0
165	170	9	0	0	0	0	0	0	0	0	0	0
170	175	9	0	0	0	0	0	0	0	0	0	0
175	180	10	0	0	0	0	0	0	0	0	0	0
180	185	11	0	0	0	0	0	0	0	0	0	0
185	190	12	0	0	0	0	0	0	0	0	0	0
190	195	12	0	0	0	0	0	0	0	0	0	0
195	200	13	0	0	0	0	0	0	0	0	0	0
200	205	14	0	0	0	0	0	0	0	0	0	0
205	210	15	0	0	0	0	0	0	0	0	0	0
210	215	15	0	0	0	0	0	0	0	0	0	0
215	220	16	0	0	0	0	0	0	0	0	0	0
220	225	17	0	0	0	0	0	0	0	0	0	0
225	230	18	1	0	0	0	0	0	0	0	0	0
230	235	18	1	0	0	0	0	0	0	0	0	0
235	240	19	2	0	0	0	0	0	0	0	0	0
240	245	20	3	0	0	0	0	0	0	0	0	0
245	250	21	4	0	0	0	0	0	0	0	0	0
250	260	22	5	0	0	0	0	0	0	0	0	0
260	270	23	6	0	0	0	0	0	0	0	0	0
270	280	25	8	0	0	0	0	0	0	0	0	0
280	290	26	9	0	0	0	0	0	0	0	0	0
290	300	28	11	0	0	0	0	0	0	0	0	0
300	310	29	12	0	0	0	0	0	0	0	0	0
310	320	31	14	0	0	0	0	0	0	0	0	0
320	330	32	15	0	0	0	0	0	0	0	0	0
330	340	34	17	0	0	0	0	0	0	0	0	0
340	350	35	18	1	0	0	0	0	0	0	0	0
350	360	37	20	3	0	0	0	0	0	0	0	0
360	370	38	21	4	0	0	0	0	0	0	0	0
370	380	40	23	6	0	0	0	0	0	0	0	0
380	390	41	24	7	0	0	0	0	0	0	0	0
390	400	43	26	9	0	0	0	0	0	0	0	0
400	410	44	27	10	0	0	0	0	0	0	0	0
410	420	46	29	12	0	0	0	0	0	0	0	0
420	430	47	30	13	0	0	0	0	0	0	0	0
430	440	49	32	15	0	0	0	0	0	0	0	0
440	450	50	33	16	0	0	0	0	0	0	0	0
450	460	52	35	18	1	0	0	0	0	0	0	0
460	470	53	36	19	3	0	0	0	0	0	0	0
470	480	55	38	21	4	0	0	0	0	0	0	0
480	490	56	39	22	6	0	0	0	0	0	0	0
490	500	58	41	24	7	0	0	0	0	0	0	0
500	520	60	43	26	9	0	0	0	0	0	0	0
520	540	63	46	29	12	0	0	0	0	0	0	0
540	560	66	49	32	15	0	0	0	0	0	0	0
560	580	69	52	35	18	1	0	0	0	0	0	0
580	600	72	55	38	21	4	0	0	0	0	0	0
600	620	75	58	41	24	7	0	0	0	0	0	0
620	640	78	61	44	27	10	0	0	0	0	0	0
640	660	81	64	47	30	13	0	0	0	0	0	0
660	680	84	67	50	33	16	0	0	0	0	0	0
680	700	87	70	53	36	19	3	0	0	0	0	0
700	720	90	73	56	39	22	6	0	0	0	0	0
720	740	93	76	59	42	25	9	0	0	0	0	0
740	760	96	79	62	45	28	12	0	0	0	0	0
760	780	99	82	65	48	31	15	0	0	0	0	0
780	800	102	85	68	51	34	18	1	0	0	0	0
800	820	105	88	71	54	37	21	4	0	0	0	0
820	840	108	91	74	57	40	24	7	0	0	0	0

## SINGLE Persons—SEMIMONTHLY Payroll Period (For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
<b>\$840</b>	<b>\$860</b>	111	94	77	60	43	27	10	0	0	0	0
<b>860</b>	<b>880</b>	114	97	80	63	46	30	13	0	0	0	0
<b>880</b>	<b>900</b>	117	100	83	66	49	33	16	0	0	0	0
<b>900</b>	<b>920</b>	120	103	86	69	52	36	19	2	0	0	0
<b>920</b>	<b>940</b>	123	106	89	72	55	39	22	5	0	0	0
<b>940</b>	<b>960</b>	126	109	92	75	58	42	25	8	0	0	0
<b>960</b>	<b>980</b>	129	112	95	78	61	45	28	11	0	0	0
<b>980</b>	<b>1,000</b>	132	115	98	81	64	48	31	14	0	0	0
<b>1,000</b>	<b>1,020</b>	135	118	101	84	67	51	34	17	0	0	0
<b>1,020</b>	<b>1,040</b>	138	121	104	87	70	54	37	20	3	0	0
<b>1,040</b>	<b>1,060</b>	141	124	107	90	73	57	40	23	6	0	0
<b>1,060</b>	<b>1,080</b>	144	127	110	93	76	60	43	26	9	0	0
<b>1,080</b>	<b>1,100</b>	147	130	113	96	79	63	46	29	12	0	0
<b>1,100</b>	<b>1,120</b>	150	133	116	99	82	66	49	32	15	0	0
<b>1,120</b>	<b>1,140</b>	154	136	119	102	85	69	52	35	18	1	0
<b>1,140</b>	<b>1,160</b>	160	139	122	105	88	72	55	38	21	4	0
<b>1,160</b>	<b>1,180</b>	165	142	125	108	91	75	58	41	24	7	0
<b>1,180</b>	<b>1,200</b>	171	145	128	111	94	78	61	44	27	10	0
<b>1,200</b>	<b>1,220</b>	177	148	131	114	97	81	64	47	30	13	0
<b>1,220</b>	<b>1,240</b>	182	151	134	117	100	84	67	50	33	16	0
<b>1,240</b>	<b>1,260</b>	188	156	137	120	103	87	70	53	36	19	2
<b>1,260</b>	<b>1,280</b>	193	162	140	123	106	90	73	56	39	22	5
<b>1,280</b>	<b>1,300</b>	199	167	143	126	109	93	76	59	42	25	8
<b>1,300</b>	<b>1,320</b>	205	173	146	129	112	96	79	62	45	28	11
<b>1,320</b>	<b>1,340</b>	210	179	149	132	115	99	82	65	48	31	14
<b>1,340</b>	<b>1,360</b>	216	184	153	135	118	102	85	68	51	34	17
<b>1,360</b>	<b>1,380</b>	221	190	158	138	121	105	88	71	54	37	20
<b>1,380</b>	<b>1,400</b>	227	195	164	141	124	108	91	74	57	40	23
<b>1,400</b>	<b>1,420</b>	233	201	170	144	127	111	94	77	60	43	26
<b>1,420</b>	<b>1,440</b>	238	207	175	147	130	114	97	80	63	46	29
<b>1,440</b>	<b>1,460</b>	244	212	181	150	133	117	100	83	66	49	32
<b>1,460</b>	<b>1,480</b>	249	218	186	155	136	120	103	86	69	52	35
<b>1,480</b>	<b>1,500</b>	255	223	192	160	139	123	106	89	72	55	38
<b>1,500</b>	<b>1,520</b>	261	229	198	166	142	126	109	92	75	58	41
<b>1,520</b>	<b>1,540</b>	266	235	203	172	145	129	112	95	78	61	44
<b>1,540</b>	<b>1,560</b>	272	240	209	177	148	132	115	98	81	64	47
<b>1,560</b>	<b>1,580</b>	277	246	214	183	151	135	118	101	84	67	50
<b>1,580</b>	<b>1,600</b>	283	251	220	188	157	138	121	104	87	70	53
<b>1,600</b>	<b>1,620</b>	289	257	226	194	163	141	124	107	90	73	56
<b>1,620</b>	<b>1,640</b>	294	263	231	200	168	144	127	110	93	76	59
<b>1,640</b>	<b>1,660</b>	300	268	237	205	174	147	130	113	96	79	62
<b>1,660</b>	<b>1,680</b>	305	274	242	211	179	150	133	116	99	82	65
<b>1,680</b>	<b>1,700</b>	311	279	248	216	185	153	136	119	102	85	68
<b>1,700</b>	<b>1,720</b>	317	285	254	222	191	159	139	122	105	88	71
<b>1,720</b>	<b>1,740</b>	322	291	259	228	196	165	142	125	108	91	74
<b>1,740</b>	<b>1,760</b>	328	296	265	233	202	170	145	128	111	94	77
<b>1,760</b>	<b>1,780</b>	333	302	270	239	207	176	148	131	114	97	80
<b>1,780</b>	<b>1,800</b>	339	307	276	244	213	181	151	134	117	100	83
<b>1,800</b>	<b>1,820</b>	345	313	282	250	219	187	156	137	120	103	86
<b>1,820</b>	<b>1,840</b>	350	319	287	256	224	193	161	140	123	106	89
<b>1,840</b>	<b>1,860</b>	356	324	293	261	230	198	167	143	126	109	92
<b>1,860</b>	<b>1,880</b>	361	330	298	267	235	204	172	146	129	112	95
<b>1,880</b>	<b>1,900</b>	367	335	304	272	241	209	178	149	132	115	98
<b>1,900</b>	<b>1,920</b>	373	341	310	278	247	215	184	152	135	118	101
<b>1,920</b>	<b>1,940</b>	378	347	315	284	252	221	189	158	138	121	104
<b>1,940</b>	<b>1,960</b>	384	352	321	289	258	226	195	163	141	124	107
<b>1,960</b>	<b>1,980</b>	389	358	326	295	263	232	200	169	144	127	110
<b>1,980</b>	<b>2,000</b>	395	363	332	300	269	237	206	174	147	130	113
<b>2,000</b>	<b>2,020</b>	401	369	338	306	275	243	212	180	150	133	116
<b>2,020</b>	<b>2,040</b>	406	375	343	312	280	249	217	186	154	136	119
<b>2,040</b>	<b>2,060</b>	412	380	349	317	286	254	223	191	160	139	122
<b>2,060</b>	<b>2,080</b>	417	386	354	323	291	260	228	197	165	142	125
<b>2,080</b>	<b>2,100</b>	423	391	360	328	297	265	234	202	171	145	128
<b>2,100</b>	<b>2,120</b>	429	397	366	334	303	271	240	208	177	148	131
<b>2,120</b>	<b>2,140</b>	434	403	371	340	308	277	245	214	182	151	134

**\$2,140 and over**

Use Table 3(a) for a **SINGLE person** on page 34. Also see the instructions on page 32.

**MARRIED Persons—SEMIMONTHLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$270	0	0	0	0	0	0	0	0	0	0	0
270	280	1	0	0	0	0	0	0	0	0	0	0
280	290	2	0	0	0	0	0	0	0	0	0	0
290	300	4	0	0	0	0	0	0	0	0	0	0
300	310	5	0	0	0	0	0	0	0	0	0	0
310	320	7	0	0	0	0	0	0	0	0	0	0
320	330	8	0	0	0	0	0	0	0	0	0	0
330	340	10	0	0	0	0	0	0	0	0	0	0
340	350	11	0	0	0	0	0	0	0	0	0	0
350	360	13	0	0	0	0	0	0	0	0	0	0
360	370	14	0	0	0	0	0	0	0	0	0	0
370	380	16	0	0	0	0	0	0	0	0	0	0
380	390	17	1	0	0	0	0	0	0	0	0	0
390	400	19	2	0	0	0	0	0	0	0	0	0
400	410	20	4	0	0	0	0	0	0	0	0	0
410	420	22	5	0	0	0	0	0	0	0	0	0
420	430	23	7	0	0	0	0	0	0	0	0	0
430	440	25	8	0	0	0	0	0	0	0	0	0
440	450	26	10	0	0	0	0	0	0	0	0	0
450	460	28	11	0	0	0	0	0	0	0	0	0
460	470	29	13	0	0	0	0	0	0	0	0	0
470	480	31	14	0	0	0	0	0	0	0	0	0
480	490	32	16	0	0	0	0	0	0	0	0	0
490	500	34	17	0	0	0	0	0	0	0	0	0
500	520	36	19	2	0	0	0	0	0	0	0	0
520	540	39	22	5	0	0	0	0	0	0	0	0
540	560	42	25	8	0	0	0	0	0	0	0	0
560	580	45	28	11	0	0	0	0	0	0	0	0
580	600	48	31	14	0	0	0	0	0	0	0	0
600	620	51	34	17	1	0	0	0	0	0	0	0
620	640	54	37	20	4	0	0	0	0	0	0	0
640	660	57	40	23	7	0	0	0	0	0	0	0
660	680	60	43	26	10	0	0	0	0	0	0	0
680	700	63	46	29	13	0	0	0	0	0	0	0
700	720	66	49	32	16	0	0	0	0	0	0	0
720	740	69	52	35	19	2	0	0	0	0	0	0
740	760	72	55	38	22	5	0	0	0	0	0	0
760	780	75	58	41	25	8	0	0	0	0	0	0
780	800	78	61	44	28	11	0	0	0	0	0	0
800	820	81	64	47	31	14	0	0	0	0	0	0
820	840	84	67	50	34	17	0	0	0	0	0	0
840	860	87	70	53	37	20	3	0	0	0	0	0
860	880	90	73	56	40	23	6	0	0	0	0	0
880	900	93	76	59	43	26	9	0	0	0	0	0
900	920	96	79	62	46	29	12	0	0	0	0	0
920	940	99	82	65	49	32	15	0	0	0	0	0
940	960	102	85	68	52	35	18	1	0	0	0	0
960	980	105	88	71	55	38	21	4	0	0	0	0
980	1,000	108	91	74	58	41	24	7	0	0	0	0
1,000	1,020	111	94	77	61	44	27	10	0	0	0	0
1,020	1,040	114	97	80	64	47	30	13	0	0	0	0
1,040	1,060	117	100	83	67	50	33	16	0	0	0	0
1,060	1,080	120	103	86	70	53	36	19	2	0	0	0
1,080	1,100	123	106	89	73	56	39	22	5	0	0	0
1,100	1,120	126	109	92	76	59	42	25	8	0	0	0
1,120	1,140	129	112	95	79	62	45	28	11	0	0	0
1,140	1,160	132	115	98	82	65	48	31	14	0	0	0
1,160	1,180	135	118	101	85	68	51	34	17	0	0	0
1,180	1,200	138	121	104	88	71	54	37	20	3	0	0
1,200	1,220	141	124	107	91	74	57	40	23	6	0	0
1,220	1,240	144	127	110	94	77	60	43	26	9	0	0
1,240	1,260	147	130	113	97	80	63	46	29	12	0	0
1,260	1,280	150	133	116	100	83	66	49	32	15	0	0
1,280	1,300	153	136	119	103	86	69	52	35	18	1	0
1,300	1,320	156	139	122	106	89	72	55	38	21	4	0
1,320	1,340	159	142	125	109	92	75	58	41	24	7	0
1,340	1,360	162	145	128	112	95	78	61	44	27	10	0
1,360	1,380	165	148	131	115	98	81	64	47	30	13	0
1,380	1,400	168	151	134	118	101	84	67	50	33	16	0
1,400	1,420	171	154	137	121	104	87	70	53	36	19	2

## MARRIED Persons—SEMIMONTHLY Payroll Period (For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$1,420	\$1,440	174	157	140	124	107	90	73	56	39	22	5
1,440	1,460	177	160	143	127	110	93	76	59	42	25	8
1,460	1,480	180	163	146	130	113	96	79	62	45	28	11
1,480	1,500	183	166	149	133	116	99	82	65	48	31	14
1,500	1,520	186	169	152	136	119	102	85	68	51	34	17
1,520	1,540	189	172	155	139	122	105	88	71	54	37	20
1,540	1,560	192	175	158	142	125	108	91	74	57	40	23
1,560	1,580	195	178	161	145	128	111	94	77	60	43	26
1,580	1,600	198	181	164	148	131	114	97	80	63	46	29
1,600	1,620	201	184	167	151	134	117	100	83	66	49	32
1,620	1,640	204	187	170	154	137	120	103	86	69	52	35
1,640	1,660	207	190	173	157	140	123	106	89	72	55	38
1,660	1,680	210	193	176	160	143	126	109	92	75	58	41
1,680	1,700	213	196	179	163	146	129	112	95	78	61	44
1,700	1,720	216	199	182	166	149	132	115	98	81	64	47
1,720	1,740	219	202	185	169	152	135	118	101	84	67	50
1,740	1,760	222	205	188	172	155	138	121	104	87	70	53
1,760	1,780	225	208	191	175	158	141	124	107	90	73	56
1,780	1,800	228	211	194	178	161	144	127	110	93	76	59
1,800	1,820	231	214	197	181	164	147	130	113	96	79	62
1,820	1,840	234	217	200	184	167	150	133	116	99	82	65
1,840	1,860	237	220	203	187	170	153	136	119	102	85	68
1,860	1,880	240	223	206	190	173	156	139	122	105	88	71
1,880	1,900	243	226	209	193	176	159	142	125	108	91	74
1,900	1,920	246	229	212	196	179	162	145	128	111	94	77
1,920	1,940	249	232	215	199	182	165	148	131	114	97	80
1,940	1,960	252	235	218	202	185	168	151	134	117	100	83
1,960	1,980	255	238	221	205	188	171	154	137	120	103	86
1,980	2,000	264	241	224	208	191	174	157	140	123	106	89
2,000	2,020	269	244	227	211	194	177	160	143	126	109	92
2,020	2,040	275	247	230	214	197	180	163	146	129	112	95
2,040	2,060	280	250	233	217	200	183	166	149	132	115	98
2,060	2,080	286	255	236	220	203	186	169	152	135	118	101
2,080	2,100	292	260	239	223	206	189	172	155	138	121	104
2,100	2,120	297	266	242	226	209	192	175	158	141	124	107
2,120	2,140	303	271	245	229	212	195	178	161	144	127	110
2,140	2,160	308	277	248	232	215	198	181	164	147	130	113
2,160	2,180	314	283	251	235	218	201	184	167	150	133	116
2,180	2,200	320	288	257	238	221	204	187	170	153	136	119
2,200	2,220	325	294	262	241	224	207	190	173	156	139	122
2,220	2,240	331	299	268	244	227	210	193	176	159	142	125
2,240	2,260	336	305	273	247	230	213	196	179	162	145	128
2,260	2,280	342	311	279	250	233	216	199	182	165	148	131
2,280	2,300	348	316	285	253	236	219	202	185	168	151	134
2,300	2,320	353	322	290	259	239	222	205	188	171	154	137
2,320	2,340	359	327	296	264	242	225	208	191	174	157	140
2,340	2,360	364	333	301	270	245	228	211	194	177	160	143
2,360	2,380	370	339	307	276	248	231	214	197	180	163	146
2,380	2,400	376	344	313	281	251	234	217	200	183	166	149
2,400	2,420	381	350	318	287	255	237	220	203	186	169	152
2,420	2,440	387	355	324	292	261	240	223	206	189	172	155
2,440	2,460	392	361	329	298	266	243	226	209	192	175	158
2,460	2,480	398	367	335	304	272	246	229	212	195	178	161
2,480	2,500	404	372	341	309	278	249	232	215	198	181	164
2,500	2,520	409	378	346	315	283	252	235	218	201	184	167
2,520	2,540	415	383	352	320	289	257	238	221	204	187	170
2,540	2,560	420	389	357	326	294	263	241	224	207	190	173
2,560	2,580	426	395	363	332	300	269	244	227	210	193	176
2,580	2,600	432	400	369	337	306	274	247	230	213	196	179
2,600	2,620	437	406	374	343	311	280	250	233	216	199	182
2,620	2,640	443	411	380	348	317	285	254	236	219	202	185
2,640	2,660	448	417	385	354	322	291	259	239	222	205	188
2,660	2,680	454	423	391	360	328	297	265	242	225	208	191
2,680	2,700	460	428	397	365	334	302	271	245	228	211	194
2,700	2,720	465	434	402	371	339	308	276	248	231	214	197

\$2,720 and over

Use Table 3(b) for a **MARRIED** person on page 34. Also see the instructions on page 32.

**SINGLE Persons—MONTHLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$220	0	0	0	0	0	0	0	0	0	0	0
220	230	1	0	0	0	0	0	0	0	0	0	0
230	240	2	0	0	0	0	0	0	0	0	0	0
240	250	4	0	0	0	0	0	0	0	0	0	0
250	260	5	0	0	0	0	0	0	0	0	0	0
260	270	7	0	0	0	0	0	0	0	0	0	0
270	280	8	0	0	0	0	0	0	0	0	0	0
280	290	10	0	0	0	0	0	0	0	0	0	0
290	300	11	0	0	0	0	0	0	0	0	0	0
300	320	13	0	0	0	0	0	0	0	0	0	0
320	340	16	0	0	0	0	0	0	0	0	0	0
340	360	19	0	0	0	0	0	0	0	0	0	0
360	380	22	0	0	0	0	0	0	0	0	0	0
380	400	25	0	0	0	0	0	0	0	0	0	0
400	420	28	0	0	0	0	0	0	0	0	0	0
420	440	31	0	0	0	0	0	0	0	0	0	0
440	460	34	1	0	0	0	0	0	0	0	0	0
460	480	37	4	0	0	0	0	0	0	0	0	0
480	500	40	7	0	0	0	0	0	0	0	0	0
500	520	43	10	0	0	0	0	0	0	0	0	0
520	540	46	13	0	0	0	0	0	0	0	0	0
540	560	49	16	0	0	0	0	0	0	0	0	0
560	580	52	19	0	0	0	0	0	0	0	0	0
580	600	55	22	0	0	0	0	0	0	0	0	0
600	640	60	26	0	0	0	0	0	0	0	0	0
640	680	66	32	0	0	0	0	0	0	0	0	0
680	720	72	38	4	0	0	0	0	0	0	0	0
720	760	78	44	10	0	0	0	0	0	0	0	0
760	800	84	50	16	0	0	0	0	0	0	0	0
800	840	90	56	22	0	0	0	0	0	0	0	0
840	880	96	62	28	0	0	0	0	0	0	0	0
880	920	102	68	34	1	0	0	0	0	0	0	0
920	960	108	74	40	7	0	0	0	0	0	0	0
960	1,000	114	80	46	13	0	0	0	0	0	0	0
1,000	1,040	120	86	52	19	0	0	0	0	0	0	0
1,040	1,080	126	92	58	25	0	0	0	0	0	0	0
1,080	1,120	132	98	64	31	0	0	0	0	0	0	0
1,120	1,160	138	104	70	37	3	0	0	0	0	0	0
1,160	1,200	144	110	76	43	9	0	0	0	0	0	0
1,200	1,240	150	116	82	49	15	0	0	0	0	0	0
1,240	1,280	156	122	88	55	21	0	0	0	0	0	0
1,280	1,320	162	128	94	61	27	0	0	0	0	0	0
1,320	1,360	168	134	100	67	33	0	0	0	0	0	0
1,360	1,400	174	140	106	73	39	5	0	0	0	0	0
1,400	1,440	180	146	112	79	45	11	0	0	0	0	0
1,440	1,480	186	152	118	85	51	17	0	0	0	0	0
1,480	1,520	192	158	124	91	57	23	0	0	0	0	0
1,520	1,560	198	164	130	97	63	29	0	0	0	0	0
1,560	1,600	204	170	136	103	69	35	1	0	0	0	0
1,600	1,640	210	176	142	109	75	41	7	0	0	0	0
1,640	1,680	216	182	148	115	81	47	13	0	0	0	0
1,680	1,720	222	188	154	121	87	53	19	0	0	0	0
1,720	1,760	228	194	160	127	93	59	25	0	0	0	0
1,760	1,800	234	200	166	133	99	65	31	0	0	0	0
1,800	1,840	240	206	172	139	105	71	37	4	0	0	0
1,840	1,880	246	212	178	145	111	77	43	10	0	0	0
1,880	1,920	252	218	184	151	117	83	49	16	0	0	0
1,920	1,960	258	224	190	157	123	89	55	22	0	0	0
1,960	2,000	264	230	196	163	129	95	61	28	0	0	0
2,000	2,040	270	236	202	169	135	101	67	34	0	0	0
2,040	2,080	276	242	208	175	141	107	73	40	6	0	0
2,080	2,120	282	248	214	181	147	113	79	46	12	0	0
2,120	2,160	288	254	220	187	153	119	85	52	18	0	0
2,160	2,200	294	260	226	193	159	125	91	58	24	0	0
2,200	2,240	300	266	232	199	165	131	97	64	30	0	0
2,240	2,280	308	272	238	205	171	137	103	70	36	2	0
2,280	2,320	319	278	244	211	177	143	109	76	42	8	0
2,320	2,360	331	284	250	217	183	149	115	82	48	14	0
2,360	2,400	342	290	256	223	189	155	121	88	54	20	0
2,400	2,440	353	296	262	229	195	161	127	94	60	26	0



**SINGLE Persons—MONTHLY Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$2,440	\$2,480	364	302	268	235	201	167	133	100	66	32	0
2,480	2,520	375	312	274	241	207	173	139	106	72	38	4
2,520	2,560	387	324	280	247	213	179	145	112	78	44	10
2,560	2,600	398	335	286	253	219	185	151	118	84	50	16
2,600	2,640	409	346	292	259	225	191	157	124	90	56	22
2,640	2,680	420	357	298	265	231	197	163	130	96	62	28
2,680	2,720	431	368	305	271	237	203	169	136	102	68	34
2,720	2,760	443	380	317	277	243	209	175	142	108	74	40
2,760	2,800	454	391	328	283	249	215	181	148	114	80	46
2,800	2,840	465	402	339	289	255	221	187	154	120	86	52
2,840	2,880	476	413	350	295	261	227	193	160	126	92	58
2,880	2,920	487	424	361	301	267	233	199	166	132	98	64
2,920	2,960	499	436	373	310	273	239	205	172	138	104	70
2,960	3,000	510	447	384	321	279	245	211	178	144	110	76
3,000	3,040	521	458	395	332	285	251	217	184	150	116	82
3,040	3,080	532	469	406	343	291	257	223	190	156	122	88
3,080	3,120	543	480	417	354	297	263	229	196	162	128	94
3,120	3,160	555	492	429	366	303	269	235	202	168	134	100
3,160	3,200	566	503	440	377	314	275	241	208	174	140	106
3,200	3,240	577	514	451	388	325	281	247	214	180	146	112
3,240	3,280	588	525	462	399	336	287	253	220	186	152	118
3,280	3,320	599	536	473	410	347	293	259	226	192	158	124
3,320	3,360	611	548	485	422	359	299	265	232	198	164	130
3,360	3,400	622	559	496	433	370	307	271	238	204	170	136
3,400	3,440	633	570	507	444	381	318	277	244	210	176	142
3,440	3,480	644	581	518	455	392	329	283	250	216	182	148
3,480	3,520	655	592	529	466	403	340	289	256	222	188	154
3,520	3,560	667	604	541	478	415	352	295	262	228	194	160
3,560	3,600	678	615	552	489	426	363	301	268	234	200	166
3,600	3,640	689	626	563	500	437	374	311	274	240	206	172
3,640	3,680	700	637	574	511	448	385	322	280	246	212	178
3,680	3,720	711	648	585	522	459	396	333	286	252	218	184
3,720	3,760	723	660	597	534	471	408	345	292	258	224	190
3,760	3,800	734	671	608	545	482	419	356	298	264	230	196
3,800	3,840	745	682	619	556	493	430	367	304	270	236	202
3,840	3,880	756	693	630	567	504	441	378	315	276	242	208
3,880	3,920	767	704	641	578	515	452	389	326	282	248	214
3,920	3,960	779	716	653	590	527	464	401	338	288	254	220
3,960	4,000	790	727	664	601	538	475	412	349	294	260	226
4,000	4,040	801	738	675	612	549	486	423	360	300	266	232
4,040	4,080	812	749	686	623	560	497	434	371	308	272	238
4,080	4,120	823	760	697	634	571	508	445	382	319	278	244
4,120	4,160	835	772	709	646	583	520	457	394	331	284	250
4,160	4,200	846	783	720	657	594	531	468	405	342	290	256
4,200	4,240	857	794	731	668	605	542	479	416	353	296	262
4,240	4,280	868	805	742	679	616	553	490	427	364	302	268
4,280	4,320	879	816	753	690	627	564	501	438	375	312	274
4,320	4,360	891	828	765	702	639	576	513	450	387	324	280
4,360	4,400	902	839	776	713	650	587	524	461	398	335	286
4,400	4,440	913	850	787	724	661	598	535	472	409	346	292
4,440	4,480	924	861	798	735	672	609	546	483	420	357	298
4,480	4,520	935	872	809	746	683	620	557	494	431	368	305
4,520	4,560	947	884	821	758	695	632	569	506	443	380	317
4,560	4,600	958	895	832	769	706	643	580	517	454	391	328
4,600	4,640	969	906	843	780	717	654	591	528	465	402	339
4,640	4,680	980	917	854	791	728	665	602	539	476	413	350
4,680	4,720	991	928	865	802	739	676	613	550	487	424	361
4,720	4,760	1,003	940	877	814	751	688	625	562	499	436	373
4,760	4,800	1,014	951	888	825	762	699	636	573	510	447	384
4,800	4,840	1,026	962	899	836	773	710	647	584	521	458	395
4,840	4,880	1,038	973	910	847	784	721	658	595	532	469	406
4,880	4,920	1,051	984	921	858	795	732	669	606	543	480	417
4,920	4,960	1,063	996	933	870	807	744	681	618	555	492	429
4,960	5,000	1,076	1,007	944	881	818	755	692	629	566	503	440
5,000	5,040	1,088	1,018	955	892	829	766	703	640	577	514	451

\$5,040 and over

Use Table 4(a) for a **SINGLE person** on page 34. Also see the instructions on page 32.

**MARRIED Persons—MONTHLY Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$0	\$540	0	0	0	0	0	0	0	0	0	0	0
540	560	2	0	0	0	0	0	0	0	0	0	0
560	580	5	0	0	0	0	0	0	0	0	0	0
580	600	8	0	0	0	0	0	0	0	0	0	0
600	640	12	0	0	0	0	0	0	0	0	0	0
640	680	18	0	0	0	0	0	0	0	0	0	0
680	720	24	0	0	0	0	0	0	0	0	0	0
720	760	30	0	0	0	0	0	0	0	0	0	0
760	800	36	3	0	0	0	0	0	0	0	0	0
800	840	42	9	0	0	0	0	0	0	0	0	0
840	880	48	15	0	0	0	0	0	0	0	0	0
880	920	54	21	0	0	0	0	0	0	0	0	0
920	960	60	27	0	0	0	0	0	0	0	0	0
960	1,000	66	33	0	0	0	0	0	0	0	0	0
1,000	1,040	72	39	5	0	0	0	0	0	0	0	0
1,040	1,080	78	45	11	0	0	0	0	0	0	0	0
1,080	1,120	84	51	17	0	0	0	0	0	0	0	0
1,120	1,160	90	57	23	0	0	0	0	0	0	0	0
1,160	1,200	96	63	29	0	0	0	0	0	0	0	0
1,200	1,240	102	69	35	1	0	0	0	0	0	0	0
1,240	1,280	108	75	41	7	0	0	0	0	0	0	0
1,280	1,320	114	81	47	13	0	0	0	0	0	0	0
1,320	1,360	120	87	53	19	0	0	0	0	0	0	0
1,360	1,400	126	93	59	25	0	0	0	0	0	0	0
1,400	1,440	132	99	65	31	0	0	0	0	0	0	0
1,440	1,480	138	105	71	37	3	0	0	0	0	0	0
1,480	1,520	144	111	77	43	9	0	0	0	0	0	0
1,520	1,560	150	117	83	49	15	0	0	0	0	0	0
1,560	1,600	156	123	89	55	21	0	0	0	0	0	0
1,600	1,640	162	129	95	61	27	0	0	0	0	0	0
1,640	1,680	168	135	101	67	33	0	0	0	0	0	0
1,680	1,720	174	141	107	73	39	6	0	0	0	0	0
1,720	1,760	180	147	113	79	45	12	0	0	0	0	0
1,760	1,800	186	153	119	85	51	18	0	0	0	0	0
1,800	1,840	192	159	125	91	57	24	0	0	0	0	0
1,840	1,880	198	165	131	97	63	30	0	0	0	0	0
1,880	1,920	204	171	137	103	69	36	2	0	0	0	0
1,920	1,960	210	177	143	109	75	42	8	0	0	0	0
1,960	2,000	216	183	149	115	81	48	14	0	0	0	0
2,000	2,040	222	189	155	121	87	54	20	0	0	0	0
2,040	2,080	228	195	161	127	93	60	26	0	0	0	0
2,080	2,120	234	201	167	133	99	66	32	0	0	0	0
2,120	2,160	240	207	173	139	105	72	38	4	0	0	0
2,160	2,200	246	213	179	145	111	78	44	10	0	0	0
2,200	2,240	252	219	185	151	117	84	50	16	0	0	0
2,240	2,280	258	225	191	157	123	90	56	22	0	0	0
2,280	2,320	264	231	197	163	129	96	62	28	0	0	0
2,320	2,360	270	237	203	169	135	102	68	34	0	0	0
2,360	2,400	276	243	209	175	141	108	74	40	6	0	0
2,400	2,440	282	249	215	181	147	114	80	46	12	0	0
2,440	2,480	288	255	221	187	153	120	86	52	18	0	0
2,480	2,520	294	261	227	193	159	126	92	58	24	0	0
2,520	2,560	300	267	233	199	165	132	98	64	30	0	0
2,560	2,600	306	273	239	205	171	138	104	70	36	3	0
2,600	2,640	312	279	245	211	177	144	110	76	42	9	0
2,640	2,680	318	285	251	217	183	150	116	82	48	15	0
2,680	2,720	324	291	257	223	189	156	122	88	54	21	0
2,720	2,760	330	297	263	229	195	162	128	94	60	27	0
2,760	2,800	336	303	269	235	201	168	134	100	66	33	0
2,800	2,840	342	309	275	241	207	174	140	106	72	39	5
2,840	2,880	348	315	281	247	213	180	146	112	78	45	11
2,880	2,920	354	321	287	253	219	186	152	118	84	51	17
2,920	2,960	360	327	293	259	225	192	158	124	90	57	23
2,960	3,000	366	333	299	265	231	198	164	130	96	63	29
3,000	3,040	372	339	305	271	237	204	170	136	102	69	35
3,040	3,080	378	345	311	277	243	210	176	142	108	75	41
3,080	3,120	384	351	317	283	249	216	182	148	114	81	47
3,120	3,160	390	357	323	289	255	222	188	154	120	87	53
3,160	3,200	396	363	329	295	261	228	194	160	126	93	59
3,200	3,240	402	369	335	301	267	234	200	166	132	99	65

## MARRIED Persons—MONTHLY Payroll Period (For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$3,240	\$3,280	408	375	341	307	273	240	206	172	138	105	71
3,280	3,320	414	381	347	313	279	246	212	178	144	111	77
3,320	3,360	420	387	353	319	285	252	218	184	150	117	83
3,360	3,400	426	393	359	325	291	258	224	190	156	123	89
3,400	3,440	432	399	365	331	297	264	230	196	162	129	95
3,440	3,480	438	405	371	337	303	270	236	202	168	135	101
3,480	3,520	444	411	377	343	309	276	242	208	174	141	107
3,520	3,560	450	417	383	349	315	282	248	214	180	147	113
3,560	3,600	456	423	389	355	321	288	254	220	186	153	119
3,600	3,640	462	429	395	361	327	294	260	226	192	159	125
3,640	3,680	468	435	401	367	333	300	266	232	198	165	131
3,680	3,720	474	441	407	373	339	306	272	238	204	171	137
3,720	3,760	480	447	413	379	345	312	278	244	210	177	143
3,760	3,800	486	453	419	385	351	318	284	250	216	183	149
3,800	3,840	492	459	425	391	357	324	290	256	222	189	155
3,840	3,880	498	465	431	397	363	330	296	262	228	195	161
3,880	3,920	505	471	437	403	369	336	302	268	234	201	167
3,920	3,960	516	477	443	409	375	342	308	274	240	207	173
3,960	4,000	527	483	449	415	381	348	314	280	246	213	179
4,000	4,040	539	489	455	421	387	354	320	286	252	219	185
4,040	4,080	550	495	461	427	393	360	326	292	258	225	191
4,080	4,120	561	501	467	433	399	366	332	298	264	231	197
4,120	4,160	572	509	473	439	405	372	338	304	270	237	203
4,160	4,200	583	520	479	445	411	378	344	310	276	243	209
4,200	4,240	595	532	485	451	417	384	350	316	282	249	215
4,240	4,280	606	543	491	457	423	390	356	322	288	255	221
4,280	4,320	617	554	497	463	429	396	362	328	294	261	227
4,320	4,360	628	565	503	469	435	402	368	334	300	267	233
4,360	4,400	639	576	513	475	441	408	374	340	306	273	239
4,400	4,440	651	588	525	481	447	414	380	346	312	279	245
4,440	4,480	662	599	536	487	453	420	386	352	318	285	251
4,480	4,520	673	610	547	493	459	426	392	358	324	291	257
4,520	4,560	684	621	558	499	465	432	398	364	330	297	263
4,560	4,600	695	632	569	506	471	438	404	370	336	303	269
4,600	4,640	707	644	581	518	477	444	410	376	342	309	275
4,640	4,680	718	655	592	529	483	450	416	382	348	315	281
4,680	4,720	729	666	603	540	489	456	422	388	354	321	287
4,720	4,760	740	677	614	551	495	462	428	394	360	327	293
4,760	4,800	751	688	625	562	501	468	434	400	366	333	299
4,800	4,840	763	700	637	574	511	474	440	406	372	339	305
4,840	4,880	774	711	648	585	522	480	446	412	378	345	311
4,880	4,920	785	722	659	596	533	486	452	418	384	351	317
4,920	4,960	796	733	670	607	544	492	458	424	390	357	323
4,960	5,000	807	744	681	618	555	498	464	430	396	363	329
5,000	5,040	819	756	693	630	567	504	470	436	402	369	335
5,040	5,080	830	767	704	641	578	515	476	442	408	375	341
5,080	5,120	841	778	715	652	589	526	482	448	414	381	347
5,120	5,160	852	789	726	663	600	537	488	454	420	387	353
5,160	5,200	863	800	737	674	611	548	494	460	426	393	359
5,200	5,240	875	812	749	686	623	560	500	466	432	399	365
5,240	5,280	886	823	760	697	634	571	508	472	438	405	371
5,280	5,320	897	834	771	708	645	582	519	478	444	411	377
5,320	5,360	908	845	782	719	656	593	530	484	450	417	383
5,360	5,400	919	856	793	730	667	604	541	490	456	423	389
5,400	5,440	931	868	805	742	679	616	553	496	462	429	395
5,440	5,480	942	879	816	753	690	627	564	502	468	435	401
5,480	5,520	953	890	827	764	701	638	575	512	474	441	407
5,520	5,560	964	901	838	775	712	649	586	523	480	447	413
5,560	5,600	975	912	849	786	723	660	597	534	486	453	419
5,600	5,640	987	924	861	798	735	672	609	546	492	459	425
5,640	5,680	998	935	872	809	746	683	620	557	498	465	431
5,680	5,720	1,009	946	883	820	757	694	631	568	505	471	437
5,720	5,760	1,020	957	894	831	768	705	642	579	516	477	443
5,760	5,800	1,031	968	905	842	779	716	653	590	527	483	449
5,800	5,840	1,043	980	917	854	791	728	665	602	539	489	455

\$5,840 and over

Use Table 4(b) for a MARRIED person on page 34. Also see the instructions on page 32.

**SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$15	0	0	0	0	0	0	0	0	0	0	0
15	18	1	0	0	0	0	0	0	0	0	0	0
18	21	1	0	0	0	0	0	0	0	0	0	0
21	24	2	0	0	0	0	0	0	0	0	0	0
24	27	2	1	0	0	0	0	0	0	0	0	0
27	30	3	1	0	0	0	0	0	0	0	0	0
30	33	3	2	0	0	0	0	0	0	0	0	0
33	36	4	2	1	0	0	0	0	0	0	0	0
36	39	4	3	1	0	0	0	0	0	0	0	0
39	42	5	3	1	0	0	0	0	0	0	0	0
42	45	5	3	2	0	0	0	0	0	0	0	0
45	48	5	4	2	1	0	0	0	0	0	0	0
48	51	6	4	3	1	0	0	0	0	0	0	0
51	54	6	5	3	2	0	0	0	0	0	0	0
54	57	7	5	4	2	1	0	0	0	0	0	0
57	60	7	6	4	3	1	0	0	0	0	0	0
60	63	8	6	5	3	1	0	0	0	0	0	0
63	66	8	7	5	3	2	0	0	0	0	0	0
66	69	9	7	5	4	2	1	0	0	0	0	0
69	72	9	7	6	4	3	1	0	0	0	0	0
72	75	9	8	6	5	3	2	0	0	0	0	0
75	78	10	8	7	5	4	2	1	0	0	0	0
78	81	10	9	7	6	4	3	1	0	0	0	0
81	84	11	9	8	6	5	3	2	0	0	0	0
84	87	11	10	8	7	5	4	2	0	0	0	0
87	90	12	10	9	7	6	4	2	1	0	0	0
90	93	12	11	9	8	6	4	3	1	0	0	0
93	96	13	11	10	8	6	5	3	2	0	0	0
96	99	13	12	10	8	7	5	4	2	1	0	0
99	102	14	12	10	9	7	6	4	3	1	0	0
102	105	14	12	11	9	8	6	5	3	2	0	0
105	108	15	13	11	10	8	7	5	4	2	0	0
108	111	16	13	12	10	9	7	6	4	2	1	0
111	114	17	14	12	11	9	8	6	4	3	1	0
114	117	17	14	13	11	10	8	6	5	3	2	0
117	120	18	15	13	12	10	8	7	5	4	2	1
120	123	19	16	14	12	10	9	7	6	4	3	1
123	126	20	17	14	12	11	9	8	6	5	3	2
126	129	21	18	15	13	11	10	8	7	5	4	2
129	132	22	19	16	13	12	10	9	7	6	4	2
132	135	22	19	17	14	12	11	9	8	6	4	3
135	138	23	20	17	15	13	11	10	8	6	5	3
138	141	24	21	18	15	13	12	10	8	7	5	4
141	144	25	22	19	16	14	12	11	9	7	6	4
144	147	26	23	20	17	14	13	11	9	8	6	5
147	150	27	24	21	18	15	13	11	10	8	7	5
150	153	27	25	22	19	16	13	12	10	9	7	6
153	156	28	25	22	20	17	14	12	11	9	8	6
156	159	29	26	23	20	17	15	13	11	10	8	7
159	162	30	27	24	21	18	15	13	12	10	9	7
162	165	31	28	25	22	19	16	14	12	11	9	7
165	168	32	29	26	23	20	17	14	13	11	9	8
168	171	32	30	27	24	21	18	15	13	11	10	8
171	174	33	30	28	25	22	19	16	13	12	10	9
174	177	34	31	28	25	23	20	17	14	12	11	9
177	180	35	32	29	26	23	20	18	15	13	11	10
180	183	36	33	30	27	24	21	18	15	13	12	10
183	186	37	34	31	28	25	22	19	16	14	12	11
186	189	38	35	32	29	26	23	20	17	14	13	11
189	192	38	35	33	30	27	24	21	18	15	13	11
192	195	39	36	33	30	28	25	22	19	16	13	12
195	198	40	37	34	31	28	26	23	20	17	14	12
198	201	41	38	35	32	29	26	23	21	18	15	13
201	204	42	39	36	33	30	27	24	21	18	16	13
204	207	43	40	37	34	31	28	25	22	19	16	14
207	210	43	40	38	35	32	29	26	23	20	17	14
210	213	44	41	38	36	33	30	27	24	21	18	15
213	216	45	42	39	36	33	31	28	25	22	19	16
216	219	46	43	40	37	34	31	28	26	23	20	17
219	222	47	44	41	38	35	32	29	26	23	21	18

**SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period**  
(For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$222	\$225	48	45	42	39	36	33	30	27	24	21	19
225	228	49	46	43	40	37	34	31	28	25	22	19
228	231	50	46	43	41	38	35	32	29	26	23	20
231	234	50	47	44	41	38	36	33	30	27	24	21
234	237	51	48	45	42	39	36	34	31	28	25	22
237	240	52	49	46	43	40	37	34	31	29	26	23
240	243	53	50	47	44	41	38	35	32	29	26	24
243	246	54	51	48	45	42	39	36	33	30	27	24
246	249	55	52	49	46	43	40	37	34	31	28	25
249	252	56	53	50	46	44	41	38	35	32	29	26
252	255	57	54	51	47	44	41	39	36	33	30	27
255	258	58	55	51	48	45	42	39	36	34	31	28
258	261	59	56	52	49	46	43	40	37	34	32	29
261	264	60	57	53	50	47	44	41	38	35	32	29
264	267	61	57	54	51	48	45	42	39	36	33	30
267	270	62	58	55	52	49	46	43	40	37	34	31
270	273	63	59	56	53	50	47	44	41	38	35	32
273	276	63	60	57	54	51	47	44	42	39	36	33
276	279	64	61	58	55	52	48	45	42	39	37	34
279	282	65	62	59	56	52	49	46	43	40	37	34
282	285	66	63	60	57	53	50	47	44	41	38	35
285	288	67	64	61	58	54	51	48	45	42	39	36
288	291	68	65	62	58	55	52	49	46	43	40	37
291	294	69	66	63	59	56	53	50	47	44	41	38
294	297	70	67	64	60	57	54	51	47	44	42	39
297	300	71	68	64	61	58	55	52	48	45	42	40
300	303	72	69	65	62	59	56	53	49	46	43	40
303	306	73	70	66	63	60	57	53	50	47	44	41
306	309	74	70	67	64	61	58	54	51	48	45	42
309	312	75	71	68	65	62	59	55	52	49	46	43
312	315	76	72	69	66	63	59	56	53	50	47	44
315	318	77	73	70	67	64	60	57	54	51	48	45
318	321	77	74	71	68	65	61	58	55	52	48	45
321	324	78	75	72	69	65	62	59	56	53	49	46
324	327	79	76	73	70	66	63	60	57	54	50	47
327	330	80	77	74	71	67	64	61	58	54	51	48
330	333	81	78	75	71	68	65	62	59	55	52	49
333	336	82	79	76	72	69	66	63	60	56	53	50
336	339	83	80	77	73	70	67	64	60	57	54	51
339	341	84	81	77	74	71	68	64	61	58	55	52
341	343	84	81	78	75	72	68	65	62	59	55	52
343	345	85	82	79	75	72	69	66	62	59	56	53
345	347	86	82	79	76	73	70	66	63	60	57	53
347	349	86	83	80	77	73	70	67	64	61	57	54
349	351	87	84	80	77	74	71	68	64	61	58	55
351	353	88	84	81	78	75	71	68	65	62	59	55
353	355	88	85	82	78	75	72	69	66	62	59	56
355	357	89	86	82	79	76	73	69	66	63	60	57
357	359	89	86	83	80	76	73	70	67	64	60	57
359	361	90	87	84	80	77	74	71	67	64	61	58
361	363	91	87	84	81	78	75	71	68	65	62	58
363	365	91	88	85	82	78	75	72	69	65	62	59
365	367	92	89	85	82	79	76	73	69	66	63	60
367	369	92	89	86	83	80	76	73	70	67	63	60
369	371	93	90	87	83	80	77	74	71	67	64	61
371	373	94	90	87	84	81	78	74	71	68	65	62
373	375	94	91	88	85	81	78	75	72	69	65	62
375	377	95	92	89	85	82	79	76	72	69	66	63
377	379	96	92	89	86	83	79	76	73	70	67	63
379	381	96	93	90	87	83	80	77	74	70	67	64
381	383	97	94	90	87	84	81	77	74	71	68	65
383	385	97	94	91	88	85	81	78	75	72	68	65
385	387	98	95	92	88	85	82	79	76	72	69	66
387	389	99	95	92	89	86	83	79	76	73	70	66
389	391	99	96	93	90	86	83	80	77	74	70	67

\$389 and over

Use Table 8(a) for a **SINGLE person** on page 35. Also see the instructions on page 32.

**MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period**  
**(For Wages Paid in 1998)**

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$27	0	0	0	0	0	0	0	0	0	0	0
27	30	1	0	0	0	0	0	0	0	0	0	0
30	33	1	0	0	0	0	0	0	0	0	0	0
33	36	1	0	0	0	0	0	0	0	0	0	0
36	39	2	0	0	0	0	0	0	0	0	0	0
39	42	2	1	0	0	0	0	0	0	0	0	0
42	45	3	1	0	0	0	0	0	0	0	0	0
45	48	3	2	0	0	0	0	0	0	0	0	0
48	51	4	2	1	0	0	0	0	0	0	0	0
51	54	4	3	1	0	0	0	0	0	0	0	0
54	57	5	3	1	0	0	0	0	0	0	0	0
57	60	5	3	2	0	0	0	0	0	0	0	0
60	63	6	4	2	1	0	0	0	0	0	0	0
63	66	6	4	3	1	0	0	0	0	0	0	0
66	69	6	5	3	2	0	0	0	0	0	0	0
69	72	7	5	4	2	1	0	0	0	0	0	0
72	75	7	6	4	3	1	0	0	0	0	0	0
75	78	8	6	5	3	2	0	0	0	0	0	0
78	81	8	7	5	4	2	0	0	0	0	0	0
81	84	9	7	6	4	2	1	0	0	0	0	0
84	87	9	8	6	4	3	1	0	0	0	0	0
87	90	10	8	6	5	3	2	0	0	0	0	0
90	93	10	8	7	5	4	2	1	0	0	0	0
93	96	10	9	7	6	4	3	1	0	0	0	0
96	99	11	9	8	6	5	3	2	0	0	0	0
99	102	11	10	8	7	5	4	2	0	0	0	0
102	105	12	10	9	7	6	4	2	1	0	0	0
105	108	12	11	9	8	6	4	3	1	0	0	0
108	111	13	11	10	8	6	5	3	2	0	0	0
111	114	13	12	10	8	7	5	4	2	1	0	0
114	117	14	12	10	9	7	6	4	3	1	0	0
117	120	14	12	11	9	8	6	5	3	2	0	0
120	123	15	13	11	10	8	7	5	4	2	0	0
123	126	15	13	12	10	9	7	6	4	2	1	0
126	129	15	14	12	11	9	8	6	5	3	1	0
129	132	16	14	13	11	10	8	7	5	3	2	0
132	135	16	15	13	12	10	9	7	5	4	2	1
135	138	17	15	14	12	11	9	7	6	4	3	1
138	141	17	16	14	13	11	9	8	6	5	3	2
141	144	18	16	15	13	11	10	8	7	5	4	2
144	147	18	17	15	13	12	10	9	7	6	4	3
147	150	19	17	15	14	12	11	9	8	6	5	3
150	153	19	17	16	14	13	11	10	8	7	5	3
153	156	19	18	16	15	13	12	10	9	7	5	4
156	159	20	18	17	15	14	12	11	9	7	6	4
159	162	20	19	17	16	14	13	11	9	8	6	5
162	165	21	19	18	16	15	13	11	10	8	7	5
165	168	21	20	18	17	15	13	12	10	9	7	6
168	171	22	20	19	17	15	14	12	11	9	8	6
171	174	22	21	19	17	16	14	13	11	10	8	7
174	177	23	21	19	18	16	15	13	12	10	9	7
177	180	23	21	20	18	17	15	14	12	11	9	7
180	183	24	22	20	19	17	16	14	13	11	9	8
183	186	25	22	21	19	18	16	15	13	11	10	8
186	189	25	23	21	20	18	17	15	14	12	10	9
189	192	26	23	22	20	19	17	16	14	12	11	9
192	195	27	24	22	21	19	18	16	14	13	11	10
195	198	28	25	23	21	20	18	16	15	13	12	10
198	201	29	26	23	22	20	18	17	15	14	12	11
201	204	30	27	24	22	20	19	17	16	14	13	11
204	207	30	28	25	22	21	19	18	16	15	13	12
207	210	31	28	25	23	21	20	18	17	15	14	12
210	213	32	29	26	23	22	20	19	17	16	14	12
213	216	33	30	27	24	22	21	19	18	16	14	13
216	219	34	31	28	25	23	21	20	18	16	15	13
219	222	35	32	29	26	23	22	20	18	17	15	14
222	225	35	33	30	27	24	22	20	19	17	16	14
225	228	36	33	31	28	25	22	21	19	18	16	15
228	231	37	34	31	28	26	23	21	20	18	17	15
231	234	38	35	32	29	26	23	22	20	19	17	16

## MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period (For Wages Paid in 1998)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld is—										
\$234	\$237	39	36	33	30	27	24	22	21	19	18	16
237	240	40	37	34	31	28	25	23	21	20	18	16
240	243	41	38	35	32	29	26	23	22	20	18	17
243	246	41	38	36	33	30	27	24	22	20	19	17
246	249	42	39	36	33	31	28	25	23	21	19	18
249	252	43	40	37	34	31	29	26	23	21	20	18
252	255	44	41	38	35	32	29	26	24	22	20	19
255	258	45	42	39	36	33	30	27	24	22	21	19
258	261	46	43	40	37	34	31	28	25	23	21	20
261	264	46	43	41	38	35	32	29	26	23	22	20
264	267	47	44	41	39	36	33	30	27	24	22	21
267	270	48	45	42	39	36	34	31	28	25	23	21
270	273	49	46	43	40	37	34	31	29	26	23	21
273	276	50	47	44	41	38	35	32	29	27	24	22
276	279	51	48	45	42	39	36	33	30	27	24	22
279	282	51	49	46	43	40	37	34	31	28	25	23
282	285	52	49	46	44	41	38	35	32	29	26	23
285	288	53	50	47	44	41	39	36	33	30	27	24
288	291	54	51	48	45	42	39	37	34	31	28	25
291	294	55	52	49	46	43	40	37	34	32	29	26
294	297	56	53	50	47	44	41	38	35	32	29	27
297	300	56	54	51	48	45	42	39	36	33	30	27
300	303	57	54	52	49	46	43	40	37	34	31	28
303	306	58	55	52	49	47	44	41	38	35	32	29
306	309	59	56	53	50	47	44	42	39	36	33	30
309	312	60	57	54	51	48	45	42	39	37	34	31
312	315	61	58	55	52	49	46	43	40	37	35	32
315	318	62	59	56	53	50	47	44	41	38	35	32
318	321	62	59	57	54	51	48	45	42	39	36	33
321	324	63	60	57	54	52	49	46	43	40	37	34
324	327	64	61	58	55	52	50	47	44	41	38	35
327	330	65	62	59	56	53	50	47	45	42	39	36
330	333	66	63	60	57	54	51	48	45	42	40	37
333	336	67	64	61	58	55	52	49	46	43	40	37
336	339	67	64	62	59	56	53	50	47	44	41	38
339	341	68	65	62	59	56	54	51	48	45	42	39
341	343	69	66	63	60	57	54	51	48	45	42	40
343	345	69	66	63	61	58	55	52	49	46	43	40
345	347	70	67	64	61	58	55	52	49	47	44	41
347	349	70	67	65	62	59	56	53	50	47	44	41
349	351	71	68	65	62	59	56	53	51	48	45	42
351	353	71	69	66	63	60	57	54	51	48	45	42
353	355	72	69	66	63	60	57	55	52	49	46	43
355	357	73	70	67	64	61	58	55	52	49	46	44
357	359	73	70	67	64	62	59	56	53	50	47	44
359	361	74	71	68	65	62	59	56	53	50	48	45
361	363	74	71	68	66	63	60	57	54	51	48	45
363	365	75	72	69	66	63	60	57	54	52	49	46
365	367	75	72	70	67	64	61	58	55	52	49	46
367	369	76	73	70	67	64	61	58	56	53	50	47
369	371	77	74	71	68	65	62	59	56	53	50	47
371	373	77	74	71	68	65	63	60	57	54	51	48
373	375	78	75	72	69	66	63	60	57	54	51	49
375	377	78	75	72	69	67	64	61	58	55	52	49
377	379	79	76	73	70	67	64	61	58	55	53	50
379	381	80	76	73	71	68	65	62	59	56	53	50
381	383	80	77	74	71	68	65	62	60	57	54	51
383	385	81	78	75	72	69	66	63	60	57	54	51
385	387	81	78	75	72	69	66	64	61	58	55	52
387	389	82	79	76	73	70	67	64	61	58	55	52
389	391	83	79	76	73	70	68	65	62	59	56	53
391	393	83	80	77	74	71	68	65	62	59	56	54
393	395	84	81	77	75	72	69	66	63	60	57	54
395	397	85	81	78	75	72	69	66	63	61	58	55
397	399	85	82	79	76	73	70	67	64	61	58	55

\$399 and over

Use Table 8(b) for a MARRIED person on page 35. Also see the instructions on page 32.

# Tables for Percentage Method of Advance EIC Payments

(For Wages Paid in 1998)

## Table 1. WEEKLY Payroll Period

**(a) SINGLE or MARRIED Without Spouse Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$128 . . .	20.40% of wages
\$128	\$235 . . .	\$26
\$235	. . . . .	\$26 less 9.588% of wages in excess of \$235

**(b) MARRIED With Both Spouses Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$64 . . .	20.40% of wages
\$64	\$117 . . .	\$13
\$117	. . . . .	\$13 less 9.588% of wages in excess of \$117

## Table 2. BIWEEKLY Payroll Period

**(a) SINGLE or MARRIED Without Spouse Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$256 . . .	20.40% of wages
\$256	\$471 . . .	\$52
\$471	. . . . .	\$52 less 9.588% of wages in excess of \$471

**(b) MARRIED With Both Spouses Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$128 . . .	20.40% of wages
\$128	\$235 . . .	\$26
\$235	. . . . .	\$26 less 9.588% of wages in excess of \$235

## Table 3. SEMIMONTHLY Payroll Period

**(a) SINGLE or MARRIED Without Spouse Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$278 . . .	20.40% of wages
\$278	\$510 . . .	\$57
\$510	. . . . .	\$57 less 9.588% of wages in excess of \$510

**(b) MARRIED With Both Spouses Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$139 . . .	20.40% of wages
\$139	\$255 . . .	\$28
\$255	. . . . .	\$28 less 9.588% of wages in excess of \$255

## Table 4. MONTHLY Payroll Period

**(a) SINGLE or MARRIED Without Spouse Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$556 . . .	20.40% of wages
\$556	\$1,021 . . .	\$113
\$1,021	. . . . .	\$113 less 9.588% of wages in excess of \$1,021

**(b) MARRIED With Both Spouses Filing Certificate**

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$278 . . .	20.40% of wages
\$278	\$510 . . .	\$57
\$510	. . . . .	\$57 less 9.588% of wages in excess of \$510



# Tables for Percentage Method of Advance EIC Payments (Continued)

(For Wages Paid in 1998)

## Table 5. QUARTERLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$1,670 . . .	20.40% of wages	\$0	\$835 . . .	20.40% of wages
\$1,670	\$3,065 . . .	\$341	\$835	\$1,532 . . .	\$170
\$3,065	. . . . .	\$341 less 9.588% of wages in excess of \$3,065	\$1,532	. . . . .	\$170 less 9.588% of wages in excess of \$1,532

## Table 6. SEMIANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$3,340 . . .	20.40% of wages	\$0	\$1,670 . . .	20.40% of wages
\$3,340	\$6,130 . . .	\$681	\$1,670	\$3,065 . . .	\$341
\$6,130	. . . . .	\$681 less 9.588% of wages in excess of \$6,130	\$3,065	. . . . .	\$341 less 9.588% of wages in excess of \$3,065

## Table 7. ANNUAL Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—	
\$0	\$6,680 . . .	20.40% of wages	\$0	\$3,340 . . .	20.40% of wages
\$6,680	\$12,260 . . .	\$1,363	\$3,340	\$6,130 . . .	\$681
\$12,260	. . . . .	\$1,363 less 9.588% of wages in excess of \$12,260	\$6,130	. . . . .	\$681 less 9.588% of wages in excess of \$6,130

## Table 8. DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate			(b) MARRIED With Both Spouses Filing Certificate		
If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:	If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:
Over—	But not over—		Over—	But not over—	
\$0	\$25 . . .	20.40% of wages	\$0	\$12 . . .	20.40% of wages
\$25	\$47 . . .	\$5	\$12	\$23 . . .	\$2
\$47	. . . . .	\$5 less 9.588% of wages in excess of \$47	\$23	. . . . .	\$2 less 9.588% of wages in excess of \$23

**Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 1998)**

**WEEKLY Payroll Period**

**SINGLE or MARRIED Without Spouse Filing Certificate**

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$75	\$80	\$15	\$275	\$285	\$21	\$425	\$435	\$7
5	10	1	80	85	16	285	295	21	435	445	6
10	15	2	85	90	17	295	305	20	445	455	5
15	20	3	90	95	18	305	315	19	455	465	4
20	25	4	95	100	19	315	325	18	465	475	3
25	30	5	100	105	20	325	335	17	475	485	2
30	35	6	105	110	21	335	345	16	485	495	1
35	40	7	110	115	22	345	355	15	495	- - -	0
40	45	8	115	120	23	355	365	14			
45	50	9	120	125	24	365	375	13			
50	55	10	125	235	26	375	385	12			
55	60	11	235	245	25	385	395	11			
60	65	12	245	255	24	395	405	10			
65	70	13	255	265	23	405	415	9			
70	75	14	265	275	22	415	425	8			

**MARRIED With Both Spouses Filing Certificate**

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$35	\$40	\$7	\$125	\$135	\$11	\$195	\$205	\$5
5	10	1	40	45	8	135	145	10	205	215	4
10	15	2	45	50	9	145	155	10	215	225	3
15	20	3	50	55	10	155	165	9	225	235	2
20	25	4	55	60	11	165	175	8	235	245	1
25	30	5	60	115	12	175	185	7	245	- - -	0
30	35	6	115	125	12	185	195	6			

**BIWEEKLY Payroll Period**

**SINGLE or MARRIED Without Spouse Filing Certificate**

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$135	\$140	\$28	\$490	\$500	\$50	\$760	\$770	\$24
5	10	1	140	145	29	500	510	49	770	780	23
10	15	2	145	150	30	510	520	48	780	790	22
15	20	3	150	155	31	520	530	47	790	800	21
20	25	4	155	160	32	530	540	46	800	810	20
25	30	5	160	165	33	540	550	45	810	820	19
30	35	6	165	170	34	550	560	44	820	830	18
35	40	7	170	175	35	560	570	43	830	840	17
40	45	8	175	180	36	570	580	42	840	850	16
45	50	9	180	185	37	580	590	41	850	860	15
50	55	10	185	190	38	590	600	40	860	870	14
55	60	11	190	195	39	600	610	39	870	880	13
60	65	12	195	200	40	610	620	38	880	890	12
65	70	13	200	205	41	620	630	37	890	900	11
70	75	14	205	210	42	630	640	36	900	910	10
75	80	15	210	215	43	640	650	35	910	920	9
80	85	16	215	220	44	650	660	34	920	930	8
85	90	17	220	225	45	660	670	33	930	940	8
90	95	18	225	230	46	670	680	32	940	950	7
95	100	19	230	235	47	680	690	31	950	960	6
100	105	20	235	240	48	690	700	31	960	970	5
105	110	21	240	245	49	700	710	30	970	980	4
110	115	22	245	250	50	710	720	29	980	990	3
115	120	23	250	255	51	720	730	28	990	1,000	2
120	125	24	255	470	52	730	740	27	1,000	1,010	1
125	130	26	470	480	52	740	750	26	1,010	- - -	0
130	135	27	480	490	51	750	760	25			

## BIWEEKLY Payroll Period

### MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$235	\$245	\$24	\$365	\$375	\$12
5	10	1	70	75	14	245	255	23	375	385	11
10	15	2	75	80	15	255	265	22	385	395	10
15	20	3	80	85	16	265	275	21	395	405	9
20	25	4	85	90	17	275	285	20	405	415	8
25	30	5	90	95	18	285	295	19	415	425	7
30	35	6	95	100	19	295	305	18	425	435	6
35	40	7	100	105	20	305	315	17	435	445	5
40	45	8	105	110	21	315	325	16	445	455	4
45	50	9	110	115	22	325	335	15	455	465	3
50	55	10	115	120	23	335	345	14	465	475	2
55	60	11	120	225	24	345	355	13	475	485	1
60	65	12	225	235	25	355	365	13	485	- - -	0

## SEMIMONTHLY Payroll Period

### SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$505	\$515	\$54	\$785	\$795	\$27
5	10	1	145	150	30	515	525	53	795	805	26
10	15	2	150	155	31	525	535	52	805	815	25
15	20	3	155	160	32	535	545	51	815	825	24
20	25	4	160	165	33	545	555	50	825	835	23
25	30	5	165	170	34	555	565	49	835	845	22
30	35	6	170	175	35	565	575	48	845	855	21
35	40	7	175	180	36	575	585	47	855	865	20
40	45	8	180	185	37	585	595	46	865	875	19
45	50	9	185	190	38	595	605	45	875	885	18
50	55	10	190	195	39	605	615	44	885	895	17
55	60	11	195	200	40	615	625	43	895	905	16
60	65	12	200	205	41	625	635	42	905	915	15
65	70	13	205	210	42	635	645	41	915	925	14
70	75	14	210	215	43	645	655	40	925	935	13
75	80	15	215	220	44	655	665	39	935	945	12
80	85	16	220	225	45	665	675	38	945	955	11
85	90	17	225	230	46	675	685	37	955	965	10
90	95	18	230	235	47	685	695	36	965	975	9
95	100	19	235	240	48	695	705	35	975	985	8
100	105	20	240	245	49	705	715	34	985	995	8
105	110	21	245	250	50	715	725	33	995	1,005	7
110	115	22	250	255	51	725	735	32	1,005	1,015	6
115	120	23	255	260	52	735	745	31	1,015	1,025	5
120	125	24	260	265	53	745	755	31	1,025	1,035	4
125	130	26	265	270	54	755	765	30	1,035	1,045	3
130	135	27	270	495	55	765	775	29	1,045	1,055	2
135	140	28	495	505	54	775	785	28	1,055	1,065	1
									1,065	- - -	0

### MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$50	\$55	\$10	\$100	\$105	\$20	\$265	\$275	\$25
5	10	1	55	60	11	105	110	21	275	285	24
10	15	2	60	65	12	110	115	22	285	295	23
15	20	3	65	70	13	115	120	23	295	305	22
20	25	4	70	75	14	120	125	24	305	315	21
25	30	5	75	80	15	125	130	26	315	325	20
30	35	6	80	85	16	130	135	27	325	335	19
35	40	7	85	90	17	135	245	28	335	345	18
40	45	8	90	95	18	245	255	27	345	355	17
45	50	9	95	100	19	255	265	26	355	365	16

(continued on next page)

## SEMIMONTHLY Payroll Period

### MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$375	\$385	\$16	\$425	\$435	\$11	\$475	\$485	\$6	\$525	\$535	\$2
385	395	15	435	445	10	485	495	5	535	545	1
395	405	14	445	455	9	495	505	4	545	- - -	0
405	415	13	455	465	8	505	515	3			
415	425	12	465	475	7	515	525	3			

## MONTHLY Payroll Period

### SINGLE or MARRIED Without Spouse Filing Certificate

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

(continued on next page)

## MONTHLY Payroll Period

### SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$1,900	\$1,910	\$28	\$1,980	\$1,990	\$21	\$2,060	\$2,070	\$13	\$2,140	\$2,150	5
1,910	1,920	27	1,990	2,000	20	2,070	2,080	12	2,150	2,160	4
1,920	1,930	26	2,000	2,010	19	2,080	2,090	11	2,160	2,170	3
1,930	1,940	26	2,010	2,020	18	2,090	2,100	10	2,170	2,180	3
1,940	1,950	25	2,020	2,030	17	2,100	2,110	9	2,180	2,190	2
1,950	1,960	24	2,030	2,040	16	2,110	2,120	8	2,190	2,200	1
1,960	1,970	23	2,040	2,050	15	2,120	2,130	7	2,200	- - -	0
1,970	1,980	22	2,050	2,060	14	2,130	2,140	6			

### MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$145	\$150	\$30	\$530	\$540	\$54	\$820	\$830	\$26
5	10	1	150	155	31	540	550	53	830	840	25
10	15	2	155	160	32	550	560	52	840	850	24
15	20	3	160	165	33	560	570	51	850	860	23
20	25	4	165	170	34	570	580	50	860	870	22
25	30	5	170	175	35	580	590	49	870	880	21
30	35	6	175	180	36	590	600	48	880	890	20
35	40	7	180	185	37	600	610	47	890	900	19
40	45	8	185	190	38	610	620	46	900	910	18
45	50	9	190	195	39	620	630	45	910	920	18
50	55	10	195	200	40	630	640	44	920	930	17
55	60	11	200	205	41	640	650	43	930	940	16
60	65	12	205	210	42	650	660	42	940	950	15
65	70	13	210	215	43	660	670	41	950	960	14
70	75	14	215	220	44	670	680	41	960	970	13
75	80	15	220	225	45	680	690	40	970	980	12
80	85	16	225	230	46	690	700	39	980	990	11
85	90	17	230	235	47	700	710	38	990	1,000	10
90	95	18	235	240	48	710	720	37	1,000	1,010	9
95	100	19	240	245	49	720	730	36	1,010	1,020	8
100	105	20	245	250	50	730	740	35	1,020	1,030	7
105	110	21	250	255	51	740	750	34	1,030	1,040	6
110	115	22	255	260	52	750	760	33	1,040	1,050	5
115	120	23	260	265	53	760	770	32	1,050	1,060	4
120	125	24	265	270	54	770	780	31	1,060	1,070	3
125	130	25	270	275	55	780	790	30	1,070	1,080	2
130	135	26	275	280	56	790	800	29	1,080	1,090	1
135	140	27	280	285	57	800	810	28	1,090	- - -	0
140	145	28	285	290	58	810	820	27			

## DAILY Payroll Period

### SINGLE or MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$15	\$20	\$3	\$45	\$55	\$4	\$75	\$85	\$2
5	10	1	20	25	4	55	65	4	85	95	1
10	15	2	25	45	5	65	75	3	95	- - -	0

### MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$10	\$20	\$2	\$30	\$40	\$1	\$40	- - -	\$0
5	10	1	20	30	2						

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# Index

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<hr/>		
<b>A</b>		
Accountable plan .....	8	
Adjustments, Form 941 .....	23	
Advance earned income credit .....	14	
Advance EIC tables, instructions .....	33	
Aliens, nonresident .....	12	
<hr/>		
<b>B</b>		
Backup withholding .....	5	
Business expenses, employee .....	8	
<hr/>		
<b>C</b>		
Calendar .....	2	
Change of address .....	5	
Claim for refund .....	25	
Correcting errors, Form 941 ..	24	
<hr/>		
<b>D</b>		
Delivery services, private .....	2	
Deposit:		
Coupons .....	19	
Penalties .....	20	
Rules .....	15	
<hr/>		
<b>E</b>		
Educational assistance programs .....	2	
Electronic deposits .....	2, 18	
Eligibility for employment .....	3	
Employees defined .....	6	
Employer identification number .....	6	
<hr/>		
<b>F</b>		
Family employees .....	7	
Fringe benefits .....	9	
FTD coupons .....	19	
FUTA tax .....	26	
<hr/>		
<b>G</b>		
Government employers .....	6	
<hr/>		
<b>H</b>		
Health insurance plans .....	9	
Help .....	5	
Household employees .....	22	
<hr/>		
<b>I</b>		
Information returns .....	4	
<hr/>		
<b>L</b>		
Long-term care insurance .....	9	
<hr/>		
<b>M</b>		
Magnetic media filing:		
Form 941 .....	22	
Form W-4 .....	13	
Meals and lodging .....	9	
Medical care .....	9	
Medical savings accounts .....	9	
Medicare tax .....	13	
Mileage .....	8	
Moving expenses .....	9	
<hr/>		
<b>N</b>		
New employees .....	3	
Nonaccountable plan .....	8	
Noncash wages .....	9	
Nonpayroll withholding .....	4	
<hr/>		
<b>P</b>		
Part-time workers .....	14	
Payroll period .....	11	
Penalties .....	20, 22	
Problem resolution .....	5	
<hr/>		
<b>R</b>		
Reconciling Forms W-2 and 941 .....	23	
Recordkeeping .....	5	
Reimbursements:		
Accountable plan .....	8	
Nonaccountable plan .....	8	
Per diem .....	8	
<hr/>		
Repayments, wages .....	26	
<hr/>		
<b>S</b>		
Seasonal employers .....	22	
Sick pay .....	10	
Social security number, employee .....	7	
Social security tax .....	13	
Standard mileage rate .....	8	
Successor employer .....	13	
Supplemental wages .....	11	
<hr/>		
<b>T</b>		
Tax rates .....	2	
Telephone help .....	5	
Tips .....	10, 11	
Trust fund recovery penalty ..	20	
<hr/>		
<b>U</b>		
Unemployment tax, Federal ..	26	
<hr/>		
<b>V</b>		
Vacation pay .....	11	
<hr/>		
<b>W</b>		
Wage bases .....	2	
Wage repayments .....	26	
Wages defined .....	8	
Wages not paid in money .....	9	
Withholding:		
Backup .....	5	
Certificate .....	11	
Exemption .....	12	
Fringe benefits .....	10	
Income tax .....	11	
Levies .....	13	
Nonpayroll payments .....	4	
Nonresident aliens .....	12	
Social security and Medicare taxes .....	13	
Table instructions .....	32	
Tips .....	11	
<hr/>		

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W-3		1099-A		1099-MSA		Pub. 1494	
W-3c		1099-B		1099-OID		Pub. 15-A	
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