



Office of the State Comptroller

PAYROLL BULLETIN

Subject Employees Claiming Tax Exempt Status	Bulletin No. P-348
	Date March 10, 1983

Effective March 31, 1983 the Office of the State Comptroller will be reporting on Magnetic Tape to IRS any employee claiming more than 14 exemptions or tax exempt. Therefore, it will no longer be necessary to submit any employees W-4's to this office. However, Internal Revenue Service regulations still require employees claiming tax exempt status to file a new W-4 between January 1 and April 30 of each year. The new W-4 will be retained in the employee's agency.

Employees claiming exempt must complete line 6 of the W-4, and only if A and B apply may they enter exempt. Also if the employee claiming exempt status, is a full-time student, block "C" must be completed. This block should not be completed for employees claiming other than tax exempt status.

Student status information is now required by IRS for employees claiming tax exempt. The new code (550) is to be used on AC-1040's to report full-time student status. If an employee reports full-time student status in addition to tax exemption, an AC-1040 must be submitted with 550 in a Code Block and an "S" in the amount block. To cancel student status enter 550 in a Code Block and a "C" in the Amount Block.

During the week of March 7, 1983 you will receive two copies of a listing of your employees who are currently claiming tax exempt status.

Each employee on the list must complete a new W-4 for 1983. If your agency has already received new W-4's for these employees, please review them for full-time student status.

An AC-1040 must be submitted if; A) there is a change in exempt status, B) the employee has indicated full-time student or C) you do not receive a new W-4 for 1983 by April 30, 1983, submit single with one exemption.

Return one copy of the listing with any AC-1040's required (do not enter the payroll period on the AC-1040's) by May 9, 1983. If no AC-1040 action is required, please return the listing indicating "NO CHANGES REQUIRED".

The listing and AC-1040's should be sent to:

Office of the State Comptroller
Payroll Planning Unit-8th Floor
A.E. Smith State Office Building
Albany, New York 12236

Any questions regarding this Bulletin should be directed to Margie McClimans or Mike Breen at 518-473-0950.