

2016 Minnesota Employee Withholding Allowance/Exemption Certificate

Employees

You must complete and give this form to your employer if you:

- claim fewer Minnesota withholding allowances than your federal allowances;
- claim more than 10 Minnesota withholding allowances;
- want additional Minnesota tax withheld from your pay each pay period; or
- claim to be exempt from federal withholding or claim to be exempt from Minnesota withholding.

Do not complete this form if you are claiming the same number of Minnesota allowances as federal and the number claimed is 10 or less.

| | | | |
|-----------------------------|-----------------------------------|-----------|--|
| Employee Information | Employee's first name and initial | Last name | Employee's Social Security number |
| | Permanent address | | Marital status (check one box) <input type="checkbox"/> Single; Married, but legally separated; or Spouse is a nonresident alien <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate |
| | City | State | |

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

Section 1 – Determining Minnesota allowances

Complete Section 1 if you claim fewer Minnesota allowances than your federal allowances, AND/OR if you want additional Minnesota withholding deducted each pay period.

- 1** Total number of federal allowances claimed on federal Form W-4 **1** _____
- 2** Total number of Minnesota allowances (*line 2 cannot be more than line 1*) **2** _____
- 3** Additional Minnesota withholding you want deducted each pay period **3** \$ _____

Section 2 – Exemption from Minnesota withholding

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

- I meet the requirements and claim exempt from both federal and Minnesota income tax withholding.
- Even though I did not claim exempt from federal withholding, I claim exempt from Minnesota withholding because I had no Minnesota income tax liability last year, I received a refund of all Minnesota income tax withheld, AND I expect to have no Minnesota income tax liability this year.
- My spouse is a military service member assigned to a military location in Minnesota, my domicile (legal residence) is in another state, AND I am in Minnesota solely to be with my spouse. My state of domicile is _____.
- I am an American Indian living and working on a reservation.
- I am a member of the Minnesota National Guard or an active duty U.S. military member and claim exempt from Minnesota withholding on my military pay.

I certify that all information provided in Section 1 OR Section 2 is correct. I understand there is a \$500 penalty for filing a false withholding allowance/exemption certificate.

| | | |
|----------------------|------|---------------|
| Employee's signature | Date | Daytime phone |
|----------------------|------|---------------|

Employees: Give the completed form to your employer.

Employers

If you are required to send a copy of this form to the Department of Revenue (*see instructions*), you must enter the employer information below and mail this form to: Minnesota Revenue, Mail Station 6501, St. Paul, MN 55146-6501. (Incomplete forms are considered invalid.) **A \$50 penalty may be assessed for each required Form W-4MN not filed with the department.**

Keep a copy for your records.

| | | | |
|-----------------------------|------------------|-----------------------------------|-------------------------|
| Employer Information | Name of employer | Federal employer ID number (FEIN) | Minnesota tax ID number |
| | Address | City | State ZIP code |

Form W-4MN Instructions

Do not complete this form if you are claiming the same number of Minnesota allowances as federal and the number claimed is 10 or less.

Employee Instructions

Should I complete Form W-4MN?

Complete Form W-4MN and provide it to your employer, if you:

- claim fewer Minnesota allowances than federal allowances (You may not claim more Minnesota allowances than federal allowances);
- claim more than 10 Minnesota allowances;
- request additional Minnesota withholding be deducted each pay period; or
- claim to be exempt from Minnesota income tax withholding (see *Section 2 instructions*).

Before you complete Form W-4MN, determine the number of federal withholding allowances you are claiming on federal Form W-4. Then, determine the number of your Minnesota withholding allowances.

Consider completing a new Form W-4MN if your personal or financial situation changes. If you have not had sufficient income tax withheld from your wages, interest and/or penalty charges may be assessed when you file your individual income tax return.

Your employer may be required to submit copies of your Form W-4MN to the department.

Note: You may be subject to a \$500 penalty if you submit a false Form W-4MN.

Section 1 — Minnesota Allowances

Claim the correct number of allowances. If you expect to owe more income tax for the year than will be withheld:

- claim fewer allowances; or
- request additional Minnesota taxes to be withheld from your wages (complete line 3).

Section 2 — Minnesota Exemption

Your employer will not withhold Minnesota taxes from your pay if you are exempt from withholding. To claim exemption, you must meet one of the following requirements:

- You meet the federal requirements; you claim exempt from federal withholding on Form W-4; you had no Minnesota income tax liability in the prior year; you received a full refund of Minnesota tax withheld; and you expect to have no Minnesota income tax liability for the current year. OR
- You are the spouse of a military member assigned to duty in Minnesota, you and your spouse are domiciled in another state (the same state as one another) and are present in Minnesota solely to be with your active duty military member spouse. OR
- You are a member of an American Indian tribe living and working on the reservation of which you are an enrolled member. OR
- Your wages are for Minnesota National Guard (MNG) pay or for active duty U.S. military pay. MNG and active duty U.S. military members can claim exempt from Minnesota withholding on these wages, even if taxable federally. For additional information, see Income Tax Fact Sheet 5, *Military Personnel*.

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

If you claim exempt from Minnesota withholding, you must provide your employer with a new Form W-4MN by February 15th of each year.

If another person can claim you as a dependent on his or her federal tax return, you cannot claim exempt from Minnesota withholding if your annual income exceeds \$950 and includes more than \$300 of unearned income.

Use of Information

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

Form W-4MN Instructions

Employer Instructions

All new employees must complete federal Form W-4 when they first begin work for you. Some employees must also complete Form W-4MN.

Should my employee complete Form W-4MN?

Do not have your employee complete Form W-4MN if they:

- claim the same number of Minnesota withholding allowances as federal,
- are not requesting additional Minnesota taxes be withheld from their wages, AND
- are not claiming to be exempt from Minnesota withholding.

Employees who complete Form MWR should not complete Form W-4MN. When determining Minnesota withholding for employees who do not need to complete Form W-4MN, use the same number of allowances the employee listed on Form W-4.

You are not required to verify the number of allowances claimed by each employee.

For more information, see *When to Complete under Employee Instructions*. Keep all forms in your records.

Honor each Form W-4MN you receive unless we notify you otherwise or if the employee claims more Minnesota than federal allowances. If the employee claims more Minnesota than federal allowances, use the number of federal allowances to determine the Minnesota withholding (see Section 1).

How should I determine Minnesota withholding for an employee that doesn't complete Forms W-4 or W-4MN?

Withhold Minnesota tax as if the employee is single with zero withholding allowances.

If your employee claims exempt from Minnesota withholding, they must provide you with a new Form W-4MN by Feb. 15 of each year. Exempt forms received during the year must be submitted to the department within 30 days of receipt from the employee.

Do I need to send a copy of Form W-4MN to the department?

Send copies of Form W-4MN to the department if the employee:

- claims more than 10 Minnesota withholding allowances; or
- claims to be exempt from Minnesota withholding and you reasonably expect the employee's wages to exceed \$200 per week (*Exception:* If the employee is a resident of a reciprocity state and has completed Form MWR); or
- you believe the employee is not entitled to the number of allowances claimed.

You do not need to submit the Form W-4MN to the department if the employee is asking to have additional Minnesota withholding deducted from their pay or is claiming fewer Minnesota withholding allowances than federal.

A \$50 penalty may be assessed for each required Form W-4MN not filed with the department.

Invalid Forms W-4MN

The following situations make the Form W-4MN invalid:

- any unauthorized change or addition to the form, including any change to the language certifying the form is correct;
- if, by the date an employee gives it to you, he or she indicates in any way the form is false;
- the form is incomplete or lacks the necessary signatures;
- both Section 1 AND Section 2 were completed;
- the employer information is incomplete.

What do I do if I receive an invalid Form W-4MN?

Do not use it to figure Minnesota income tax withholding. Tell the employee it is invalid and they must complete and submit a new one. If the employee does not give you a valid one, withhold taxes as if the employee was single and claiming zero withholding allowances. However, if you have an earlier Form W-4MN for this worker that is valid, withhold as you did before.

Questions?

Go to www.revenue.state.mn.us for additional forms and information, fact sheets, and answers to frequently asked questions.

Email: withholding.tax@state.mn.us

Phone: 651-282-9999 or 1-800-657-3594.

Information in other formats is available upon request to persons with disabilities.