Form W-4 (2005)

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

Exemption from withholding. If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2005 expires February 19, 2006. See Pub. 505, Tax Withholding and Estimated Tax.

Note. You cannot claim exemption from withholding if (a) your income exceeds $600 and includes more than $250 of unearned income (for example, interest and dividends) and (b) another person can claim you as a dependent on their tax return.

Basic instructions. If you are not exempt, complete the Personal Allowances Worksheet below. The worksheets on page 2 adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earner/two-job situations. Complete all worksheets that apply. However, you may claim fewer (or zero) allowances.

Head of household. Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See line E below.

Tax credits. You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the Personal Allowances Worksheet below. See Pub. 919, How Do I Adjust My Tax Withholding? for information on converting your other credits into withholding allowances.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for yourself if no one else can claim you as a dependent.

B Enter "1" if:
   A You are single and have only one job; or
   B You are married, have only one job, and your spouse does not work; or
   C Your wages from a second job or your spouse's wages (or the total of both) are $1,000 or less.

C Enter "1" for your spouse. But, you may choose to enter "0" if you are married and have either a working spouse or more than one job. (Entering "0-0" may help you avoid having too little tax withheld.)

D Enter number of dependents (other than your spouse or yourself) you will claim on your tax return.

E Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above).

F Enter "1" if you have at least $1,500 of child or dependent care expenses for which you plan to claim a credit.

(Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.)

G Child Tax Credit (including additional child tax credit):
   A If your total income will be less than $54,000 ($79,000 if married), enter "2" for each eligible child.
   B If your total income will be between $54,000 and $84,000 ($79,000 and $119,000 if married), enter "1" for each eligible child plus "1 additional" if you have four or more eligible children.

H Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.)

For accuracy, complete all worksheets that apply.

   A If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.
   B If you have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed $35,000 ($25,000 if married) see the Two-Earner/Two-Job Worksheet on page 2 to avoid having too little tax withheld.
   C If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form W-4

Employee’s Withholding Allowance Certificate

Department of the Treasury
Internal Revenue Service

Employee’s signature
(If not valid unless you sign it.)

Type or print your name and middle initial

Last name

Home address (number and street or rural route)

City or town, state, and ZIP code

Social security number

3 □ Single □ Married □ Married, but withhold at higher Single rate.
Note. If married, but legally separated, or spouse is a nonresident alien, check the “Single” box.

4 □ If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a new card.

Total number of exemptions you are claiming (from line H above or from the applicable worksheet on page 2)

Additional amount, if any, you want withheld from each paycheck

I claim exemption from withholding for 2005, and I certify that I meet both of the following conditions for exemption.
   A Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and
   B This year I expect a refund of federal income tax withheld because I expect to have no tax liability.

If you meet both conditions, write “Exempt” here

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee’s signature
(If not valid unless you sign it.)

Date

Office code (optional)

Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2.
Deductions and Adjustments Worksheet

Note. Use this worksheet only if you plan to itemize deductions, claim certain credits, or claim adjustments to income on your 2005 tax return.

1. Enter an estimate of your 2005 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2005, you may have to reduce your itemized deductions if your income is over $145,950 ($72,975 if married filing separately). See Worksheet 3 in Pub. 919 for details.) $ 1

2. Enter:

- $10,000 if married filing jointly or qualifying widower
- $7,300 if head of household
- $5,000 if single or married filing separately

$ 2

3. Subtract line 2 from line 1. If line 2 is greater than line 1, enter "-0-". $ 3

4. Enter an estimate of your 2005 adjustments to income, including alimony, deductible IRA contributions, and student loan interest. $ 4

5. Add lines 3 and 4 and enter the total. (Include any amount for credits from Worksheet 7 in Pub. 919) $ 5

6. Enter an estimate of your 2005 nonwage income (such as dividends or interest). $ 6

7. Subtract line 6 from line 5. Enter the result, but not less than "-0-". $ 7

8. Divide the amount on line 7 by $3,200 and enter the result here. Drop any fraction. $ 8

9. Enter the number from the Personal Allowances Worksheet, line H, page 1. $ 9

10. Add lines 8 and 9 and enter the total here. If you plan to use the Two-Earner/Two-Job Worksheet, also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4, line 5, page 1. $ 10

Two-Earner/Two-Job Worksheet (See Two earners/two jobs on page 1.)

Note. Use this worksheet only if the instructions under line H on page 1 direct you here.

1. Enter the number from line H, page 1 (or from line 10 above if you used the Deductions and Adjustments Worksheet) $ 1

2. Find the number in Table 1 below that applies to the LOWEST paying job and enter it here $ 2

3. If line 1 is more than or equal to line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-" and on Form W-4, line 5, page 1. Do not use the rest of this worksheet $ 3

Note. If line 1 is less than line 2, enter "-0-" on Form W-4, line 5, page 1. Complete lines 4-9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.

4. Enter the number from line 2 of this worksheet $ 4

5. Enter the number from line 1 of this worksheet $ 5

6. Subtract line 5 from line 4 $ 6

7. Find the amount in Table 2 below that applies to the HIGHEST paying job and enter it here $ 7

8. Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed $ 8

9. Divide line 8 by the number of pay periods remaining in 2005. For example, divide by 26 if you are paid every two weeks and you complete this form in December 2004. Enter the result here and on Form W-4, line 6, page 1. This is the additional amount to be withheld from each paycheck $ 9

Table 1: Two-Earner/Two-Job Worksheet

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>AND, wages from HIGHEST paying job are—</td>
<td>IF wages from HIGHEST paying job are—</td>
</tr>
<tr>
<td>$0 - $40,000</td>
<td>0</td>
</tr>
<tr>
<td>4,001 - 8,000</td>
<td>1</td>
</tr>
<tr>
<td>8,001 - 18,000</td>
<td>2</td>
</tr>
<tr>
<td>over 18,000</td>
<td>3</td>
</tr>
<tr>
<td>$40,001 and over</td>
<td>0</td>
</tr>
<tr>
<td>4,001 - 8,000</td>
<td>1</td>
</tr>
<tr>
<td>8,001 - 18,000</td>
<td>2</td>
</tr>
<tr>
<td>18,001 - 25,000</td>
<td>3</td>
</tr>
<tr>
<td>25,001 - 30,000</td>
<td>4</td>
</tr>
<tr>
<td>over 30,000</td>
<td>5</td>
</tr>
<tr>
<td>All Others</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Two-Earner/Two-Job Worksheet

<table>
<thead>
<tr>
<th>Married Filing Jointly</th>
<th>All Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF wages from HIGHEST paying job are—</td>
<td>IF wages from HIGHEST paying job are—</td>
</tr>
<tr>
<td>$0</td>
<td>0</td>
</tr>
<tr>
<td>60,001 - 110,000</td>
<td>30,001 - 70,000</td>
</tr>
<tr>
<td>110,001 - 160,000</td>
<td>70,001 - 140,000</td>
</tr>
<tr>
<td>160,001 - 280,000</td>
<td>140,001 - 320,000</td>
</tr>
<tr>
<td>280,001 and over</td>
<td>320,001 and over</td>
</tr>
<tr>
<td>$480</td>
<td>$480</td>
</tr>
<tr>
<td>800</td>
<td>800</td>
</tr>
<tr>
<td>900</td>
<td>900</td>
</tr>
<tr>
<td>1,060</td>
<td>1,060</td>
</tr>
<tr>
<td>1,120</td>
<td>1,120</td>
</tr>
</tbody>
</table>

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This time needed to complete this form will vary depending on individual circumstances. The estimated average time is: Recording, 45 min.; Learning about the law or the form, 12 min.; Preparing the form, 56 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to: Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAP:MP:TP:1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send Form W-4 to this address. Instead, give it to your employer.