Form W-4 (2006)

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

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2006 expires February 16, 2007. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds \$850 and includes more than \$300 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or twoearner/two-job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

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

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

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. Two earners/two jobs. If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others.

Nonresident alien. If you are a nonresident alien, see the Instructions for Form 8233 before completing this Form W-4.

Check your withholding. After your Form W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your projected total tax for 2006. See Pub. 919, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

Recent name change? If your name on line 1 differs from that shown on your social security card, call 1-800-772-1213 to initiate a name change and obtain a social security card showing your correct name.

	Personal Allowances Workshe	et (Keep for your	records.)			
Α	Enter "1" for yourself if no one else can claim you as a dependent				Α	
	 You are single and have only one job; or)		
В	Enter "1" if: { • You are married, have only one job, and your sp	ouse does not	work; or	}	В	
	 Your wages from a second job or your spouse's water 	ages (or the total	of both) are \$1,00	00 or less.		
С	Enter "1" for your spouse. But, you may choose to enter "-0-" if you	ou are married	and have either a	a working spouse or		
	more than one job. (Entering "-0-" may help you avoid having too li			0.1	С	
D	Enter number of dependents (other than your spouse or yourself) y	ou will claim or	n your tax return		D	
Е	Enter "1" if you will file as head of household on your tax return (s	ee conditions u	under Head of ho	ousehold above) .	Е	
F	Enter "1" if you have at least \$1,500 of child or dependent care e	xpenses for wh	nich you plan to d	claim a credit	F	
	(Note. Do not include child support payments. See Pub. 503, Child	and Depender	nt Care Expenses	s, for details.)		
G	Child Tax Credit (including additional child tax credit):					
	• If your total income will be less than \$55,000 (\$82,000 if married)					
	• If your total income will be between \$55,000 and \$84,000 (\$82,000) and \$119,000	if married), enter	"1" for each eligible	-	
	child plus "1" additional if you have four or more eligible children.		antione very claim a		G	
н	Add lines A through G and enter total here. (Note. This may be different from the			,	H	
	For accuracy, of If you plan to itemize or claim adjustments to in and Adjustments Worksheet on page 2.	ncome and war	it to reduce your	withholding, see the	Deau	ictions
	worksheets { • If you have more than one job or are married and you	ou and your spou	use both work and	the combined earnings	s from	all jobs
	that apply. exceed \$35,000 (\$25,000 if married) see the Two-Earner			0		
	 If neither of the above situations applies, stop he 	ere and enter the	e number from lin	e H on line 5 of Form	W-4	below.
	The cut here and give Form W-4 to your employ Employee's Withholding The cut here and give Form W-4 to your employer employee and the cut here and give Form W-4 to your employer employee and the cut here and give Form W-4 to your employee and the cut here and give Form W-4 to	S Allowan ber of allowances	ce Certific or exemption from	ate OM withholding is	в No. 20	1545-0074 06
1	Type or print your first name and middle initial. Last name			2 Your social securit	y num	lber
	Home address (number and street or rural route)					
		0		arried, but withhold at hig buse is a nonresident alien, che		0
	City or town, state, and ZIP code			that shown on your so		
		-		all 1-800-772-1213 for a r		-
_	Total number of allowences you are alaiming (from line II should a			on page 2) 5		
5	Total number of allowances you are claiming (from line H above o				\$	
6 7	Additional amount, if any, you want withheld from each paycheck				2	
'	 I claim exemption from withholding for 2006, and I certify that I me Last year I had a right to a refund of all federal income tax with 		•			
	 This year I expect a refund of all federal income tax withheld be 					
	If you meet both conditions, write "Exempt" here			7	_	
Unc	ler penalties of perjury, I declare that I have examined this certificate and to the be			e, correct, and complete.		
Em	ployee's signature	,		. ,		
•	m is not valid ess you sign it.) ►		Date ►			
8	Employer's name and address (Employer: Complete lines 8 and 10 only if send		9 Office code	10 Employer identificat	ion nu	mber (EIN)
		- /	(optional)			. /
				1 1		

Deductions and Adjustments Worksheet

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Note 1	Use this worksheet <i>only</i> if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2006 tax return. Enter an estimate of your 2006 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 2006, you may have to reduce your itemized deductions if your income is over \$150,500 (\$75,250 if married filing separately). See <i>Worksheet 3</i> in Pub. 919 for details.)	1	\$					
	<pre>\$10,300 if married filing jointly or qualifying widow(er)</pre>		•					
2	Enter: { \$ 7,550 if head of household }	2	\$					
	\$ 5,150 if single or 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 2006 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 2006 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 \$3,300 and enter the result here. Drop any fraction	8						
9	Enter the number from the Personal Allowances Worksheet, line H, page 1	9						
10	Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earner/Two-Job Worksheet, also							
	enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1.	10						
	Two-Earner/Two-Job Worksheet (See <i>Two earners/two jobs</i> on page 1.)							
Note	. Use this worksheet only if the instructions under line H on page 1 direct you here.							
1	Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet)	1						
2	Find the number in Table 1 below that applies to the LOWEST paying job and enter it here	2						
3	If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter							
	"-0-") and on Form W-4, line 5, page 1. Do not use the rest of this worksheet	3						
Note	. If line 1 is less than line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4-9 below to calcula	te the	e additional					
	withholding amount necessary to avoid a year-end tax bill.							
4	Enter the number from line 2 of this worksheet							
5	Enter the number from line 1 of this worksheet							
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 2006. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2005. 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 worksneet							
Married Filing Jointly					All O	All Others	
If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from HIGHEST paying job are—	AND, wages from LOWEST paying job are—	Enter on line 2 above	If wages from LOWEST paying job are—	Enter on line 2 above
\$0 - \$42,000	\$0 - \$4,500 4,501 - 9,000 9,001 - 18,000 18,001 and over	0 1 2 3	\$42,001 and over	32,001 - 38,000 38,001 - 46,000 46,001 - 55,000 55,001 - 60,000 60,001 - 65,000	6 7 8 9	\$0 - \$6,000 6,001 - 12,000 12,001 - 19,000 19,001 - 26,000 26,001 - 35,000	0 1 2 3
\$42,001 and over	\$0 - \$4,500 4,501 - 9,000 9,001 - 18,000 18,001 - 22,000 22,001 - 26,000 26,001 - 32,000	0 1 2 3 4 5		65,001 - 75,000 75,001 - 75,000 95,001 - 95,000 105,001 - 105,000 120,001 and over	10 11 12 13 14 15	35,001 - 50,000 50,001 - 65,000 65,001 - 80,000 80,001 - 90,000 90,001 - 120,000 120,001 and over	5 6 7 8 9

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Table 4. True Dames /True

Table 2: Two-Earner/Two-Job Worksheet

Married Filing Joi	ntly	All Others		
If wages from HIGHEST	Enter on	If wages from HIGHEST	Enter on	
paying job are—	line 7 above	paying job are—	line 7 above	
\$0 - \$60,000	\$500	\$0 - \$30,000	\$500	
60,001 - 115,000	830	30,001 - 75,000	830	
115,001 - 165,000	920	75,001 - 145,000	920	
165,001 - 290,000	1,090	145,001 - 330,000	1,090	
290,001 and over	1,160	330,001 and over	1,160	

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

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