

## Employer Letter to Employees Regarding Special Withholding Procedures

Dear Employee,

**YOUR state withholding falls within the criteria set for review under a recently enacted state law.** The state of Nebraska has made changes to state income tax withholding beginning with your first 2008 paycheck. We are sharing this information with you because (1) we want you to know what is being withheld from your paycheck and why; and (2) we are available to help make sure your withholding amount is correct.

The changes result from a 2007 law passed by the Nebraska Legislature. This law only affects employees having very low or no state income tax withholding. Employees are required to have their state withholding set as high as 3% of gross wages, unless we receive evidence that a lower amount of withholding is proper and not an attempt to avoid paying the proper amount of state income tax.

**Since YOUR state withholding falls within the criteria set for review under state law,** please provide evidence supporting the number of withholding allowances you have claimed on Federal Form W-4. Specific things that can be provided include:

1. Detailed information showing the number of dependents you can legally claim (spouse and children with their social security numbers); and/or
2. Detailed information showing your total itemized deductions (mortgage interest, property and state income tax payments, charitable contributions, excess medical expenses or casualty loss, etc.).

**With this information,** we can set your state income tax withholding at the proper amount required for the allowances claimed on your Federal Form W-4.

**Without this information,** your withholding rate should be set to a specified level (as much as 3%) as required by state law. This may result in more state income tax withheld from your paycheck, and a lower amount of net (take-home) pay. This additional state tax withheld may result in a larger unintended refund to you in 2009.

Please direct specific questions you have regarding these new withholding requirements to the Nebraska Department of Revenue's Taxpayer Assistance Office at 1-800-742-7474 (toll free in Nebraska and Iowa) or 1-402-471-5729. More information can also be found on their Web site at [www.revenue.ne.gov](http://www.revenue.ne.gov).