

Iowa Withholding Tax Guide

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Note:

**A new tax guide is NOT
automatically issued on an annual basis**

This booklet includes the withholding formulas to be used for all wages and compensation paid on or after January 1, 1998

**All Iowa withholding may now be remitted by
electronic funds transfer (EFT),
also known as direct payment.**

Direct payment is safe, efficient,
and confidential, and it saves
tax dollars.

Call 515/281-7239 or 1-800/532-1531 (Iowa only)
and ask for EFT booklet 90-201
or go to our website at
www.state.ia.us/tax

CHANGES IN WITHHOLDING FORMULA AND TABLES

This booklet is effective for all wages paid on or after January 1, 1998. The changes in the formula were the result of the following items:

- ◆ Withholding tax rates were reduced by 10% from the rates published in the prior guide.
- ◆ Taxable income brackets were increased from the prior withholding guide.
- ◆ The standard deduction was increased to \$1,500 for single and married filing separate on a combined return and \$3,600 for all other filing types.
- ◆ Withholding amounts in the tables are rounded to the nearest whole dollar.

FILING REQUIREMENTS AND REGULATIONS

WHO MUST REGISTER

You must register with Iowa as a withholding agent if:

- You maintain an office or transact business in Iowa *and*
- You are required to withhold Federal income tax on any compensation paid in this state.

HOW TO REGISTER

Call Iowa Taxpayer Services to obtain a withholding tax packet. Complete the Business Tax Registration form and return it as soon as possible. There is no fee for registering.

INCOMES SUBJECT TO WITHHOLDING

Wages and compensation that are subject to Federal withholding are also subject to Iowa withholding.

Gambling Winnings: A flat rate of 5 percent is to be withheld on the following:

- Lottery winnings that exceed \$600
- Winnings that exceed \$600 from games of skill, games of chance or raffles
- Pari-mutuel winnings that exceed \$1,000
- Winnings that exceed \$1,200 or more from slot machines on riverboats or at race tracks

Pensions, annuities, nonwage payments:

Withholding is required on income from pensions, annuities, and other nonwage payments made to an Iowa resident unless...

- There is no Federal withholding on the payments.
- The income is not subject to State income tax.
- The taxable payment amounts are \$250 or less.
- The taxable payment are more than \$250 but the amount or taxable amount for the year is \$3,000 or less.

Note: A limited exemption applies.

See pages 3 and 4.

Withholding Rates

Payors of pensions, annuities, and other nonwage payments have the option of withholding at the rate of 5% or using the published withholding formulas or withholding tables in this guide.

Supplemental wages: "Supplemental wages" include a bonus, overtime pay, commission or other special payment that is made in addition to the regular wage payment. If Federal income tax is withheld on a flat rate basis, Iowa income tax must be withheld at the rate of 6 percent.

However, if the supplemental payment is included with the regular wage payment, the two are combined and the withholding tables or formulas are used.

DO I WITHHOLD ON UNEMPLOYMENT BENEFITS?

Yes, per Federal regulations on all payments of benefits made after December 31, 1996. Voluntary withholding by the individual must be requested at the time the individual files a new application for benefits. The tax rate for Iowa is 5%.

INCOME NOT SUBJECT TO IOWA WITHHOLDING

- Income that is exempt from Federal withholding
- Income earned by domestic workers (such as a cook) and some clergy
- Interest and dividends

Although this income is not subject to Iowa withholding, it may still be subject to Iowa income tax. Employees should be informed that they may be required to make quarterly estimated tax payments on incomes that are not subject to income tax withholding.

NONRESIDENT INCOME

You must withhold Iowa income tax from the income of nonresidents working in Iowa with these exceptions:

- Do not withhold Iowa income tax from employees who are residents of Illinois. These employees should complete Iowa Form 44-016 "Employee's Statement of Nonresidence in Iowa." Keep this form on record to verify that Illinois tax should be withheld.
- Do not withhold on payments to nonresidents for sales of agricultural commodities or products. Instead, send a detailed account of payments to our department at the end of the tax year. This includes withholding agents who are elevator operators making payments to landlords for sales of grains and other commodities grown in Iowa.

- Do not withhold if the employee has filed an Estimated Income Tax for Nonresidents (44-005), paid the tax and the department has issued a Release from Nonresident Withholding.
- Do not withhold on pension, annuities and other nonwage income paid to nonresidents.
- Do not withhold from nonresident employees engaged in film or television production if you have applied to the department for exemption from withholding and provided specific information about the employees to the Department of Revenue and Finance.
- Do not withhold from nonresidents working in Iowa as employees of railroads and trucking firms in interstate commerce if they are also employed in other states.

Additional types of compensation to nonresidents which *are* subject to withholding are:

- Compensation paid to entertainers performing in Iowa
- Rental payments received from Iowa property
- Taxable Iowa-source income paid to a beneficiary of an estate of trust
- Iowa-source income received by a nonresident partner or shareholder of a partnership or S corporation doing business in Iowa
- Income derived from any business of a temporary nature such as contracts for construction or fees paid for a service

In limited situations, income other than salary, wages or compensation for personal services may be withheld at a flat 5 percent rate. Contact Taxpayer Services for additional information.

WITHHOLDING TAX CREDIT

New or expanding industries or industries in enterprise zones may qualify for a withholding tax credit through the New Jobs Credit program. These businesses, in conjunction with an area community college, provide training to employees in new jobs. Contact Taxpayer Services for more information.

WITHHOLDING COUPON BOOKLETS

An Iowa Employer's Withholding Tax Forms booklet is mailed annually. It contains all the required reporting coupons for that year.

NOTE: Keep in mind that you must pay withholding on time even if you have not received the coupon booklet.

FILING WITHHOLDING COUPONS

You must file a withholding coupon for each period during the calendar year, even if you did not withhold Iowa income tax.

If no withholding tax is due, enter the word "none" on the deposit form, sign the form and submit it as usual.

Write your Federal employee identification number and the time period to which the payment applies on your check or money order.

Make checks payable to "Treasurer - State of Iowa."

To Obtain Forms By Fax: 800-572-3943

Request 99 44 101 for a Monthly reporting form

Request 99 44 095 for a Quarterly reporting form

Request 99 44 007 for a Verified Summary of

Payments reporting form

Request #97 44 100 for a Withholding Amended Return

Mail Reporting Forms and Payments To:

Withholding Tax Processing

PO Box 10411

Des Moines, IA 50306-0411

ELECTRONIC FUNDS TRANSFER

Withholding agents who withhold more than \$8,000 in a semimonthly period must use electronic funds transfer to remit the tax withheld.

The option to file EFT for other withholding agents is also available for those who may want to save time and money. See page 5 for a copy of the Withholding Information Form you may use. This form is also available in the back of your Employers Withholding Tax Forms booklet. You may call 800-EFT-IOWA (800-338-4692) for additional information and assistance.

IOWA W-4

EMPLOYEE EXEMPTION CERTIFICATE

Your employees must provide you with a signed Iowa W-4 indicating the number of exemptions they claim. If they fail to do this, you will withhold income tax as if they claimed zero exemptions.

An employee who does not anticipate having a tax liability during the year may file an Exemption from Withholding of Iowa Income Tax on the Iowa W-4. As a general guideline, any single person with a total income of \$9,000 or less for the year or any married couple with total income of \$13,500 or less may file for an exemption. If an individual is claimed as a dependent on someone else's return, the guideline for filing as exempt is less than \$4,000 per year.

You must send the top portion of the IA-W4 to the Centralized Employee Registry within 15 days of hire. Keep the bottom portion of the IA-W4 for your records. For any employee whose expected wages will exceed \$250 per week and is claiming exemption from withholding, or is claiming more than 22 exemptions, send a copy to the Department of Revenue and Finance. See the instructions on the back of the IA-W4.

IOWA W-4P WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS

Eligibility Requirements

A partial exemption is provided to qualified Iowa residents receiving pensions, annuities, self-employed retirement benefits, deferred compensation, and other retirement benefits. To qualify you must be 55 years of age or older, disabled or a surviving spouse or other survivor of an individual who would have qualified. **Social Security benefits are not covered by this exemption.** Federal Civil Service annuitants who want Iowa tax withheld from federal pensions should call the: Office of Personnel Management, Annuitant Express Hot-Line 800-409-6528.

(Pension and annuity payments, continued)

Elections To Have Iowa Tax Withheld

Iowa residents may elect to have Iowa tax withheld on the annual taxable amount, exempting:

- up to \$6,000 for joint Iowa return filers,
- up to \$3,000 for single filers or married filing separate on a combined return.

If no election is made, you will automatically be given a \$3,000 exemption. If you are receiving retirement income from more than one source, you are still only entitled to claim a maximum \$3,000/\$6,000 exemption.

Claiming No Exemption

If this box is checked, Iowa income tax will be withheld on the entire amount of taxable benefits received.

Disability

To be considered disabled you must be receiving the retirement income on the basis of a documented disability or you must meet federal or state criteria for disability.

END OF YEAR REPORTING

Verified Summary of Payments Report

At the end of the calendar year, you are required to submit a Verified Summary of Payments Report (VSP) to our department by the last day of February of the next year. Do not mail the VSP with your quarterly or monthly return. A VSP is located in the back of the Withholding Coupon Booklet.

Do not send W-2s and 1099s with the VSP.

Combined State/Federal Filing Program for Magnetic Tapes

Our department has a cooperative agreement with the Internal Revenue Service to receive magnetic tapes of 1099 forms after they have used it. This eliminates the need for you to send a separate tape to our department. For details of this program, contact the IRS at the Kansas City Service Center, P.O. Box 24551, 2306 East Bannister Road, Stop 43, Kansas City, MO 64131, and request the booklet on Magnetic Tape Reporting for Information Returns. Also notify our department if you plan to participate in this program.

PENALTY AND INTEREST PROVISIONS

Any return received with a U.S. Postal Service postmark dated after the day on which the return was due is considered delinquent and may be subject to assessment of penalty and interest.

Penalty for Failure to Timely File

A penalty of 10 percent is added to the tax due for failure to timely file a return if it is not mailed by the due date and at least 90 percent of the correct tax is not paid by the due date. The penalty may be waived only under limited circumstances.

Penalty for Failure to Timely Pay

A penalty of 5 percent is added to the tax due if the form is timely filed but at least 90 percent of the correct tax is not paid by the due date. The penalty may be waived only under limited circumstances.

If both penalties apply, the failure to file penalty takes precedence.

Interest

Interest is added to unpaid tax at a rate prescribed by law from the due date of the return until payment is received. For assistance in calculating interest, call Taxpayer Services.

PERSONAL LIABILITY

A withholding agent is personally liable for any money required to be withheld and paid to the State of Iowa.

If a withholding agent fails to withhold and pay the required amount, that amount may be assessed against the withholding agent.

IOWA TAXPAYER SERVICES

FORMS

By mail:

800-532-1531 (in Iowa)

515/281-7239 (local/out of Iowa)

By fax:

800-572-3943

QUESTIONS?

800-367-3388 (in Iowa)

515/281-3114 (local/out of Iowa)

WORLD WIDE WEB

<http://www.state.ia.us/tax>

E-MAIL ADDRESS

idrf@idrf.state.ia.us

Withholding Information Form

Use this form to report an address change, name change, cancellation, or to request information on Electronic Funds Transfer (EFT).

Employer ID Number

Enter phone number

Previous name and address

New name and address

If you have changed ownership, do not complete this form. See instructions.

Check here if you permanently ended business or stopped paying wages under the above Employer ID Number and enter that date: _____

If you need to explain further, check the box and provide an explanation on the reverse side.

Check here if you want information on EFT filing.

COMMONLY ASKED QUESTIONS

Does the State of Iowa assign its own employer identification number?

No. The Federal employer identification number is also used for Iowa withholding purposes.

I need to register to withhold Iowa tax from employees' wages, but have not yet received my Federal employer identification number. What will my State identification number be?

Complete the State withholding application. Enter "applied for" in the Federal I.D. Number blank. We will issue you a temporary identification number with a "00" prefix. Once you receive your Federal identification number, notify us so your file can be updated with the Federal number.

I began withholding from employees but failed to properly register first. Tax is due shortly. What should I do?

Complete the application and return it as soon as possible. If tax is due or will be due shortly, enclose a check with the application for the amount withheld for the period. Include an explanation of what period the amount covers. We will process your application and credit the amount paid to your account.

How long will it be until I receive a withholding coupon book?

It normally takes 4-6 weeks from the time we receive your application.

I do not have a coupon to send the tax and the due date is near. Is the tax still due?

Yes. If you do not receive a withholding coupon book, you should send the proper amount of tax with a note showing your identification number and period covered. You may also have a withholding return faxed to you through our Tax-Fax system. See page 3.

If the due date is on a Saturday, Sunday or a legal holiday, when is the deposit due?

The deposit must be postmarked on the next business day.

Are the amounts from the tables and the formula the same?

Not necessarily.

In calculating Federal withholding for the tables in this booklet, we used the Federal percentile method annual table for married persons. However, you are not required to use this method for Federal purposes. As a result, the Federal amount used to calculate the tables in this booklet may be different than the Federal amount you use to calculate State tax withholding.

In addition, when the amount of gross wages is larger than the highest bracket amount, the computer calculations will vary from the table calculation. This occurs because the tables require calculation on all wages above the highest bracket amount at 8.98 percent on gross wages with no deduction for Federal taxes. However, the formula goes through the actual tax calculation, including the Federal tax deduction, using rates up to 8.98 percent on taxable income.

Why does the tax amount rise as the number of exemptions rises in certain instances?

This occurs because Federal tax is deductible when calculating State tax. As the number of exemptions increases, Federal tax declines. This results in a smaller deduction when calculating State tax. As a result, State withholding may increase even though the number of exemptions increased.

How is the withholding on bonuses and commissions calculated?

If you choose to use a flat percentage rate to determine the amount of Federal withholding, you must withhold Iowa tax at the rate of 6 percent.

I employ truck drivers who are not Iowa residents, but drive in more than one state including Iowa. Do I withhold Iowa income tax from their checks?

No. You should only withhold state income tax for the state in which the driver resides. If the driver is driving only in Iowa, or is a resident of Iowa, then Iowa income tax should be withheld.

WITHHOLDING INSTRUCTIONS AND EXAMPLES

Round all amounts to the nearest whole dollar

GENERAL INSTRUCTIONS FOR USE OF TABLES:

1. Determine pay period (weekly, biweekly, etc.) and number of exemptions claimed.
2. Using correct table, select the wage bracket containing the gross amount of wages paid to the employee.
3. Select the correct column for the number of exemptions claimed.
4. Read across the row of the correct wage bracket and down the column of the correct number of exemptions.
5. The tax amount at the intersection of the two columns is the correct amount to be withheld.

WAGES OVER THE TOP BRACKET AMOUNT OF THE TABLE

Instructions

1. Subtract top bracket amount of wages from total gross wages.
2. Multiply the result by 8.98 percent.
3. Add the tax amount over the top bracket to the tax amount from the table for the top bracket amount.
4. The sum of these two is the amount to be withheld.

Example

- Person earning \$2,080 semimonthly salary claiming three exemptions.
- $\$2,080 - \$1,880 = \$200$ excess over top bracket.
- $\$200 \times 8.98\% = \17.96 .
- $\$17.96 + \93.00 (withholding top bracket amount) = $\$110.96$ total withholding. (Rounded = $\$111.00$)

WAGES PAID DAILY

Instructions:

1. Multiply daily wages by 10.
2. Find withholding amount on biweekly table.
3. Divide withholding amount by 10.

Example:

- Person earning \$40 daily wages claiming two exemptions.
- $\$40 \times 10 = \400 .
- Withholding on \$400 biweekly wages equals \$6.00.
- $\$6.00 \div 10 = \0.60 withholding. (Rounded = $\$1.00$)

BONUSES AND COMMISSIONS

Bonus paid during each pay period

If the bonus or commission is paid as a part of the regular pay during each pay period, simply add the bonus to the regular pay and calculate withholding on the total payment.

Bonuses paid less often than regular pay

If a bonus is paid several times a year, but less often than the regular pay, the withholding on the bonus or commission is calculated by annualizing the payment.

Instructions

1. Multiply the amount of bonus by the number of times during the year a bonus is paid.
2. Determine the annual base wages or salary of the employee before bonuses
3. Add the two amounts together. Determine the withholding from the annual withholding table.
4. Subtract the withholding on the base wages from the total withholding.
5. Divide the result by the number of times a year a bonus is paid. This amount is the withholding on the bonus only.

Example

A \$2,000 quarterly bonus is paid to a person with a base salary of \$300 a week, who claims zero exemptions.

- $\$2,000 \text{ bonus} \times 4 \text{ quarters} = \$8,000$ annualized bonus.
- $\$300 \text{ salary per week} \times 52 \text{ weeks} = \$15,600$ base annual salary.
- $\$8,000 + \$15,600 = \$23,600$ annualized pay.
Withholding from annual table = $\$946.00$.
- $\$946.00 - \518.00 (withholding base pay) = $\$428.00$.
- $\$428.00 \div 4 = \107.00 . (Rounded = $\$107.00$)

PAYMENTS MADE ON AN ANNUAL BASIS

Payments made only once a year include:

- compensation paid to entertainers performing in Iowa
- rent from real or personal property
- distributive shares to a beneficiary of an estate or trust
- payments to landlords by agents, including payments by elevator operators for sale of grain or other commodities
- income derived from any business of a temporary nature such as contracts for construction or fees paid for services
- annual bonuses paid to employees

ANNUAL BONUSES

Instructions

1. Add together the annual base pay and the bonus.
2. Determine the withholding on the total income from the annual table.
3. Subtract the withholding on the base pay from total withholding.
4. Difference equals the withholding on the bonus.

Example

Person who has an annual base pay of \$21,000, an annual bonus of \$12,000, and claims zero exemptions.

- Base pay plus bonus = $\$33,000$ annual pay.
Withholding from annual table equals $\$1,569.00$
- Withholding on base pay = $\$828.00$.
- Withholding on bonus = $\$1,569.00 - \$828.00 = \$741.00$.

COMPUTER VARIABLES

The State of Iowa offers two formulas, either of which may be used by withholding agents in calculating the correct amount of Iowa tax to withhold from an employee's paycheck. The regular formula utilizes values for the actual pay period to calculate liability. The annualized formula projects all values to an annual basis, then reduces the tax back to the amount due for the pay period. For withholding agents who must calculate withholding for more than one length of pay period, the annualized formula may be particularly beneficial. Round all amounts to the nearest whole dollar.

VALUES OF VARIABLES USED IN THE FORMULA

STANDARD DEDUCTION AMOUNTS

Pay Period	Number of Exemptions Claimed	
	0 or 1	2 or more
Weekly	\$28.85	\$69.23
Biweekly	\$57.69	\$138.46
Semimonthly	\$62.50	\$150.00
Monthly	\$125.00	\$300.00
Annually	\$1,500.00	\$3,600.00

TAX RATE AND BRACKET AMOUNTS

Rates	Weekly	Biweekly	Semimonthly	Monthly	Annually
0.0036 x 1st	\$21.15	\$42.31	\$45.83	\$91.67	\$1,100.00
0.0072 x next	\$20.19	\$40.38	\$43.75	\$87.50	\$1,050.00
0.0243 x next	\$41.35	\$82.69	\$89.58	\$179.17	\$2,150.00
0.0486 x next	\$104.81	\$209.62	\$227.08	\$454.17	\$5,450.00
0.0653 x next	\$125.00	\$250.00	\$270.83	\$541.67	\$6,500.00
0.0698 x next	\$110.58	\$221.15	\$239.58	\$479.17	\$5,750.00
0.0752 x next	\$211.54	\$423.08	\$458.33	\$916.67	\$11,000.00
0.0842 x next	\$307.69	\$615.38	\$666.67	\$1,333.33	\$16,000.00
0.0898 x remaining amount					

CREDIT AMOUNTS

Pay Period	1st Exemption	2nd Exemption	3rd and Each Subsequent Exemption
Weekly	\$0.38	\$0.38	\$0.77
Biweekly	\$0.77	\$0.77	\$1.54
Semimonthly	\$0.83	\$0.83	\$1.67
Monthly	\$1.67	\$1.67	\$3.33
Annually	\$40.00	\$40.00	\$40.00

NUMBER OF PAY PERIODS PER YEAR

Daily: 260	Semimonthly: 24	
Weekly: 52	Monthly: 12	Semiannually: 2
Biweekly: 26	Quarterly: 4	Annually: 1

FORMULA EXAMPLES AND INSTRUCTIONS

Round all amounts to the nearest whole dollar

DEFINITIONS OF VARIABLES

G = Gross wages for pay period

R = Iowa Tax Rates

W = Federal tax withheld for pay period

C = Exemption credit

S = Standard Deduction

P = Number of pay periods

INSTRUCTIONS FOR REGULAR FORMULA

Items T_1 through T_4 represent the values derived at each step in arriving at the tax to be withheld. Be sure to use the values for the correct pay period.

T_1 = Subtract federal withholding from gross wages

T_2 = Subtract the standard deduction from T_1

T_3 = Multiply T_2 (taxable income) by the tax rates (1)

T_4 = Subtract the exemption credits from the gross tax to arrive at final tax liability

Example: Semimonthly wages of \$740 (4 total exemptions claimed)

$T_1 = G - W$	$T_1 =$	\$740.00 - \$3.15	=	\$736.85
$T_2 = T_1 - S$	$T_2 =$	\$736.85 - \$150.00	=	\$586.85
$T_3 = T_2 \times R$	$T_3 =$	0.0036 x 1st \$45.83	=	\$ 0.16
		0.0072 x next \$43.75	=	\$ 0.32
		0.0243 x next \$89.58	=	\$ 2.18
		0.0486 x next \$227.08	=	\$ 11.04
		0.0653 x remaining \$180.61	=	\$ 11.79
	$T_3 =$	\$25.49		
$T_4 = T_3 - C$	$T_4 =$	\$25.49 - (\$0.83 + \$0.83 + \$1.67 + \$1.67)	=	\$ 20.49
		Iowa tax to be withheld	=	\$ 20.49 (Rounded = \$20.00)

INSTRUCTIONS FOR ANNUALIZED FORMULA

The annualized formula is identical to the regular formula with one overall modification.

In step T_1 , wages are multiplied by the number of pay periods in a year to arrive at annual wages. Then in each subsequent step ($T_2 - T_4$) annual values are used. See page 29 for alternate rates to be entered at Step T_3 . Finally, in step T_5 , the annual liability is divided by the number of pay periods in the year to arrive at the tax for the pay period.

Example: Monthly wages of \$1,750 (4 total exemptions claimed)

$T_1 = (G - W) \times P$	$T_1 =$	(\$1,750.00 - \$46.80) x 12 months	=	\$20,438.40
$T_2 = T_1 - S$	$T_2 =$	\$20,438.40 - \$3,600.00	=	\$16,838.40
$T_3 = T_2 \times R$	$T_3 =$	0.0036 x 1st \$1,100.00	=	\$ 3.96
		0.0072 x 2nd \$1,050.00	=	\$ 7.56
		0.0243 x next \$2,150.00	=	\$ 52.25
		0.0486 x next \$5,450.00	=	\$ 264.87
		0.0653 x next \$6,500.00	=	\$ 424.45
		0.0698 x remaining \$588.40	=	\$ 41.07
	$T_3 =$	\$794.16		
$T_4 = T_3 - C$	$T_4 =$	\$794.16 - (\$20 + \$20 + \$40 + \$40)	=	\$ 674.16
$T_5 = T_4 \div P$	$T_5 =$	\$674.16 \div 12	=	\$ 56.18
		Iowa tax to be withheld	=	\$ 56.18 (Rounded = \$56.00)

(1) See page 29 for alternative rate table

NOTE: Formula tax amounts may not always equal tax table amounts. See page 6 for explanation.

CALENDAR OF DUE DATES

Semimonthly Filers - withholding of more than \$8,000 semimonthly

Return for Period of	Due Date	Return for Period of	Due Date
January 1-15	January 25	July 1-15	July 25
January 16-31	February 10	July 16-31	August 10
February 1-15	February 25	August 1-15	August 25
February 16-28	March 10	August 16-31	September 10
March 1-15	March 25	September 1-15	September 25
March 16-31	April 10	September 16-30	October 10
April 1-15	April 25	October 1-15	October 25
April 16-30	May 10	October 16-31	November 10
May 1-15	May 25	November 1-15	November 25
May 16-31	June 10	November 16-30	December 10
June 1-15	June 25	December 1-15	December 25
June 16-30	July 10	December 16-31	January 10
		Verified Summary	February 28

Monthly Filers - withholding of more than \$50 per month and \$8,000 or less semimonthly

Return for Period of	Due Date	Return for Period of	Due Date
January	February 15	July	August 15
February	March 15	August	September 15
January-March Quarter	April 30	July-September Quarter	October 31
April	May 15	October	November 15
May	June 15	November	December 15
April-June Quarter	July 31	October-December Quarter	January 31
		Verified Summary	February 28

Quarterly Filers - withholding of \$50 or less per month

Return for Period of	Due Date	Return for Period of	Due Date
January-March	April 30	July-September	October 31
April-June	July 31	October-December	January 31
		Verified Summary	February 28

NOTE: If the due date falls on a Saturday, Sunday, or Holiday,
the return is due on the next business day.

ALTERNATE ANNUALIZED FORMAT FOR IOWA

RATE TABLE IN COMPUTER FORMULA

Round all amounts to the nearest whole dollar

The following table is presented as an alternative for withholding agents using personal computers with purchased software. Such software often requires that the Iowa rate table be entered in a format similar to that used by the Internal Revenue Service in their Circular E. Employers' Tax Guide. If you choose to use this table, it should be entered at step T₃ of the formula as follows:

Over	But Not Over	Tax		Tax Rate	Of Excess Over
\$0	\$1,100	\$0.00	plus	0.0036	\$0
\$1,100	\$2,150	\$3.96	plus	0.0072	\$1,100
\$2,150	\$4,300	\$11.52	plus	0.0243	\$2,150
\$4,300	\$9,750	\$63.77	plus	0.0486	\$4,300
\$9,750	\$16,250	\$328.64	plus	0.0653	\$9,750
\$16,250	\$22,000	\$753.09	plus	0.0698	\$16,250
\$22,000	\$33,000	\$1,154.44	plus	0.0752	\$22,000
\$33,000	\$49,000	\$1,981.64	plus	0.0842	\$33,000
\$49,000		\$3,328.84	plus	0.0898	\$49,000

ATTENTION PAYROLL OFFICER

The Iowa Department of Revenue and Finance has prepared an informational poster to be posted in your payroll office or in another suitable place.

It is the intention of this poster to inform some employees that they may be filing individual income tax returns unnecessarily. Those employees may be able to avoid filing if they do not need to have taxes withheld from their check because of the low income exemption. The poster highlights the rules.

Are You Exempt

from paying Iowa income tax?

**You may not be required to
have income tax withheld if:**

- ✓ you are single and your total net income is \$9,000 or less.**
- ✓ You are married, head of household, or a qualifying widow(er), and have \$13,500 or less of total net income.**
- ✓ You are a dependent on another person's return and you have \$4,000 or less of total net income.**
- ✓ You are a nonresident and have less than \$1,000 in Iowa source net income.**

**THESE ARE
GENERAL RULES
See Your
Payroll Officer
for Details**