

2009 INSTRUCTIONS



Revenue Administration Division

EMPLOYEE'S STATE OF MARYLAND WITHHOLDING 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 and on line 1 (Form MW507) e. _____

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

Who may claim exemption from withholding of income tax - 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 **\$8,950 for 2009**) 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 -This line is to be completed by residents of Pennsylvania and Virginia who who are employed in Maryland and do not maintain a place of abode in Maryland for 183 days or more.

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 your 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.

GENERAL INSTRUCTIONS

Federal Privacy Act Information -

Social Security numbers must be included, The mandatory disclosure of your social security number is authorized by the provisions set forth in the Tax-General Article of the Annotated Code of Maryland. Such numbers are used primarily to administer and enforce the individual income tax laws and to exchange income tax information with the Internal Revenue Service, other states and other tax officials of this state.

Information furnished to other agencies or persons shall be used solely for the purpose of administering tax laws or the specific laws, administered by the person having statutory right to obtain it.

Duties and Responsibilities of Employer -

Retain this certificate with your records. You are required to submit a copy of this certificate 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 exemptions 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; or
4. the employee claims exemptions from withholding on the basis on nonresidence.

Upon receipt of any exemption certificate (For MW 507), 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 certificate in effect, the employee shall file a new withholding exemption certificate with the employer within 10 days after the change occurs.

For additional information please call

410-767-1300

or

toll free 1-800-492-1751

or visit our Web sit at

www.marylandtaxes.com