

17 NCAC 06C .0126 SUBMISSION OF CERTAIN WITHHOLDING ALLOWANCE CERTIFICATES

- (a) An employer is required to submit a copy of any withholding allowance certificate on which the employee claims more than 10 withholding allowances or claims exemption from withholding and the employee's wages would normally exceed two hundred dollars (\$200.00) per week.
- (b) An employer filing quarterly withholding reports shall submit copies of the certificates received during the quarter when filing the quarterly report. An employer filing monthly withholding reports shall submit copies of the certificates received during the quarter when filing the monthly report for the third month of the calendar quarter. Copies may be submitted earlier and for shorter reporting periods.
- (c) Copies of the certificates, along with a letter showing the employer's name, address, withholding identification number, and the number of certificates submitted, shall be mailed to: North Carolina Department of Revenue, Tax Compliance - Withholding Tax, P.O. Box 25000, Raleigh, North Carolina 27640.
- (d) The employer shall withhold on the basis of the certificate until written notice is received from the Department that the certificate is defective. As part of that written notice, the Department shall advise the employer to ignore the allowance certificate filed and to withhold using the number of allowances specified.
- (e) The employer shall furnish the employee a copy of the written notice upon receipt.
- (f) If the employee files a new certificate, the employer shall honor that certificate only if the employee does not claim exempt and claims a number smaller than the number allowed in the Department's written notice. If the new certificate claims a number larger than the employee has been allowed and the employee specifies, in writing, any circumstances as justification to support the claims, the employer shall, upon receipt, forward a copy of the certificate and the employee's written statement to the Department for review. The employer shall continue to withhold as specified in the Department's written notice until written notice is received from the Department advising the employer to withhold on the basis of the new certificate.
- (g) To increase withholding, an employee or a recipient of a pension payment may claim less than his or her allowable allowances or may enter into an agreement with his or her withholding agent and request that an additional amount be withheld by entering the desired amount on Form NC-4, NC-4 EZ, NC-4 NRA, or NC-4P.
- (h) An employee working for two or more employers or a recipient receiving pension payments from two or more pension payers shall claim his or her allowable allowances with only one withholding agent and claim zero allowances with the other withholding agents.
- (i) If an employee claims total exemption from withholding, the employee's wages shall be exempt from withholding of North Carolina income tax for the remainder of the calendar year, and through February 15 of the succeeding year unless the employee withdraws the statement during the year. An employee claiming exemption from withholding shall complete a new certificate by February 15. If the employee does not complete a new certificate, the employer shall withhold on the basis of a single individual with no allowances.

*History Note: Authority G.S. 105.163.2; 105-163.2A; 105-163.5; 105-262;
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