



Department of the Treasury
Internal Revenue Service

Publication 919
(Rev. December 2000)
Cat. No. 63900P

How Do I Adjust My Tax Withholding?



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Important Change

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

Introduction

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

As a wage earner, you pay federal income tax by having it withheld from your pay during the year. This is your “withholding.” Your withholding is based on the

number of allowances you claim when you file Form W-4, *Employee's Withholding Allowance Certificate*, with your employer.

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

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Purpose of This Publication

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

Note: If you do not have to adjust your withholding, you do not have to file Form W-4 each year.

Checking Your Withholding

The purpose of this section is to explain why, when, and how to check your withholding to see if you will have enough, but not too much, tax withheld for 2001.

Why Should I Check My Withholding?

You should try to have your withholding match your actual tax liability. If too little tax is withheld, you will owe tax at the end of the year and may have to pay interest and a penalty. If too much tax is withheld, you will lose the use of that money until you get your refund.

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

When Should I Check My Withholding?

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

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

- 1) You receive a paycheck stub (statement) for a full pay period in 2001, showing tax withheld based on 2001 tax rates.

2) You prepare your 2000 tax return and get a:

- a) Big refund, or
- b) Balance due that is:
 - i) More than you can comfortably pay, or
 - ii) Subject to a penalty.

3) There are changes in your life or financial situation that affect your tax liability. See *Figure 1*.

4) There are changes in the tax law that affect your tax liability. See *Tax Law Changes*, later.

Figure 1. Personal and Financial Factors

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

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



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

Tax Law Changes

If there are tax law changes that increase your tax for 2001 and you do not increase your withholding, you may have to pay tax when you file your return. If there are changes that decrease your tax for 2001 and you do not decrease your withholding, you may get a larger refund. You can get this money back earlier by reducing your withholding.

For information about changes in the law for 2000 and 2001, get Publication 553, *Highlights of 2000 Tax Changes*, or visit the IRS Web Site at www.irs.gov.

How Do I Check My Withholding?

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

Follow these steps.

- 1) Fill out *Worksheet 1* to project your total federal income tax liability for 2001.
- 2) Fill out *Worksheet 2* to project your total federal withholding for 2001 and to compare your projected tax to your projected withholding.
- 3) If you are having too little withheld, *Worksheet 2* will show you how much more to have withheld from your paycheck each payday.
- 4) If you are having more tax withheld than you need to have withheld, *Worksheet 2* will refer you to *How Do I Decrease My Withholding*.

What If Too Little Tax Is Being Withheld?

If too little tax will be withheld, you should give your employer a Form W-4 showing either a reduced number of withholding allowances or an additional amount to be withheld from your pay. See *How Do I Increase My Withholding*, later.

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

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

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

What If Too Much Tax Is Being Withheld?

If too much tax is withheld, you may receive a large refund when you file your return. If you would prefer to receive the money during the year, you may be able to decrease your withholding by giving your employer a 2001 Form W-4.

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

- 1) You got a big refund for 2000 and your income, adjustments, deductions, and credits will remain about the same this year,
- 2) Your income will remain about the same as last year, but your adjustments, deductions, or credits will increase significantly, or
- 3) You got a refund last year; your income, adjustments, and deductions will remain about the same as last year; but you will qualify for one or more tax credits this year that you did not qualify for last year.

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

Adjusting Your Withholding

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

If you are having too little or too much tax withheld, you should either increase or decrease your withholding.

How Do I Adjust My Withholding?

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

How Do I Increase My Withholding?

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

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

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

- 1) Complete *Worksheets 1* and *2*.

- 2) Complete a new Form W-4 if the amount on line 5 of *Worksheet 2* is more than you want to have to pay or would cause a penalty when you file your tax return for 2001.
- 3) Enter on line 5 of the new Form W-4 the **same number** of withholding allowances your employer now uses for your withholding. This is the number of allowances you entered on the last Form W-4 you gave your employer.
- 4) Enter on line 6 of the new Form W-4 the amount from line 6 of *Worksheet 2*.
- 5) Give your newly completed Form W-4 to your employer.

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

Example. Using *Worksheets 1* and *2*, Steve figures that his 2001 tax liability will be \$5,000 and that his withholding for the year will be \$4,700. Steve's tax will be underwithheld by \$300 (\$5,000 - \$4,700). He will have to pay this amount when he files his 2001 tax return or he can increase his withholding. Steve gets a new Form W-4 from his employer, who tells him that there are 50 paydays remaining in 2001. Steve completes the form as before, and enters the same number of withholding allowances as before, then enters \$6 (\$300 ÷ 50) on line 6 of the form. This is the additional amount to be withheld from his pay each payday. He gives the completed form to his employer.

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

You can apply the amount on line 5 of *Worksheet 2* to only one job or divide it between the jobs any way you wish. For each job, determine the extra amount that you want to apply to that job and divide that amount by the number of paydays remaining in 2001 for that job. This will give you the additional amount to enter on line 6 of the Form W-4 you will file for that job. You need to file a Form W-4 for each job for which you are changing your withholding.

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

tional amount from line 6 withheld from John's wages, so they enter on line 6 of his W-4 the number from line 6 of their completed *Worksheet 2*. Both claim the same number of allowances as before.

How Do I Decrease My Withholding?

Once you determine that you expect to have more tax withheld than your projected tax liability for 2001, you may be able to decrease your withholding by increasing the number of allowances that you claim on Form W-4.



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

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

- 1) Complete *Worksheets 1* and *2*.
- 2) If your projected withholding is significantly more than your projected tax, get a new Form W-4 (or use the one in the back of this publication).
- 3) Complete the *Personal Allowances Worksheet* on Form W-4.
- 4) Use the remainder of the worksheets in this publication, as applicable.
- 5) Complete the *Deductions and Adjustments Worksheet* on Form W-4 if you plan to itemize deductions, claim adjustments to income, or claim tax credits from *Worksheet 7* on your 2001 return.
- 6) Complete the *Two-earner/two-job worksheet* on Form W-4 if you meet the criteria on line H of the Form W-4 *Personal Allowances Worksheet*.
- 7) Fill out Form W-4 itself.
- 8) Enter the number of allowances you are entitled to claim on line 5 of Form W-4.
- 9) If the number of allowances you are entitled to claim is different from the number you are already claiming, give the newly completed Form W-4 to your employer.

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

Figure 2. Tax Credits

You can take your projected tax credits into account in determining your projected tax liability and withholding. The credits you may be eligible for include the following.

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



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

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

Example. Brett and Alyssa are married and expect to file a joint return for 2000. Their combined estimated wages are \$65,000. Their projected tax credits include a child and dependent care credit of \$960 and a mortgage interest credit of \$1,700.

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

- 1) They enter their expected child and dependent care credit, \$960, on line 1 of *Worksheet 7*.
- 2) They enter their expected mortgage interest credit, \$1,700, on line 7 of *Worksheet 7*.
- 3) They add these credits and enter the total, \$2,660, on line 9.
- 4) Because they are married filing a joint return, they use the table for married filing jointly.
- 5) They see that their combined estimated wages, \$65,000, falls between \$62,001 and \$126,000, and that the number to the right of this range is 3.6.
- 6) They enter 3.6 on line 10.
- 7) They multiply line 9 by line 10 and enter the result, \$9,576, on line 11.
- 8) They take the result on line 11, and add it to their other adjustments on line 5 of the *Deductions and Adjustments Worksheet* on Form W-4.
- 9) They finish filling out the *Deductions and Adjustments Worksheet*.
- 10) Because they chose to account for their child and dependent care credit this way, they enter -0- on line F of the *Personal Allowances Worksheet*.

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

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

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

Figure 3. Worksheets and Tables

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

Use . . .	To . . .
Worksheet 1. Projected Tax for 2001	Project the taxable income you will have for 2001 and the amount of tax you will have to pay on that income.
Worksheet 2. Projected Withholding for 2001	Project the amount of federal income tax that you will have withheld in 2001, compare your projected withholding with your projected tax, and determine whether the amount you are having withheld each payday should be adjusted.
Worksheets 1a, 1b, 1c, and 1d. Tax Rate Schedule Worksheets for 2001	Project the amount of tax you will be liable for on your projected income for your filing status.
Worksheet 3. Itemized Deductions Limit	Figure the amount of your projected itemized deductions on Schedule A (Form 1040) if they are limited because your projected adjusted gross income is more than \$132,950 (\$66,475 if married filing separately).
Worksheet 4. Exemptions Phaseout	Figure the value of your projected exemptions if your exemptions are limited because your adjusted gross income for your projected filing status is more than: \$132,950 if single, \$199,450 if married filing jointly or qualifying widow(er), \$99,725 if married filing separately, or \$166,200 if head of household.
Worksheet 5. Figuring Tax If You Expect To Have Capital Gain	Figure projected tax on all taxable income if you expect to have a capital gain in 2001.
Worksheet 6. Self-Employment Tax	Figure your projected self-employment tax for 2001 if you and/or your spouse are self-employed in 2001 and your own wages and self-employment income for 2001 will be more than \$80,400, or your spouse's wages and self-employment income will be more than \$80,400.
Tables 1, 2, and 3. Standard Deduction Tables for 2001.	Determine your projected standard deduction for 2001. Do not use this table if you plan to itemize your deductions.
Worksheet 7. Converting Credits to Withholding Allowances	Figure how much of an adjustment to make to line 5 of the <i>Deductions and Adjustments Worksheet</i> on Form W-4 to account for your projected tax credits which are not otherwise taken into consideration.

Worksheet 1. Projected Tax for 2001 Use this worksheet to figure the amount of your projected tax for 2001.
 (Note: Enter combined amounts if married filing joint return.)

1. Enter amount of Adjusted Gross Income (AGI) you expect in 2001. (To determine this, you may want to start with the AGI on your last year's return, and add or subtract your expected changes.)	1	
2. If you: ● Do not plan to itemize deductions on Schedule A (Form 1040), enter the standard deduction you expect from <i>Table 1, 2, or 3</i> , later. ● Plan to itemize deductions, and the amount on line 1 is: ● Not more than \$132,950 (\$66,475 if married filing separately), enter the total itemized deductions you expect after applying any limits (such as the 7.5% limit on medical expenses). ● More than \$132,950 (\$66,475 if married filing separately), use <i>Worksheet 3</i> to figure the amount to enter here.	2	
3. Subtract line 2 from line 1. (If zero or less, enter zero.)	3	
4. If the amount on line 1 is: ● Not more than the amount shown below for your 2001 filing status, multiply the number of exemptions you plan to claim on your 2001 tax return by \$2,900 and enter the result here. ● More than the amount shown below for your 2001 filing status, use <i>Worksheet 4</i> to figure the amount to enter here ● Single, \$132,950 ● Married filing jointly or Qualifying widow(er), \$199,450 ● Head of household, \$166,200 ● Married filing separately, \$99,725	4	
5. Subtract line 4 from line 3. (If zero or less, enter zero.)	5	
6. If the amount on line 1: ● Does not include capital gain, use <i>Worksheet 1a, 1b, 1c, or 1d</i> , as appropriate, to figure the tax to enter here. ● Includes capital gain, use <i>Worksheet 5</i> to figure the tax to enter here.	6	
7. Enter any expected additional taxes from an election to report your child's interest and dividends (Form 8814), and from lump-sum distributions (Form 4972)	7	
8. Add lines 6 and 7	8	
9. Enter the amount of any expected tax credits. See <i>Figure 2</i> , earlier	9	
10. Subtract line 9 from line 8. (If zero or less, enter zero.)	10	
11. Self-employment tax. If you expect to file a joint return, figure the self-employment tax for each of you separately, and enter the total on line 11. If the projected total of your net self-employment income multiplied by .9235 plus your wage income is: ● \$400 or more, but not more than \$80,400, multiply your expected net self-employment income by .9235, and multiply that result by .153 and enter here. ● More than \$80,400, use <i>Worksheet 6</i> to figure the amount to enter here.	11	
12. Enter any other expected taxes (such as tax on early distributions from an IRA, alternative minimum tax, etc.)	12	
13. Add lines 10 through 12. This is your projected tax for 2001 . Enter it here and on line 1 of <i>Worksheet 2</i>	13	

Worksheet 2. Projected Withholding for 2001 Use this worksheet to figure the amount of your projected withholding for 2001, compare it to your projected tax for 2001, and figure an additional amount to have withheld each payday, if necessary.
 (Note: Enter combined amounts if married filing joint return.)

1. Enter your projected tax for 2001 from line 13 of <i>Worksheet 1</i>	1	
2. Enter your total federal income tax withheld to date in 2001 from all of your jobs. (You should be able to find your withholdings to date on your last payslip or statement.)	2	
3. Enter the federal tax withholding you expect for the rest of 2001. For each job, multiply the amount of federal income tax now being withheld each payday by the number of paydays remaining in 2001 and enter the combined amount for all jobs	3	
4. Add lines 2 and 3. This is your projected withholding for 2001	4	
5. Compare the amounts on lines 1 and 4. If: ● Line 1 is more than line 4, subtract line 4 from line 1, enter the result here, and go to line 6. ● Line 4 is more than line 1, stop here and see <i>How Do I Decrease My Withholding?</i>	5	
6. Divide line 5 by the number of paydays remaining in 2001 and enter the result. This is the additional amount you should have withheld from your pay each payday. Enter this amount on line 6 of Form W-4	6	

Worksheets 1a, 1b, 1c, and 1d
Tax Rate Schedule Worksheets for 2001
Worksheet 1a. For Single Filing Status

If you expect your filing status for 2001 to be **single**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 35 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1																			
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2																			
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Column A</th> <th style="text-align: left; border-bottom: 1px solid black;">Column B</th> <th style="text-align: left; border-bottom: 1px solid black;">Column C</th> </tr> </thead> <tbody> <tr> <td>\$0</td> <td>15%</td> <td>\$0</td> </tr> <tr> <td>\$27,050</td> <td>28%</td> <td>\$4,057.50</td> </tr> <tr> <td>\$65,550</td> <td>31%</td> <td>\$14,837.50</td> </tr> <tr> <td>\$136,750</td> <td>36%</td> <td>\$36,909.50</td> </tr> <tr> <td>\$297,300</td> <td>39.6%</td> <td>\$94,707.50</td> </tr> </tbody> </table>	Column A	Column B	Column C	\$0	15%	\$0	\$27,050	28%	\$4,057.50	\$65,550	31%	\$14,837.50	\$136,750	36%	\$36,909.50	\$297,300	39.6%	\$94,707.50		
Column A	Column B	Column C																		
\$0	15%	\$0																		
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\$136,750	36%	\$36,909.50																		
\$297,300	39.6%	\$94,707.50																		
3. Subtract line 2 from line 1	3																			
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4																			
5. Multiply line 3 by line 4	5																			
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6																			
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 35 of <i>Worksheet 5</i> , whichever is appropriate	7																			

Worksheet 1b. For Head of Household Filing Status

If you expect your filing status for 2001 to be **head of household**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 35 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1																			
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2																			
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Column A	Column B	Column C																		
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\$151,600	36%	\$39,475.50																		
\$297,300	39.6%	\$91,927.50																		
3. Subtract line 2 from line 1	3																			
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4																			
5. Multiply line 3 by line 4	5																			
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6																			
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 35 of <i>Worksheet 5</i> , whichever is appropriate	7																			

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

If you expect your filing status for 2001 to be **married filing jointly or qualifying widow(er)**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 35 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
<u>Column A</u> <u>Column B</u> <u>Column C</u>		
\$0 15% \$0		
\$45,200 28% \$6,780.00		
\$109,250 31% \$24,714.00		
\$166,450 36% \$42,446.00		
\$297,300 39.6% \$89,552.00		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 35 of <i>Worksheet 5</i> , whichever is appropriate	7	

Worksheet 1d. For Married Filing Separately Filing Status

If you expect your filing status for 2001 to be **married filing separately**, use this worksheet to figure the amount to enter:

- On line 6 of *Worksheet 1* if there is no capital gain included in the total on line 1 of *Worksheet 1*, or
- On lines 12 and 35 of *Worksheet 5* if there is capital gain included on line 1 of *Worksheet 1*.

1. Enter the amount from line 5 of <i>Worksheet 1</i> , or if figuring the amount to enter on line 12 of <i>Worksheet 5</i> , enter the amount from line 11 of <i>Worksheet 5</i>	1	
2. Enter whichever of the amounts in column A below is closer to, but not more than, the amount you entered on line 1 above	2	
<u>Column A</u> <u>Column B</u> <u>Column C</u>		
\$0 15% \$0		
\$22,600 28% \$3,390.00		
\$54,625 31% \$12,357.00		
\$83,225 36% \$21,223.00		
\$148,650 39.6% \$44,776.00		
3. Subtract line 2 from line 1	3	
4. Enter the percentage from column B above that corresponds to the amount from column A that you entered on line 2	4	
5. Multiply line 3 by line 4	5	
6. Enter the amount from column C above that corresponds to the amount from column A that you entered on line 2	6	
7. Add lines 5 and 6 and enter the result here and on line 6 of <i>Worksheet 1</i> , or on line 12 or 35 of <i>Worksheet 5</i> , whichever is appropriate	7	

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

1. Enter the total itemized deductions you expect for 2001 after applying any limits (such as the 7.5% limit on medical expenses)	1	
2. Enter the amount included in line 1 for medical and dental expenses, investment interest, casualty and theft losses, and gambling losses	2	
3. Subtract line 2 from line 1	3	
Note. If the amount on line 3 is zero, stop here and enter on line 2 of <i>Worksheet 1</i> the larger of the amount from line 1 of this worksheet or your standard deduction from Table 1, 2, or 3.		
4. Multiply the amount on line 3 by .80	4	
5. Enter the amount from line 1 of <i>Worksheet 1</i>	5	
6. Enter \$132,950 (\$66,475 if married filing separately).	6	
7. Subtract line 6 from line 5	7	
Note. If the amount on line 7 is zero or less, stop here and enter on line 2 of <i>Worksheet 1</i> the larger of the amount from line 1 of this worksheet or your standard deduction from Table 1, 2, or 3.		
8. Multiply the amount on line 7 by .03	8	
9. Enter the smaller of line 4 or line 8	9	
10. Subtract line 9 from line 1. Enter the result here, on line 2 of <i>Worksheet 1</i> , and on line 1 of the Form W-4 <i>Deductions and Adjustments Worksheet</i>	10	

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

1. Multiply \$2,900 by the number of exemptions you plan to claim	1	
2. Enter the amount from line 1 of <i>Worksheet 1</i>	2	
3. Enter: \$132,950 if single \$199,450 if married filing jointly or qualifying widow(er) \$99,725 if married filing separately \$166,200 if head of household	3	
4. Subtract line 3 from line 2 and enter here	4	
Note: If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), stop ; you cannot take a deduction for exemptions. Enter -0- on line 4 of <i>Worksheet 1</i> .		
5. Divide the amount on line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next whole number	5	
6. Multiply the number on line 5 by .02. Enter the result as a decimal, but not more than 1	6	
7. Multiply the amount on line 1 by the decimal on line 6	7	
8. Subtract line 7 from line 1. Enter the result here and on line 4 of <i>Worksheet 1</i>	8	

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

1. Enter the amount from line 5 of your <i>2001 Estimated Tax Worksheet</i>			1
2. Enter the net capital gain expected for 2001	2		
3. Combine the net short-term capital loss and 28% rate gain or loss expected for 2001. If zero or less, enter 0	3		
4. Enter the unrecaptured section 1250 gain expected for 2001.	4		
5. Add lines 3 and 4	5		
6. Subtract line 5 from line 2. If zero or less, enter 0			6
7. Subtract line 6 from line 1. If zero or less, enter 0			7
8. Enter the smaller of line 1 or \$45,200 (\$27,050 if single; \$22,600 if married filing separately; \$36,250 if head of household)			8
9. Enter the smaller of line 7 or line 8	9		
10. Subtract line 2 from line 1. If zero or less, enter 0	10		
11. Enter the larger of line 9 or line 10	11		
12. Tax on amount on line 11 from the 2001 Tax Rate Schedule Note. If line 7 is more than line 8, go to line 20.			12
13. Enter the amount from line 8	13		
14. Enter the amount from line 7	14		
15. Subtract line 14 from line 13. If zero or less, enter 0	15		
16. Multiply line 15 by 10% (.10)	16		
17. Enter the amount, if any, of your qualified 5-year gain. Do not enter more than the amount on line 15	17		
18. Multiply line 17 by 2% (.02)	18		
19. Subtract line 18 from line 16 Note. If line 15 minus line 17 is more than 0 and equal to line 6, enter 0 on lines 23, 29, and 33, and go to line 34.			19
20. Enter the smaller of line 1 or line 6	20		
21. Enter the amount from line 15	21		
22. Subtract line 21 from line 20	22		
23. Multiply line 22 by 20% (.20) Note. If line 4 is zero or blank, skip lines 24 through 29 and read the note above line 30.			23
24. Enter the smaller of line 2 or line 4	24		
25. Add lines 2 and 11.	25		
26. Enter the amount from line 1	26		
27. Subtract line 26 from line 25. If zero or less, enter 0	27		
28. Subtract line 27 from line 24. If zero or less, enter 0	28		
29. Multiply line 28 by 25% (.25) Note. If line 3 is zero or blank, go to line 34.			29
30. Enter the amount from line 1	30		
31. Add lines 11, 15, 22, and 28	31		
32. Subtract line 31 from line 30. If zero or less, enter 0	32		
33. Multiply line 32 by 28% (.28)			33
34. Add lines 12, 19, 23, 29, and 33			34
35. Tax on the amount on line 1 from the 2001 Tax Rate Schedule	35		
36. Tax. Enter the smaller of line 34 or line 35 here and on line 6 of <i>Worksheet 1</i>			36

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

1. Enter expected self-employment income for 2001	1	
2. Multiply the amount on line 1 by .9235	2	
3. Multiply the amount on line 2 by .029	3	
4. Social security tax maximum income.	4	\$80,400
5. Enter estimated wages for 2001	5	
6. Subtract line 5 from line 4	6	
<i>Note. If line 6 is zero or less, stop here and enter the amount from line 3 on line 11 of Worksheet 1.</i>		
7. Enter the smaller of line 2 or line 6	7	
8. Multiply the amount on line 7 by .124	8	
9. Add line 3 and line 8. Enter the result here and on line 11 of <i>Worksheet 1</i> . If you expect to file a joint return, combine the result with your spouse's expected self-employment tax and enter the total on line 11 of <i>Worksheet 1</i>	9	

Standard Deduction Tables for 2001

There are three standard deduction tables. Use the appropriate one to arrive at your standard deduction for 2001.

Table 1. For Most People

DO NOT use this chart if you were 65 or older or blind, OR if someone can claim you (or your spouse if married filing jointly) as a dependent during 2001.

If Your Filing Status is:	Your Standard Deduction is:
Single	\$4,550
Married filing joint return or Qualifying widow(er) with dependent child	7,600
Married filing separately	3,800
Head of household	6,650

Table 2. For People Age 65 or Older or Blind

If someone can claim you (or your spouse if married filing jointly) as a dependent for 2001, use the worksheet in Table 3 instead.

Check the correct number of boxes below. Then go to the chart. You 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Your spouse, if claiming spouse's exemption 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Total number of boxes you checked <input type="checkbox"/>		
If Your Filing Status is:	And the Number in the Box Above is:	Your Standard Deduction is:
Single	1	\$5,650
	2	6,750
Married filing jointly or Qualifying widow(er) with dependent child	1	8,500
	2	9,400
	3	10,300
	4	11,200
Married filing separately	1	4,700
	2	5,600
	3	6,500
	4	7,400
Head of household	1	7,750
	2	8,850



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

Table 3. For Dependents

Use Table 3 ONLY if someone can claim you (or your spouse if married filing jointly) as a dependent for 2001.

If you were 65 or older or blind, check the correct number of boxes below. Then go to the worksheet. You 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Your spouse, if claiming spouse's exemption 65 or older <input type="checkbox"/> Blind <input type="checkbox"/> Total number of boxes you checked <input type="checkbox"/>	
1. Enter your expected earned income (defined below) plus \$250.	1. _____
2. Minimum amount.	2. <u> \$750 </u>
3. Compare the amounts on lines 1 and 2. Enter the larger of the two amounts here.	3. _____
4. Enter on line 4 the amount shown below for your filing status. <ul style="list-style-type: none"> ● Single, enter \$4,550 ● Married filing separate return, enter \$3,800 ● Married filing jointly or Qualifying widow(er) with dependent child, enter \$7,600 ● Head of household, enter \$6,650 	4. _____
5. Standard deduction. a. Compare the amounts on lines 3 and 4. Enter the smaller of the two amounts here. If under 65 and not blind, stop here. This is your standard deduction. Otherwise, go on to line 5b. b. If 65 or older or blind, multiply \$1,100 (\$900 if married or qualifying widow(er) with dependent child) by the number in the box above. Enter the result. c. Add lines 5a and 5b. This is your standard deduction for 2001.	5a. _____ 5b. _____ 5c. _____
Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income.	

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

For lines 1 through 8, enter your projections for each of the credits.					
1.	Credit for child and dependent care expenses. (See <i>Caution</i> below.)			1	
2.	Credit for the elderly or the disabled			2	
3.	Child tax credit (including additional child tax credit). (See <i>Caution</i> below.)			3	
4.	Education credits			4	
5.	Adoption credit			5	
6.	Foreign tax credit			6	
7.	Other credits (including mortgage interest credit, credit for prior year minimum tax if you paid alternative minimum tax in a prior year, qualified electric vehicle credit, and general business credit)			7	
8.	Earned income credit (unless you requested advance payment).			8	
9.	Add lines 1 through 8. This is your total estimated tax credits			9	
10.	Enter the appropriate number from one of the following credit tables. Use the table which matches your filing status. Find the line in the table that matches your total income. Then, enter here the amount shown next to your income			10	
Married Filing Jointly or Qualifying Widow(er)		Head of Household			
If combined estimated wages are:	Multiply credits by:	If estimated wages are:	Multiply credits by:		
\$0 to 62,000	6.7	\$0 to 49,000	6.7		
62,001 to 126,000	3.6	49,001 to 106,000	3.6		
126,001 to 183,000	3.2	106,001 to 164,000	3.2		
183,001 to 314,000	2.8	164,001 to 310,000	2.8		
over 314,000	2.5	over 310,000	2.5		
Single		Married Filing Separately			
If estimated wages are:	Multiply credits by:	If estimated wages are:	Multiply credits by:		
\$0 to 35,000	6.7	\$0 to 29,000	6.7		
35,001 to 73,000	3.6	29,001 to 61,000	3.6		
73,001 to 144,000	3.2	61,001 to 90,000	3.2		
144,001 to 305,000	2.8	90,001 to 155,000	2.8		
over 305,000	2.5	over 155,000	2.5		
11.	Multiply line 9 by line 10. Enter the result here and include it in the total on line 5 of the Form W-4 <i>Deductions and Adjustments Worksheet</i> . Caution. If you entered an amount on line 1 of this worksheet, enter "0" on line F of the Form W-4 <i>Personal Allowances Worksheet</i> . If you entered an amount on line 3 of this worksheet, enter "0" on line G of the Form W-4 <i>Personal Allowances Worksheet</i>			11	

Form W-4 (2001)

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

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7, and sign the form to validate it. Your exemption for 2001 expires February 18, 2002.

Note: You cannot claim exemption from withholding if (1) your income exceeds \$750 and includes more than \$250 of unearned income (e.g., interest and dividends) and (2) another person can claim you as a dependent on their tax return.

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

income, or two-earner/two-job situations. Complete all worksheets that apply. They will help you figure the number of withholding allowances you are entitled to claim. **However, you may claim fewer (or zero) allowances.**

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

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

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends,

consider making estimated tax payments using **Form 1040-ES, Estimated Tax for Individuals.** Otherwise, you may owe additional tax.

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

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2001. Get Pub. 919 especially if you used the **Two-Earner/Two-Job Worksheet** on page 2 and your earnings exceed \$150,000 (Single) or \$200,000 (Married).

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

Personal Allowances Worksheet (Keep for your records.)

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

B Enter "1" if:
 { • You are single and have only one job; or
 • You are married, have only one job, and your spouse does not work; or
 • Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less. } . . . **B** _____

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

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

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

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

G Child Tax Credit (including additional child tax credit):
 • If your total income will be between \$18,000 and \$50,000 (\$23,000 and \$63,000 if married), enter "1" for each eligible child.
 • If your total income will be between \$50,000 and \$80,000 (\$63,000 and \$115,000 if married), enter "1" if you have two eligible children, enter "2" if you have three or four eligible children, or enter "3" if you have five or more eligible children. **G** _____

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

For accuracy, complete all worksheets that apply.
 • If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
 • If you are **single**, have **more than one job** and your combined earnings from all jobs exceed \$35,000, or if you are **married** and have a **working spouse or more than one job** and the combined earnings from all jobs exceed \$60,000, see the **Two-Earner/Two-Job Worksheet** on page 2 to avoid having too little tax withheld.
 • If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

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

Form W-4 Department of the Treasury Internal Revenue Service	<h2 style="margin: 0;">Employee's Withholding Allowance Certificate</h2> <p style="margin: 0;">▶ For Privacy Act and Paperwork Reduction Act Notice, see page 2.</p>	OMB No. 1545-0010 <h1 style="margin: 0;">2001</h1>
1 Type or print your first name and middle initial Last name		2 Your social security number
Home address (number and street or rural route)		3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <i>Note: If married, but legally separated, or spouse is a nonresident alien, check the Single box.</i>
City or town, state, and ZIP code		4 If your last name differs from that on your social security card, check here. You must call 1-800-772-1213 for a new card. ▶ <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 _____
6 Additional amount, if any, you want withheld from each paycheck		6 \$ _____
7 I claim exemption from withholding for 2001, and I certify that I meet both of the following conditions for exemption: • Last year I had a right to a refund of all Federal income tax withheld because I had no tax liability and • This year I expect a refund of all Federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here ▶		7 _____
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate, or I am entitled to claim exempt status.		
Employee's signature (Form is not valid unless you sign it.) ▶		Date ▶
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)
		10 Employer identification number

Deductions and Adjustments Worksheet

Note: Use this worksheet only if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2001 tax return.

1	Enter an estimate of your 2001 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2001, you may have to reduce your itemized deductions if your income is over \$132,950 (\$66,475 if married filing separately). See Worksheet 3 in Pub. 919 for details.)	1	\$ _____		
2	Enter: {	\$7,600 if married filing jointly or qualifying widow(er)	}	2	\$ _____
				\$6,650 if head of household	
				\$4,550 if single	
				\$3,800 if married filing separately	
3	Subtract line 2 from line 1. If line 2 is greater than line 1, enter -0-	3	\$ _____		
4	Enter an estimate of your 2001 adjustments to income, including alimony, deductible IRA contributions, and student loan interest	4	\$ _____		
5	Add lines 3 and 4 and enter the total (Include any amount for credits from Worksheet 7 in Pub. 919.)	5	\$ _____		
6	Enter an estimate of your 2001 nonwage income (such as dividends or interest)	6	\$ _____		
7	Subtract line 6 from line 5. Enter the result, but not less than -0-	7	\$ _____		
8	Divide the amount on line 7 by \$3,000 and enter the result here. Drop any fraction	8	_____		
9	Enter the number from the Personal Allowances Worksheet , line H, page 1	9	_____		
10	Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earner/Two-Job Worksheet , also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1	10	_____		

Two-Earner/Two-Job Worksheet

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

1	Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet)	1	_____
2	Find the number in Table 1 below that applies to the lowest paying job and enter it here	2	_____
3	If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter -0-) and on Form W-4, line 5, page 1. Do not use the rest of this worksheet	3	_____

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

4	Enter the number from line 2 of this worksheet	4	_____
5	Enter the number from line 1 of this worksheet	5	_____
6	Subtract line 5 from line 4	6	_____
7	Find the amount in Table 2 below that applies to the highest paying job and enter it here	7	\$ _____
8	Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed	8	\$ _____
9	Divide line 8 by the number of pay periods remaining in 2001. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2000. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck	9	\$ _____

Table 1: Two-Earner/Two-Job Worksheet

Married Filing Jointly				All Others			
If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above
\$0 - \$4,000	0	42,001 - 47,000	8	\$0 - \$6,000	0	65,001 - 80,000	8
4,001 - 8,000	1	47,001 - 55,000	9	6,001 - 12,000	1	80,001 - 105,000	9
8,001 - 14,000	2	55,001 - 65,000	10	12,001 - 17,000	2	105,001 and over	10
14,001 - 19,000	3	65,001 - 70,000	11	17,001 - 22,000	3		
19,001 - 25,000	4	70,001 - 90,000	12	22,001 - 28,000	4		
25,001 - 32,000	5	90,001 - 105,000	13	28,001 - 40,000	5		
32,001 - 38,000	6	105,001 - 115,000	14	40,001 - 50,000	6		
38,001 - 42,000	7	115,001 and over	15	50,001 - 65,000	7		

Table 2: Two-Earner/Two-Job Worksheet

Married Filing Jointly		All Others	
If wages from HIGHEST paying job are—	Enter on line 7 above	If wages from HIGHEST paying job are—	Enter on line 7 above
\$0 - \$50,000	\$440	\$0 - \$30,000	\$440
50,001 - 100,000	800	30,001 - 60,000	800
100,001 - 130,000	900	60,001 - 120,000	900
130,001 - 250,000	1,000	120,001 - 270,000	1,000
250,001 and over	1,100	270,001 and over	1,100

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

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

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

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

How To Get Tax Help

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

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

The Taxpayer Advocate represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review.

To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate at **1-877-777-4778**.
- Call the IRS at **1-800-829-1040**.
- Call, write, or fax the Taxpayer Advocate office in your area.
- Call **1-800-829-4059** if you are a TTY/TDD user.

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

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

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

- *Frequently Asked Tax Questions* (located under *Taxpayer Help & Ed*) to find answers to questions you may have.
- *Forms & Pubs* to download forms and publications or search for forms and publications by topic or keyword.
- *Fill-in Forms* (located under *Forms & Pubs*) to enter information while the form is displayed and then print the completed form.
- *Tax Info For You* to view Internal Revenue Bulletins published in the last few years.
- *Tax Regs in English* to search regulations and the Internal Revenue Code (under *United States Code (USC)*).
- *Digital Dispatch* and *IRS Local News Net* (both located under *Tax Info For Business*) to receive our electronic newsletters on hot tax issues and news.

- *Small Business Corner* (located under *Tax Info For Business*) to get information on starting and operating a small business.

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



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



Phone. Many services are available by phone.

- *Ordering forms, instructions, and publications.* Call **1-800-829-3676** to order current and prior year forms, instructions, and publications.
- *Asking tax questions.* Call the IRS with your tax questions at **1-800-829-1040**.
- *TTY/TDD equipment.* If you have access to TTY/TDD equipment, call **1-800-829-4059** to ask tax questions or to order forms and publications.
- *TeleTax topics.* Call **1-800-829-4477** to listen to pre-recorded messages covering various tax topics.

Evaluating the quality of our telephone services. To ensure that IRS representatives give accurate, courteous, and professional answers, we evaluate the quality of our telephone services in several ways.

- A second IRS representative sometimes monitors live telephone calls. That person only evaluates the IRS assistor and does not keep a record of any taxpayer's name or tax identification number.
- We sometimes record telephone calls to evaluate IRS assistors objectively. We hold these recordings no longer than one week and use them only to measure the quality of assistance.
- We value our customers' opinions. Throughout this year, we will be surveying our customers for their opinions on our service.



Walk-in. You can walk in to many post offices, libraries, and IRS offices to pick up certain forms, instructions, and publications. Also, some libraries and IRS offices have:

- An extensive collection of products available to print from a CD-ROM or photocopy from reproducible proofs.

- The Internal Revenue Code, regulations, Internal Revenue Bulletins, and Cumulative Bulletins available for research purposes.

Richmond, VA 23261-5074



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

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

Western Area Distribution Center
Rancho Cordova, CA 95743-0001

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

Central Area Distribution Center
P.O. Box 8903
Bloomington, IL 61702-8903

- **Eastern part of U.S. and foreign addresses:**

Eastern Area Distribution Center
P.O. Box 85074



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

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

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

IRS Publication 3207, *The Business Resource Guide*, is an interactive CD-ROM that contains information important to small businesses. It is available in mid-February. You can get one free copy by calling **1-800-829-3676**.

Tax Publications for Individual Taxpayers

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

General Guides

- 1 Your Rights as a Taxpayer
- 17 Your Federal Income Tax (For Individuals)
- 334 Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)
- 509 Tax Calendars for 2001
- 553 Highlights of 2000 Tax Changes
- 910 Guide to Free Tax Services

Specialized Publications

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

- 531 Reporting Tip Income
- 533 Self-Employment Tax
- 534 Depreciating Property Placed in Service Before 1987
- 537 Installment Sales
- 541 Partnerships
- 544 Sales and Other Dispositions of Assets
- 547 Casualties, Disasters, and Thefts (Business and Nonbusiness)
- 550 Investment Income and Expenses
- 551 Basis of Assets
- 552 Recordkeeping for Individuals
- 554 Older Americans' Tax Guide
- 555 Community Property
- 556 Examination of Returns, Appeal Rights, and Claims for Refund
- 559 Survivors, Executors, and Administrators
- 561 Determining the Value of Donated Property
- 564 Mutual Fund Distributions
- 570 Tax Guide for Individuals With Income From U.S. Possessions
- 575 Pension and Annuity Income
- 584 Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)
- 587 Business Use of Your Home (Including Use by Day-Care Providers)
- 590 Individual Retirement Arrangements (IRAs) (Including Roth IRAs and Education IRAs)
- 593 Tax Highlights for U.S. Citizens and Residents Going Abroad
- 594 The IRS Collection Process
- 595 Tax Highlights for Commercial Fishermen
- 596 Earned Income Credit (EIC)
- 721 Tax Guide to U.S. Civil Service Retirement Benefits

- 901 U.S. Tax Treaties
- 907 Tax Highlights for Persons with Disabilities
- 908 Bankruptcy Tax Guide
- 911 Direct Sellers
- 915 Social Security and Equivalent Railroad Retirement Benefits
- 919 How Do I Adjust My Tax Withholding?
- 925 Passive Activity and At-Risk Rules
- 926 Household Employer's Tax Guide
- 929 Tax Rules for Children and Dependents
- 936 Home Mortgage Interest Deduction
- 946 How To Depreciate Property
- 947 Practice Before the IRS and Power of Attorney
- 950 Introduction to Estate and Gift Taxes
- 967 IRS Will Figure Your Tax
- 968 Tax Benefits for Adoption
- 970 Tax Benefits for Higher Education
- 971 Innocent Spouse Relief
- 972 Child Tax Credit
- 1542 Per Diem Rates
- 1544 Reporting Cash Payments of Over \$10,000
- 1546 The Taxpayer Advocate Service of the IRS

Spanish Language Publications

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

Commonly Used Tax Forms

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

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