

Last First MI

**STATE OF DELAWARE  
NON-RESIDENT WITHHOLDING  
COMPUTATION WORKSHEET**

|                       |
|-----------------------|
| <b>NAME</b>           |
| <b>ADDRESS</b>        |
| <b>CITY/STATE/ZIP</b> |
| <b>SSN:</b>           |

**PERSONAL CREDITS**

|    |   |    |  |
|----|---|----|--|
| A. | Enter "1" for Yourself (2 if 60 years old or over) <b>IF NO ONE ELSE CLAIMS YOU AS A DEPENDENT.</b>                           | A. |  |
| B. | Enter "1" for your Spouse (2 if 60 years old or over) <b>IF YOU CLAIM YOUR SPOUSE AS A DEPENDENT ON THE STATE TAX RETURN.</b> | B. |  |
| C. | Enter number of dependents other than your spouse you will claim.   | C. |  |
| D. | Add Lines A through C and enter total here.   | D. |  |

|                               |  | Column A     | Column B               |
|-------------------------------|--|--------------|------------------------|
| <b>INCOME AND ADJUSTMENTS</b> |  | <b>TOTAL</b> | <b>DELAWARE SOURCE</b> |
| 1.                            | Wages  | 1.           |                        |
| 2.                            | Non-wage Income (Net of Losses - See Instructions)     | 2.           |                        |
| 3.                            | Total Income (Add Lines 1 & 2)                         | 3.           |                        |
| 4.                            | a. Federal Adjustments to Income (See Instructions)    | 4a.          |                        |
|                               | b. Delaware Adjustments to Income (See Instructions)   | 4b.          |                        |
|                               | c. Total Adjustments to Income (Add Lines 4a and 4b)   | 4c.          |                        |
| 5.                            | Adjusted Gross Income (Line 3 minus Line 4c)           | 5.           |                        |
| 6.                            | <b>PRORATION DECIMAL</b> (Line 5: Column B ÷ Column A) | 6.           |                        |

**DEDUCTIONS**

|     |  |     |
|-----|--|-----|
| 7.  | Deductions (Higher of Standard or Itemized - See Instructions)   |     |
|     | a. Standard  |     |
|     | OR   | 7.  |
|     | b. Itemized  |     |
| 8.  | Estimated Taxable Income (Subtract Line 7 from Line 5, Column A) | 8.  |
| 9.  | Gross Tax Liability (Computed using Line 8 - See Example Below)  | 9.  |
| 10. | Personal Credits (Line D x \$110)                                | 10. |
| 11. | Net Liability before Proration (Subtract Line 10 from Line 9)    | 11. |
| 12. | Proration Decimal (Enter from Line 6)                            | 12. |
| 13. | Estimated Tax Liability (Multiply Line 11 by Line 12)            | 13. |
| 14. | Number of Pay Periods (From Employer or See Instructions)        | 14. |
| 15. | Withholding per Pay Period (Divide Line 13 by Line 14)           | 15. |

Under penalties of perjury, I certify that I am entitled to the amount of withholding per pay period claimed on this worksheet.

|                                 |             |
|---------------------------------|-------------|
| Employee's Signature - <b>X</b> | Date: _____ |
|---------------------------------|-------------|

| <b>TAX TABLE</b>       |             |       |                 |
|------------------------|-------------|-------|-----------------|
| Taxable Income Between | Pay         | Plus  | On Amounts Over |
| \$ 0 - \$ 2,000        | \$ 0.00     | 0.00% | 0               |
| \$ 2,000 - \$ 5,000    | \$ 0.00     | 2.20% | \$ 2,000        |
| \$ 5,000 - \$ 10,000   | \$ 66.00    | 3.90% | \$ 5,000        |
| \$ 10,000 - \$ 20,000  | \$ 261.00   | 4.80% | \$ 10,000       |
| \$ 20,000 - \$ 25,000  | \$ 741.00   | 5.20% | \$ 20,000       |
| \$ 25,000 - \$ 60,000  | \$ 1,001.00 | 5.55% | \$ 25,000       |
| \$ 60,000 & over       | \$ 2,943.50 | 6.95% | \$ 60,000       |

| <b>EXAMPLE OF GROSS TAX LIABILITY CALCULATION:</b>      |  |
|---|--|
| If your Estimated Taxable Income, (Line 8) is \$12,000: |  |
| PAY:  | \$261.00 + ((12,000 - 10,000) X 0.048) |
|   | = \$261.00 + (2,000 X 0.048)           |
|   | = \$261.00 + 96.00                     |
|   | = \$357.00                             |



## INSTRUCTIONS

**PERSONAL CREDITS:** On Lines A and B enter "1" for yourself & your spouse. You and your spouse are each entitled to an extra personal credit if age 60 or over. On Line C enter the number of dependents other than your spouse you will claim. On Line D enter the total of Lines A through C. The total number of personal credits on this form may not necessarily equal the number of exemptions entered on your federal W-4 form. The effects of itemized deductions and adjustments to income on your withholding are not reconciled by increasing your number of personal credits (exemptions) as is done on the federal W-4 form. These adjustments are made below in the "Income and Adjustments" and "Deductions" sections of this form.

### INCOME AND ADJUSTMENTS

**LINE 1. ESTIMATED WAGES:** Enter an estimate of your total annual wage income in Column A, and your Delaware source wage income in Column B.

**LINE 2. ESTIMATED NON-WAGE INCOME:** Enter an estimate of your total annual non-wage income in Column A, and your Delaware source non-wage income in Column B. Non-wage income includes the following: business income, winnings from pari-mutuel wagering, income or gain derived from the ownership or disposition of real or tangible personal property, annuities, dividends and interest. All pension income should be included under total non-wage income on Line 2, Column A. **NO PENSION, ANNUITIES, DIVIDEND OR INTEREST INCOME SHOULD BE INCLUDED UNDER DELAWARE SOURCE NON-WAGE INCOME (Line 2, Column B).** Capital and operating losses should be taken into account when estimating non-wage income. If you are unsure about the amount of your non-wage income estimate, for the purposes of completing this form, you may wish to consult your prior year federal form 1040 to help form an approximation.

**LINE 3. TOTAL INCOME:** Add Lines 1 and 2 for both columns. Enter the results on Line 3 in each column. This is your estimated total income.

**LINE 4a. FEDERAL ADJUSTMENTS TO INCOME:** Enter an estimate of your current year's FEDERAL adjustments to income. These include alimony paid, IRA contributions, and payments to a Keogh. Federal adjustments are related to the income creating the allowance of the adjustment. In most cases, the optimum withholding for Delaware purposes will be achieved by entering all federal adjustments on Line 4a, Column A, and entering a zero on Line 4a, Column B.

**LINE 4b. DELAWARE ADJUSTMENTS TO INCOME:** Enter an estimate of your current year's DELAWARE adjustments to income. These adjustments include an exclusion for certain persons age 60 and over or disabled, the deduction of federally taxable Social Security, and deductions acquired through the State Travelink program. An estimate for your Delaware pension exclusion should be included in the amount entered on Line 4b, Column A. **DO NOT INCLUDE AN ESTIMATE OF YOUR DELAWARE PENSION OR RETIREMENT EXCLUSION IN THE AMOUNT YOU ENTER ON LINE 4b, COLUMN B. NOTE: Effective January 1, 2000 for taxpayers who are 60 years of age or older, the amount of allowable pension exclusion is \$12,500. See your most recent Delaware instructions for items included as adjustments.**

**LINE 4c. TOTAL ADJUSTMENTS TO INCOME:** Add Lines 4a and 4b. Enter the results on Line 4c.

**LINE 5. ADJUSTED GROSS INCOME (AGI):** Subtract the amounts on Line 4c from the amounts on Line 3. Enter the results on Line 5.

**LINE 6. PRORATION DECIMAL:** Divide the amount on Line 5, Column B (Delaware Source AGI) by the amount on Line 5, Column A (Total AGI). Round off to the fourth position. For example, if Delaware Source AGI is \$11,500 and Total AGI is \$20,000, the proration decimal would be 0.5795 ( $11,500/20,000=0.5795$ ).

### DEDUCTIONS

**LINE 7. DEDUCTIONS:** Please enter the higher of the available standard deductions or itemized deductions.

*Standard Deduction:* Filing Status 1 (Single) \$3,250; Filing Status 2 (Joint) \$6,500 Filing Status 3 (Married Filing Separate Forms) \$3,250. Taxpayers age 65 and over (and or/blind) are entitled to an additional standard deduction in the amount of \$2,500. Persons electing to itemize their deductions DO NOT qualify for an additional standard deduction.

*Itemized Deductions:* Enter an estimate of your current year's itemized deductions, i.e., home mortgage interest, real estate and other taxes (excluding State of Delaware income tax paid), charitable contributions, medical expenses in excess of 7.5% of AGI, and miscellaneous deductions (most miscellaneous deductions are now deductible only in excess of 2% of your income.) If computing this section using the married filing separate status, the following rule applies: Include **ONLY** the amount of itemized deductions that pertain to **YOUR** return.

### WITHHOLDING CALCULATION

**LINE 8. ESTIMATED TAXABLE INCOME:** Subtract Line 7 from Line 5. Enter the result on Line 8.

**LINE 9. GROSS TAX LIABILITY:** Calculate tax liability based on the amount found on Line 8. Enter the result on Line 9. Refer to the tax table and example of the tax liability calculation on the front of this form.

**LINE 10. PERSONAL CREDITS:** Multiply the number on Line D by \$110. Enter the result on Line 10.

**LINE 11. NET LIABILITY BEFORE PRORATION:** Subtract Line 10 from Line 9. Enter the result on Line 11. Enter zero if Line 9 is greater than Line 10.

**LINE 12. PRORATION DECIMAL:** Enter the proration decimal from Line 6.

**LINE 13. ESTIMATED DELAWARE SOURCE LIABILITY:** Multiply Line 11 by Line 12 (Round to two positions.) Enter the result on Line 13.

**LINE 14. NUMBER OF PAY PERIODS:** Enter the number of pay periods per year for your Delaware source wage income. (i.e.: If you are paid weekly, enter 52. If you are paid every other week, enter 26. If you are paid bi-monthly, enter 24. If you are paid monthly, enter 12.)

**LINE 15. WITHHOLDING PER PAY PERIOD:** Divide amount on Line 13 by the number of pay periods on Line 14. This is the amount which will be withheld from your paycheck for the State of Delaware's Personal Income Tax.

**PLEASE NOTE:** You will be in violation of the estimated tax laws if, when filing your tax return, you have not paid to the Division of Revenue: (1) 90% of your current tax liability; or (2) 100% of your previous year tax liability or 110% if your AGI is over \$150,000 (\$75,000 if filing separately) for the current year. For underpayment of estimated tax, a penalty of 1.5% per month, or fraction of a month, is imposed on the amount of the underpayment, for the period the underpayment existed.

**Additional information and Estimated tax forms are available from the Division of Revenue, 820 N. French Street, Wilmington, DE 19801 or by phoning (302) 577-8200.**