

## TAX Q & A

**What Tax help is available from Human Resources?** - The Human Resources Office will provide all employees with a W-2 form after January 31st each year. Free tax sessions are offered on campus by the Volunteer Income Tax Assistance program (VITA) sponsored by the College of Business throughout the tax season as well as tax sessions specifically for foreign employees. Payroll **CAN NOT** assist employees in filling out tax forms. Please access the IRS website at [www.irs.gov](http://www.irs.gov) or visit the IRS office at: 220 W Lamme 2B in Bozeman. 406-586-1304.

**How many exemptions should I claim?** -Claiming Single and 0 will deduct the highest amount of tax allowed from your paycheck. Moving up to 1, 2 etc. will decrease the amount taken out each pay period. Each individual's tax status is different and should be determined according to their circumstance. Please refer to the tax publication 919 for further instructions on how to determine what to claim. Nonresident Aliens **MUST** claim Single (regardless of marital status) and 0 or 1 exemption.

**Who should claim an exemption from withholding?**-you can not claim exempt from withholding if:

- a.) your income exceeds \$800 and includes more than \$250 of unearned income (interest, dividends)
- b.) another person can claim you as a dependent on their tax return.
- c.) you can not exempt out of State tax.
- d.) Working students taking over six credit hours will be exempt from FICA and Medicare tax.

**\* Anyone claiming exempt must renew their W-4 before Feb 15 each year \***

**Why should I monitor my withholding?** - You should try to have your withholding match your actual tax liability. If not enough is withheld, you will owe tax at the end of the year and may have to pay interest and a penalty. If too much is withheld, you will lose use of the money until you get your tax refund. **(Publication 919)**

**Can I change my withholding?** - Withholdings can be adjusted by filling out a new W-4 form at anytime and if received before the 20<sup>th</sup> of the month will go into effect for the following pay period.

*For further information please access the IRS website at [www.irs.gov](http://www.irs.gov)*

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**Claiming more than 10 exemptions-** Montana Tax codes require that a copy of your W-4 be sent to the State Department of Revenue for review if you claim more than 10 withholding allowances. You may also be contacted by the IRS for underwithholding.

**FICA and Medicare Tax-** Students taking six credits or more are exempt from paying FICA (social security) and Medicare. Federal employees are exempt from FICA withholding but must pay Medicare. All other employees are subject to these withholdings. The maximum wage subject to FICA withholding is \$106,800 in 2009

### **What State tax form should I use?**

Use the Montana Individual Income Tax Return Form.

### **Where can I find additional answers to my questions?**

Please see the attached pages taken from Publication 519. You can also access the IRS website at [www.irs.gov](http://www.irs.gov)

### **Foreign Employees-**

IF YOU ARE A FOREIGN EMPLOYEE, PLEASE CONTACT THE OFFICE OF INTERNATIONAL PROGRAMS FOR FURTHER INFORMATION. THEY ARE LOCATED IN ROOM 400 CULBERTSON HALL, (994-4031).

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