INSTRUCTIONS & WORKSHEET FOR COMPLETING WITHHOLDING FORMS FOR MARYLAND STATE EMPLOYEES

The law requires that you complete an Employee's Withholding Allowance Certificate so that your employer, the state of Maryland, can withhold federal and state income tax from your pay. Your current certificate remains in effect until you change it.

If you have previously filed as "EXEMPT" from federal or state withholding, you must file a new certificate annually by February 15 of each year.

Complete the Employee's Withholding Allowance Certificate as follows:

Section 1 - Employee Information

- Please check type of Payroll - Regular (RG), Contract (CT), or University of Maryland (UM)
- Name of Employing Agency - Enter name of agency
- Agency Number - Provided by Agency Payroll Office
- Employee Social Security Number
- Employee Name - Complete first name, middle initial, last name
- Home Address - Street name and number or R.D. number
- Address Continued - Apartment number or P. O. Box number. Pennsylvania residents enter township or borough in which they reside
- City, State, Zip code - Abbreviate state; enter complete five-digit zip code
- County of Residence - Enter Baltimore City or Maryland County in which you presently reside Pennsylvania residents must enter Maryland County (or Baltimore City) where you are **employed**

Section 2 - Federal Withholding Form W-4

To complete section 2 see federal worksheet online at:

http://www.irs.gov/pub/irs-pdf/fw4.pdf

Section 3 - State Withholding Form (Choose Appropriate Form)

- Maryland (Form MW 507) - To complete section 3 see Maryland worksheet page 2 online at:

http://forms.marylandtaxes.com/17_forms/MW507.pdf

- District of Columbia (Form D-4) - To complete section 3 see District of Columbia withholding information online at :

http://otr.cfo.dc.gov/page/withholding-tax-forms-and-publications

- West Virginia (WV/IT-104) - To complete section 3 see West Virginia withholding information online at:

http://www.state.wv.us/taxrev/uploads/it100-1-a.pdf

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Employee's Federal Withholding Allowance

Form W-4 (2017)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

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 2017 expires February 15, 2018. **See Pub. 505,** Tax Withholding and Estimated Tax.

Note: If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds $1,050 and includes more than $350 of unearned income (for example, interest and dividends).

Exceptions. An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- is age 65 or older
- is blind, or
- Will claim adjustments to income, tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than $1,000,000.

Basic instructions. If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

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 **Pub. 501**, Exemptions, Standard Deduction, and Filing Information, for infomation.

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. 505** 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. If you have pension or annuity income, see **Pub. 505** to find out if you should adjust your withholding on form W-4 or W-4P.

Two earners or multiple 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. See **Pub. 505** for details.

Nonresident alien. If you are a nonresident alien, see **Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens**, before completing this Form.

Check your withholding. After your Form W-4 takes effect, use **Pub. 505** to see how the amount you are having withheld compares to your projected total tax for 2017. See **Pub. 505**, especially if your earnings exceed $130,000 (Single) or $180,000 (Married).

Future developments. Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at *www.irs.gov/w4.*

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're single and have only one job; or • You're married, have only one job, and your spouse doesn't work; or • Your wages from a second job or your spouse's wages (or the total of both) are $1,500 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 $2,000 of **child or dependent care expenses** for which you plan to claim a credit (**Note:** Do **not** include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)	F	
G	**Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information. • If your total income will be less than $70,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children. • If your total income will be between $70,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child.	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 and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed $50,000 ($20,000 if married), see the **Two-Earners/Multiple Jobs 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.

Deductions and Adjustments Worksheet

Note: Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1 Enter an estimate of your 2017 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% of your income, and miscellaneous deductions. For 2017, you may have to reduce your itemized deductions if your income is over $313,800 and you're married filing jointly or you're a qualifying widow(er); $287,650 if you're head of household; $261,500 if you're single, not head of household and not a qualifying widow(er); or $156,900 if you're married filing separately. See Pub. 505 for details . . . . . 1 $ _____

2 Enter: { $12,700 if married filing jointly or qualifying widow(er) / $9,350 if head of household / $6,350 if single or married filing separately } . . . . . 2 $ _____

3 **Subtract** line 2 from line 1. If zero or less, enter "-0-" . . . . . 3 $ _____

4 Enter an estimate of your 2017 adjustments to income and any additional standard deduction (see Pub. 505) 4 $ _____

5 **Add** lines 3 and 4 and enter the total. (Include any amount for credits from the *Converting Credits to Withholding Allowances for 2017 Form W-4* worksheet in Pub. 505.) . . . . . 5 $ _____

6 Enter an estimate of your 2017 nonwage income (such as dividends or interest) . . . . . 6 $ _____

7 **Subtract** line 6 from line 5. If zero or less, enter "-0-" . . . . . 7 $ _____

8 **Divide** the amount on line 7 by $4,050 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-Earners/Multiple Jobs 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-Earners/Multiple Jobs Worksheet (See *Two earners or multiple jobs* on page 1.)

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

1 Enter the number from line H, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) 1 _____

2 Find the number in **Table 1** below that applies to the **LOWEST** paying job and enter it here. **However,** if you are married filing jointly and wages from the highest paying job are $65,000 or less, do not enter more than "3" . . . . . 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 through 9 below to figure 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 2017. For example, divide by 25 if you are paid every two weeks and you complete this form on a date in January when there are 25 pay periods remaining in 2017. 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

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
$0 - $7,000	0	$0 - $8,000	0
7,001 - 14,000	1	8,001 - 16,000	1
14,001 - 22,000	2	16,001 - 26,000	2
22,001 - 27,000	3	26,001 - 34,000	3
27,001 - 35,000	4	34,001 - 44,000	4
35,001 - 44,000	5	44,001 - 70,000	5
44,001 - 55,000	6	70,001 - 85,000	6
55,001 - 65,000	7	85,001 - 110,000	7
65,001 - 75,000	8	110,001 - 125,000	8
75,001 - 80,000	9	125,001 - 140,000	9
80,001 - 95,000	10	140,001 and over	10
95,001 - 115,000	11		
115,001 - 130,000	12		
130,001 - 140,000	13		
140,001 - 150,000	14		
150,001 and over	15		

Table 2

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 - $75,000	$610	$0 - $38,000	$610
75,001 - 135,000	1,010	38,001 - 85,000	1,010
135,001 - 205,000	1,130	85,001 - 185,000	1,130
205,001 - 360,000	1,340	185,001 - 400,000	1,340
360,001 - 405,000	1,420	400,001 and over	1,600
405,001 and over	1,600		

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. Internal Revenue Code sections 3402(f)(2) and 6109 and their regulations require you to provide this information; your employer uses it to determine your federal income tax withholding. 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 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, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws; and to the Department of Health and Human Services for use in the National Directory of New Hires. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The 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.

2017
INSTRUCTIONS
EMPLOYEE'S STATE OF MARYLAND WITHOLDING ALLOWANCE

Line 1
Employee Withholding Allowance Certificate

a. Number of personal exemptions (total exemptions on lines A, C and D of the federal W-4 or W-4A worksheet a._____
b. Number of additional exemptions for dependents over 65 years of age b._____
c. Number of additional exemptions for certain items, including estimated itemized deductions, alimony payments, allowable childcare expenses, qualified retirement contributions, business losses and employee business expenses for the year. c._____
d. Number of additional exemptions for taxpayer and/or spouse at least 65 years of age and/or blind d._____
e. Total - add lines a through d and enter here an on line 1 (Form MW507) e._____
f. Divide the amount on line e by $3,200. Drop any fraction. Do not round up. This is the maximum number of exemptions you may claim for withholding tax purposes.

Exemptions for dependents - to qualify as your dependent, you must be entitled to an exemption for the dependent on your federal income tax return for the corresponding tax year.

Additional exemptions for dependents over 65 years of age - An additional exemption is allowed for dependents who are 65 years of age or older.

Additional exemptions - You may claim additional exemptions for certain items, including estimated itemized deductions, alimony payments, allowable child care expenses, qualified retirement contributions, business losses and employee business expenses for the year. One additional withholding exemption is permitted for each $3,200 of estimated itemized deductions or adjustments to income that exceed the standard deduction allowance.
NOTE: Standard deduction allowance is 15% of Maryland adjusted gross income with a minimum of $1,500 and a maximum of $2,000 for each taxpayer.

Additional exemptions for taxpayer and/or spouse - An additional $1,000 may be claimed if the taxpayer and/or spouse is at least 65 years of age and/or blind on the last day of the tax year.

Line 2
Additional withholding per pay period under agreement with employer - if you are not having enough tax withheld, you may ask your employer to withhold more by entering an additional amount on Line 2.

Line 3
Exemption from withholding. You may be entitled to claim an exemption from the withholding of Maryland income tax if:
a. last year you did not owe any Maryland income tax and had a right to a full refund of any tax withheld; and
b. this year you do not expect to owe any Maryland income tax and expect to have the right to a full refund of all income tax withheld. If you are eligible to claim this exemption, your employer will not withhold Maryland income tax from your wages.

Students and seasonal employees - whose annual income will be below the minimum filing requirements (annual income less than **$10,400 for 2017**) should claim exemption from withholding. This provides more income throughout the year and avoids the necessity of filing a Maryland income tax return.

Line 4
Certification of nonresidence in the State of Maryland. Complete line 4. This line is to be completed by residents of Virginia who are employed in Maryland and do not maintain a place of abode in Maryland for 183 days or more.

Residents of Pennsylvania who are employed in Maryland and who do not maintain a place of abode in Maryland for 183 days or more, should complete line 5 to exempt themselves from the state portion of the withholding tax.

These employees are still liable for withholding tax at the rate in effect for the Maryland county in which they are employed, unless they qualify for an exemption on either line 6 or line 7. Pennsylvania residents of York and Adams counties may claim an exemption from the local withholding tax by completing line 6. Pennsylvania residents living in other local jurisdictions which do not impose an earnings or income tax on Maryland residents may claim an exemption by completing line 7. Employees qualifying for exemption 6 or 7, should also write "EXEMPT" on line 4.

Line 4 is **NOT** to be used by residents of other states who are working in Maryland, because such persons are liable for Maryland income tax and withholding from their wages is required.

If you are domiciled in the District of Columbia, Pennsylvania or Virginia and maintain a place of abode in Maryland for 183 days or more, you become a statutory resident of Maryland and you are required to file a resident return with Maryland reporting your total income. You must apply to your domicile state for any tax credit to which you may be entitled under the reciprocal provisions of the law. If you are domiciled in West Virginia, you are not required to pay Maryland income tax on wage or salary income, regardless of the length of time you may have spent in Maryland.

Under the Servicemembers Civil Relief Act, as amended by the Military Spouses Residency Relief Act, you may be exempt from Maryland income tax on your wages if (I) your spouse is a member of the armed forces present in Maryland in compliance with military orders; (II) you are pesent in Maryland solely to be with your spouse; and (III) you maintain your domicile in another state. If you claim exemption under the SCRA enter your state of domicile (legal residence) on Line 8; enter "EXEMPT" in the box to the right on line 8; and attach a copy of your spousal military identification card to Form MW507.
In addition, you must also complete and attach form MW507M.

Duties and responsibilities of employer. Retain this certificate with your records. You are required to submit a copy of this certificate and accompanying attachments to the Compliance Division, Compliance Programs Section, 301 West Preston Street, Baltimore, MD 21201, when received if:

1. You have any reason to believe this certificate is incorrect;
2. The employee claims more than 10 exemptions;
3. The employee claims an exemption from withholding because he/she had no tax liability for the preceding tax year, expects to incur no tax liability this year and the wages are expected to exceed $200 a week;
4. The employee claims an exemption from withholding on the basis of nonresidence; or
5. The employee claims an exemption from with holding under the Military Spouses Residency Relief Act.

Upon receipt of any exemption certificate (form MW507), the Compliance Division will make a determination and notify you if a change is required.

Once a certificate is revoked by the Comptroller, the employer must send any new certificate from the employee to the Comptroller for approval before implementing the new certificate.

If an employee claims exemption under 3 above, a new exemption certificate must be filed by February 15th of the following year.

Duties and responsibilities of employee.
If, on any day during the calendar year, the number of withholding exemptions that the employee is entitled to claim is less than the number of exemptions claimed on the withholding exemption certificate in effect, the employee must file a new withholding exemption certificate with the employer within 10 days after the change occurs.

For additional information please call
410-260-7980 or toll free
1-800-638-2937
or visit our Web site at
www.marylandtaxes.com