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**PLEASE POST**

TO: Maryland State Agencies and Employees

FROM: Robert J. Murphy, Director  
Central Payroll Bureau

DATE: April 19, 2016

SUBJECT: Filing Form W-4 and Address Change

The following excerpts from the Internal Revenue Code outline the obligation of both the employer and the employee with regard to filing form W-4 for tax withholding. To ensure correct withholding each employee should review their status annually and submit a new W-4 only if necessary.

§4010

Employee  
Withholding  
Allowance  
Certificate  
(Form W-4)

An employer must have each new employee fill out a Form W-4, *Employee's Withholding Allowance Certificate*. On this form, the employee shows his or her tax filing status, (married or single) and the number of withholding allowances claimed. The employer uses the information provided on the form to calculate the amount of federal income tax to be withheld from the employee's wages. An employee's Form W-4 should go into effect with the first payment of wages to the employee. If the employee will not complete a Form W-4, the employer should withhold from the employee's wages as if he or she had filled out the form as a single person claiming no allowances. An employee must certify on Form W-4 that all information is correct. [Treas. Reg. §31.3402(f)(2)-1(a)].

**ORIGINALS ONLY.** The employer should require only an original Form W-4. It should not withhold tax based on photocopies, facsimiles, or verbal instructions from the employee.

§4310

Employee  
Penalties

Employees, as well as employers, may be held civilly and criminally liable for violations of provisions of the Internal Revenue code. An employee who willfully supplies a false or fraudulent information statement (e.g., Form W-4) to his or her employer or who willfully fails to supply information that would require an increase in the amount of tax to be withheld from wages is, in addition to any other penalty, subject to a fine of up to \$1,000 or imprisonment for up to one year or both [IRC Reg. §7205].

In addition to any criminal penalty, a penalty of \$500 may be levied if both of the following apply:

- An employee makes statements or claim withholding allowances on the Form W-4 that reduce the amount of tax withheld
- An employee has no reasonable basis for those statements or allowances at the time the Form W-4 is prepared

Paper copies of the appropriate employee withholding certificate may be downloaded from our web site.

[http://Comptroller.marylandtaxes.com/Government\\_Services/State\\_Payroll\\_Services/](http://Comptroller.marylandtaxes.com/Government_Services/State_Payroll_Services/)

General Information

Click on Payroll Forms

MD W4 -2016	Employee Address Update/Withholding Allowance Certificate (Forms W-4/MW507 Combined)
MW507M	Exemption from Maryland Withholding Tax for a Qualified Civilian Spouse
DC W4 - 2016	Employee Address Update/Withholding Allowance Certificate (DC Residents only)
WV W4 - 2016	Employee Address Update/Withholding Allowance Certificate (WV Residents only)

Employees are reminded that subsequent changes to already existing W-4 information may be submitted electronically via the *Payroll Online Service Center (POSC)*. The exception for electronic submission is for filing an "exempt" status. All exempt status W-4 forms must be submitted via hard copy to the Central Payroll Bureau.

**Important note: Keeping Central Payroll Bureau and your personnel office informed of your current address will speed delivery of your W-2 and any other important information.**

We hope this information is helpful. Employees with unique filing requirements are advised to call or visit their local IRS office or the offices of the Comptroller of Maryland for assistance. For your convenience we have listed the following web site addresses –

Comptroller of Maryland - [www.marylandtaxes.com](http://www.marylandtaxes.com)

State of West Virginia – [www.state.wv.us/taxrev/uploads/it100-1-a.pdf](http://www.state.wv.us/taxrev/uploads/it100-1-a.pdf)

District of Columbia – [www.dc.gov](http://www.dc.gov) eServices

Internal Revenue Service – [www.irs.gov](http://www.irs.gov)