



# 2020 W4-MN, Minnesota Employee Withholding Allowance/Exemption Certificate

## Employees

Complete Form W-4MN so that your employer can withhold the correct Minnesota income tax from your pay. Consider completing a new Form W-4MN each year and when your personal or financial situation changes.

Employee's First Name and Initial	Last Name	Employee's Social Security Number
Permanent Address		<b>Marital Status (Check one):</b> <input type="checkbox"/> Single; Married, but legally separated; or Spouse is a nonresident alien <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate
City	State ZIP Code	

Read instructions on back. Complete Section 1 OR Section 2, then sign and give the completed form to your employer. Do not complete both Section 1 and Section 2. Completing both sections will make the form invalid.

**Section 1 — Determining Minnesota Allowances**

- A Enter "1" for yourself if no one else can claim you as a dependent . . . . . **A** \_\_\_\_\_
- B Enter "1" if any of the following apply: . . . . . **B** \_\_\_\_\_
  - You are single and have only one job
  - You are married, have only one job, and your spouse does not work
  - Your wages from a second job or your spouse's wages are \$1500 or less
- C Enter "1" for your spouse. You may choose to enter "0" if you are married and have either a working spouse or more than one job. (Entering "0" may help you avoid having too little tax withheld.) . . . . **C** \_\_\_\_\_
- D Enter the number of dependents (other than your spouse or yourself) you will claim on your tax return. . . . **D** \_\_\_\_\_
- E Enter "1" if you will file as Head of Household (see instructions for qualifying as Head of Household). . . . . **E** \_\_\_\_\_
- F **Total number of allowances claimed.** Add steps A through E.  
If you plan to itemize deductions on your 2020 Minnesota income tax return, you may also complete the Itemized Deductions and Additional Income Worksheet. . . . . **F** \_\_\_\_\_

**Section 2 — Exemption From Minnesota Withholding**

Complete Section 2 if you claim to be exempt from Minnesota income tax withholding (see Section 2 instructions for qualifications). If applicable, check one box below to indicate why you believe you are exempt:

- A** I meet the requirements and claim exempt from both federal and Minnesota income tax withholding.
- B** Even though I did not claim exempt from federal withholding, I claim exempt from Minnesota withholding, because of all of the following:
  - I had no Minnesota income tax liability last year
  - I received a refund of all Minnesota income tax withheld
  - I expect to have no Minnesota income tax liability this year
- C** All of the following are true:
  - My spouse is a military service member assigned to a military location in Minnesota
  - My domicile (legal residence) is in another state
  - I am in Minnesota solely to be with my spouse. My state of domicile is \_\_\_\_\_
- D** I am an American Indian that resides and works on a reservation.
- E** I am a member of the Minnesota National Guard or an active duty U.S. military member and claim exempt from Minnesota withholding on my military pay.
- F** I receive a military pension or other military retirement pay as calculated under U.S. Code, title 10, sections 1401 through 1414, 1447 through 1455, and 12733 and I claim exempt from Minnesota withholding on this retirement pay.

### Minnesota Allowances and Additional Withholding

- 1 Minnesota Allowances.** Enter Step F from Section 1 above or Step 10 of the Itemized Deductions Worksheet . . **1** \_\_\_\_\_
- 2 Additional Minnesota withholding you want deducted each pay period (see instructions) . . . . . **2** \_\_\_\_\_**

I certify that all information provided in Section 1 OR Section 2 is correct. I understand there is a \$500 penalty for filing a false Form W-4MN.

Employee's Signature	Date	Daytime Phone
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**Employees:** Give the completed form to your employer.

## Employers

See the employer instructions to determine if you must send a copy of this form to the Minnesota Department of Revenue. If required, enter your information below and mail this form to the address in the instructions. (Incomplete forms are considered invalid.) We may assess a \$50 penalty for each required Form W-4MN not filed with us. Keep a copy for your records.

Name of Employer	Federal Employer ID Number (FEIN)	Minnesota Tax ID Number
Address	City	State ZIP Code

## Form W-4MN Employee Instructions

Complete this form for your employer to calculate the amount of Minnesota income tax to be withheld from your pay.

### What's New?

Beginning in 2020, federal Form W-4 does not use withholding allowances. If you complete a 2020 Form W-4, you must complete Minnesota Form W-4MN to determine your allowances for Minnesota income tax withholding.

### When should I complete Form W-4MN?

Complete Form W-4MN if any of the following apply:

- You begin employment
- You change your filing status
- You reasonably expect to change your filing status in the next calendar year
- Your personal or financial situation changes
- You claim exempt from Minnesota withholding (see Section 2 instructions for qualifications)
- You request an additional amount of tax deducted each pay period

If you have not had sufficient Minnesota income tax withheld from your wages, we may assess penalty and interest when you file your state income tax return.

**Your employer may be required to submit copies of your Form W-4MN to the Minnesota Department of Revenue.**

**Note:** You may be subject to a \$500 penalty if you submit a false Form W-4MN.

### What if I have completed federal Form W-4?

If you completed a Form W-4 from 2019 or in prior years, you may complete Form W-4MN to determine your allowances for Minnesota withholding purposes. If you completed a 2020 Form W-4, you **must** complete Form W-4MN to determine your allowances for Minnesota withholding.

Your Minnesota allowances must not be greater than your federal allowances.

### What if I am exempt from Minnesota withholding?

If you claim exempt from Minnesota withholding, complete only Section 2 of Form W-4MN and sign the form to validate it. You must provide your employer with a new Form W-4MN by February 15 of each year if you claim exempt.

You cannot claim exempt from withholding if all of the following apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

### What if I am a nonresident alien for U.S. income taxes?

If you are a nonresident alien, you are not allowed to claim exempt from withholding. You will check the single box for marital status regardless of your actual marital status and may enter one personal allowance on Step A. Enter zero on steps B, C, and E.

If you are resident of Canada, Mexico, South Korea or India and allowed to claim dependents, you may enter the number of dependents on Step D.

### Section 1 — Minnesota Allowances Worksheet

Complete Section 1 to find your allowances for Minnesota withholding tax. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

If you expect to owe more income tax for the year than will be withheld, you can claim fewer allowances or request additional Minnesota withholding from your wages. Enter the amount of additional Minnesota income tax you want withheld on line 2 of Section 1

### Nonwage Income

Consider making estimated payments if you have a large amount of "nonwage income." Nonwage income (other than tax-exempt income) includes interest, dividends, net rental income, unemployment compensation, gambling winnings, prizes and awards, hobby income, capital gains, royalties, and partnership income.

### Two Earners or Multiple Jobs

If your spouse works or you have more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4MN. Usually, your withholding will be more accurate when all allowances are claimed on the Form W-4MN for the highest paying job and zero allowances are claimed on the others.

### Head of Household

You may claim Head of Household as your filing status if you are unmarried and pay more than 50 percent of the costs of keeping up a home for yourself, your dependents, and other qualifying individuals. Enter "1" on Step E if you may claim Head of Household as your filing status on your tax return.

*Continued*

### Itemized Deductions and Additional Income Worksheet

- 1 Enter an estimate of your 2020 Minnesota itemized deductions. For 2020, you may have to reduce your itemized deductions if your income is over \$197,850 (\$98,925) if you are married filing separately). . . . .
- 2 Enter one of the following based on your filing status: . . . . .
  - a. \$24,800 if Married Filing Jointly
  - b. \$18,650 if Head of Household
  - c. \$12,400 if Single or Married Filing Separately
- 3 Subtract step 2 from step 1. If zero or less, enter 0 . . . . .
- 4 Enter an estimate of your 2020 additional standard deduction (from page XX of the Form M1 instructions). . . . .
- 5 Add steps 3 and 4 . . . . .
- 6 Enter an estimate of your 2020 taxable nonwage income . . . . .
- 7 Subtract step 6 from step 5. If zero, enter 0. If less than zero, enter the amount in parentheses. . . . .
- 8 Divide the amount on step 7 by \$4,300. If a negative amount, enter in parentheses. Do not include fractions . . . . .
- 9 Enter the number on step F of Section 1 on page 1 . . . . .
- 10 Add step 8 and 9 and enter the total here. If zero or less, enter 0. Enter this amount on line 1 of page 1. . . . .

### What if I itemize deductions on my Minnesota return or have other nonwage income?

Use the Itemized Deductions and Additional Income Worksheet to find your Minnesota withholding allowances. Complete Section 1 on page 1, then follow the steps in the worksheet on the next page to find additional allowances.

### Section 2 — Minnesota Exemption

Your employer will not withhold Minnesota taxes from your pay if you are exempt from Minnesota withholding. You cannot claim exempt from withholding if all of the following apply:

- Another person can claim you as a dependent on their federal tax return
- Your annual income exceeds \$1,100
- Your annual income includes more than \$350 of unearned income

#### Box A

Check box A of Section 2 to claim exempt if all of the following apply:

- You meet the requirements to be exempt from federal withholding
- You had no Minnesota income tax liability in the prior year and received a full refund of Minnesota tax withheld
- You expect to have no Minnesota income tax liability for the current year

#### Box B

Check box B of Section 2 if you are not claiming exempt from federal withholding, but meet the second and third requirements for box A.

#### Box C

Check box C in Section 2 to claim exempt if all of the following apply:

- You are the spouse of a military member assigned to duty in Minnesota
- You and your spouse are domiciled in another state
- You are in Minnesota solely to be with your active duty military spouse member

#### Boxes D-F

If you receive income from the following sources, it is exempt from Minnesota withholding. Your employer will not withhold Minnesota tax from that income when you check the appropriate box in Section 2.

- **Box D:** You receive wages as a member of an American Indian tribe living and working on the reservation of which you are an enrolled member.
- **Box E:** You receive wages for Minnesota National Guard (MNG) pay or for active duty U.S. military pay. MNG and active duty U.S. military members can claim exempt from Minnesota withholding on these wages, even if taxable federally. For more information, see Income Tax Fact Sheet 5, Military Personnel.
- **Box F:** You receive a military pension or other military retirement pay calculated under U.S. Code title 10, sections 1401 through 1414, 1447 through 1455, and 12733. You may claim exempt from Minnesota withholding on this income even if it is taxable federally.

**Note:** You may not want to claim exempt if you (or your spouse if filing a joint return) expect to have other forms of income subject to Minnesota tax and you want to avoid owing tax at the end of the year.

If you claim exempt from Minnesota withholding, you must provide your employer with a new Form W-4MN by February 15 of each year.

### Nonresident Alien

If you are a nonresident alien for federal tax purposes, do not complete Section 2.

### Use of Information

All information on Form W-4MN is private by state law. It cannot be given to others without your consent, except to the Internal Revenue Service, to other states that guarantee the same privacy, and by court order. Your name, address, and Social Security number are required for identification. Information about your allowances is required to determine your correct tax. We ask for your phone number so we can call if we have a question.

### Questions?

- Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)
- Email: [withholding.tax@state.mn.us](mailto:withholding.tax@state.mn.us)
- Phone: 651-282-9999 or 1-800-657-3594 (toll-free)

*Employer instructions are on the next page.*

# Form W-4MN Employer Instructions

## What's New?

Beginning in 2020, federal Form W-4 will not determine withholding allowances used to determine the amount of Minnesota withholding. Employees completing a 2020 Form W-4 will need to complete 2020 Form W-4MN to determine the appropriate amount of Minnesota withholding.

**Use the amount on line 1 of page 1 for calculating the withholding tax for your employees.**

## When does an employee complete Form W-4MN?

Employees complete Form W-4MN when they begin employment or when their personal or financial situation changes.

## How should I determine Minnesota withholding for an employee that does not complete Form W-4MN?

If an employee does not complete Form W-4MN and they have a federal Form W-4 (from 2019 or prior years) on file, use the allowances on their federal Form W-4. If the employee does not complete a Form W-4MN, withhold Minnesota tax as if the employee is single with zero withholding allowances.

## What if my employee claims to be exempt from Minnesota withholding?

If your employee claims exempt from Minnesota withholding, they must complete Section 2 of Form W-4MN. They must provide you with a new Form W-4MN by February 15 of each year.

## When do I need to submit copies of a Form W-4MN to the department?

You must send copies of Form W-4MN to us if any of the following apply:

- The employee claims more than 10 Minnesota withholding allowances
- The employee checked box A or B under Section 2, and you reasonably expect the employee's wages to exceed \$200 per week
- You believe the employee is not entitled to the number of allowances claimed

You do not need to submit Form W-4MN to us if the employee is asking to have additional Minnesota withholding deducted from their pay.

We may assess a \$50 penalty for each Form W-4MN you do not file with us when required.

Mail Forms W-4MN to:  
Minnesota Department of Revenue  
Mail Station 6501  
600 N. Robert St.  
St. Paul, MN 55146-6501

## What if my employee is a resident of a reciprocity state?

If your employee is a resident of North Dakota or Michigan and they do not want you to withhold Minnesota tax from their wages, they must complete Form MWR, *Reciprocity Exemption/Affidavit of Residency*. They must complete a Form MWR by February 28 of each year, or within 30 days after they begin working or change their permanent residence. See Withholding Fact Sheet 20, *Reciprocity - Employee Withholding*, for more information.

## What is an invalid Form W-4MN?

A Form W-4MN is considered invalid if any of the following apply:

- There is any unauthorized change or addition to the form, including any change to the language certifying the form is correct
- The employee indicates in any way the form is false by the date they provide you with the form
- The form is incomplete or lacks the necessary signatures
- Both Section 1 and Section 2 were completed
- The employer information is incomplete

## What if I receive an invalid form?

Do not use the invalid form to calculate Minnesota income tax withholding. Have the employee complete and submit a new Form W-4MN. If the employee does not give you a valid form, and you have an earlier Form W-4MN or Form W-4 (from 2019 or prior years) from them, use the earlier form to calculate their withholding. Otherwise, withhold taxes as if the employee is single and claiming zero withholding allowances.

## What if my employee is a nonresident alien of the United States?

If the wages to this employee are subject to income tax withholding, you will use Table 1 and the procedure under **Withholding Adjustment for Nonresident Alien Employees** in IRS Publication 15-T to determine the correct Minnesota withholding tax. Do not use this procedure for nonresident alien students from India and business apprentices from India.