

April 7, 2003

H 884. VERIFY EXCESS WITHHOLDING ALLOWANCES. TO REQUIRE VERIFICATION OF EXCESS WITHHOLDING ALLOWANCES. Adds new GS 105-163.2(b1) to provide that if an employee claims to be entitled to more than five withholding allowances, the employer must apply withholding tables based on the greater of five withholding allowances or the number of such allowances for which the employee provides written verifying information. Provides that such verifying information must include the name and social security number of the person for which the allowance is claimed. If the employee claiming more than five allowances fails to provide verifying information for all allowances claimed, the employer must report that fact to the Sec'y of Revenue. If withholding allowances are claimed because of excess itemized deductions or credits, the verifying information must include the estimated amount of these excess items, the estimated federal adjustments to income, estimated state deductions from and additions to federal taxable income, and estimated nonwage income. Effective for taxable years beginning on or after Jan. 1, 2004.

Intro. by Starnes.

Ref. to Finance	GS 105
-----------------	--------