

2018 Worksheet OR-WW



Office use only

Oregon Withholding Worksheet

Instructions:

Read Oregon Income Tax Withholding Information prior to completing this worksheet.

Complete **Part A** to determine if you need to adjust your Oregon withholding. The calculation is an estimate based upon how you completed the worksheet(s) for the federal Form W-4. The calculation assumes you previously completed all of the appropriate worksheets for the federal Form W-4 for your specific situation and you're currently withholding based upon those results. If you are currently claiming a different amount, your results may vary.

Complete **Part B** if you want to more accurately calculate whether you will have enough withholding to cover your Oregon tax liability. This calculation will require you to estimate your 2018 tax liability after credits, compare the amount of Oregon withholding that has already been taken out of your paychecks this year, and determine the amount left to be withheld for Oregon by the end of the calendar year.

Multiple jobs and/or income over \$100,000 (or \$200,000 if filing jointly). If you have more than one job, or if you're married and you and your spouse each have at least one job, and/or if your income is over \$100,000 (or \$200,000 if filing jointly), the results from Part A may not be as accurate as the results from Part B. Consider completing Part B for a more accurate calculation.

Don't fill in cents. Round off cents to the nearest dollar. For example, \$99.49 becomes \$99.00, and \$99.50 becomes \$100.00.

Caution. This worksheet provides an estimate of the Oregon personal income tax most people need to have withheld to cover their 2018 tax liability. Your 2018 tax return may still result in tax due or a refund.

Part A

Multiple jobs. If you have multiple jobs or if you're married and you and your spouse both earn wages, complete Part A for the highest-paying job. For all lower-paying jobs, you should claim -0- allowances and -0- additional amount withheld per paycheck for Oregon. To do this, you can file an Oregon-only version of the federal Form W-4 with your employer, if you haven't already.

Determining the correct amount of allowances.

1. Enter the number of federal allowances shown on your paystub. If you started a new job and haven't received your first paycheck, enter the number of allowances you entered on the federal Form W-4, line 5, that you filled out with your employer..... 1.
2. Enter the number of allowances from lines D, E, F, and G of the 2018 federal Form W-4 personal allowances worksheet that you most recently filled out. If you haven't completed it, do so now or consider completing Part B of this worksheet. 2.
3. Line 1 minus line 2. This number may be less than zero..... 3.
4. Enter the number of dependents—other than yourself and your spouse—that you'll claim on your 2018 Oregon return. If your income is over \$100,000 and you're single (or over \$200,000 if you're married), enter -0-..... 4.

-Keep a copy of this worksheet with your tax records.-

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5. Enter the estimated amounts you expect to claim for the following Oregon tax credits:
- 5a. Oregon earned income credit (Generally, 8% of your federal earned income tax credit).... 5a.
 - 5b. Working family household and dependent care credit..... 5b.
 - 5c. Other standard, carryforward, or refundable credits (excluding personal exemption credits - see Publication OR-17). 5c.
 - 5d. Total estimated Oregon tax credits. Add lines 5a, 5b, and 5c. 5d.

6. Allowances for Oregon tax credits. Line 5d divided by \$201. Round down to the next whole number and enter the result here..... 6.

Example: If line 5d is \$952, enter 4 ($\$952 \div \$201 = 4.7$, which is rounded down to 4).

7. Add lines 3, 4, and 6..... 7.

If zero or greater, enter the result on line 5 of the Oregon-only version of your federal Form W-4 and continue to line 8.

If less than zero, enter the number of allowances on line 5 of the Oregon-only version of your federal Form W-4 that you listed on line 1 of this worksheet and continue to line 8.

Determining the additional amount to have withheld per paycheck.

8. Enter the number from line 1. However, if you submitted an Oregon-only version of the federal Form W-4 that was in effect for 2018, enter the number of allowances you claimed for Oregon-only. 8.

9. Line 8 minus line 7. 9.

Example: If line 7 was (-3) and line 8 is 2, enter 5 [$2 - (-3) = 5$].

If greater than zero, continue to line 10.

If zero or less, stop here. Consider completing Part B instead of Part A to more accurately determine your Oregon withholding. Otherwise, enter -0- on line 6 of the Oregon-only version of your federal Form W-4.

10. Line 9 multiplied by \$201 10.

11. Enter the number of paychecks you have already received in 2018 11.

Example: If you're paid monthly and you fill out Worksheet OR-WW on August 15, 2018 and you started working for your employer in March, enter 5 (for April–August).

12. Enter the number of paychecks you expect to receive between now and the end of the year 12.

13. Total number of paychecks for 2018. Add lines 11 and 12..... 13.

14. Line 10 divided by line 13 14.

15. Line 14 multiplied by line 11 15.

16. Additional amount to withhold per paycheck. Line 15 divided by line 12. Enter this amount on line 6 of the Oregon-only version of your federal Form W-4..... 16.

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Part B

Multiple jobs. If you have multiple jobs or if you're married and you and your spouse both earn wages, complete Part B using the total wages and withholding from all jobs. Don't complete Part B separately for each job.

17. Enter your anticipated Oregon tax liability after credits for tax year 2018 (see instructions).... 17.

18. Enter the amount you've already had withheld for Oregon from your pay in 2018..... 18.

19. Oregon allowances. Enter the number of Oregon allowances shown on your paystub. Also enter this number on line 5 of the Oregon-only version of your federal Form W-4. 19.

Note: If you have multiple jobs or if you and your spouse both earn wages, enter the allowances for the highest-paying job.

Note: If you started a new job and haven't received your first paycheck, enter the amount on federal Form W-4, line 5.

20. Enter any additional amount you're currently having withheld for Oregon per paycheck. ... 20.

Note: If you have multiple jobs or if you and your spouse both earn wages, enter the amount for the highest-paying job.

Note: If you started a new job and haven't received your first paycheck, enter the amount on federal Form W-4, line 6.

21. Enter the amount you estimate will be withheld from your pay from now until the end of 2018 (see instructions)..... 21.

22. Add lines 18 and 21 22.

23. Additional amount to withhold for 2018. Line 17 minus line 22. If zero or less, enter -0- and stop here; you don't need additional withholding..... 23.

24. Enter the number of paychecks you expect to receive between now and the end of the year 24.

Note: If you have multiple jobs or if you and your spouse both have wages, enter the number of remaining paychecks for the highest-paying job.

Example: If you fill out this worksheet on August 15, 2018, you get paid monthly, and you plan to work for your employer for the remainder of the year, enter 4 (for September–December).

25. Line 23 divided by line 24..... 25.

26. Additional amount to withhold per paycheck. Add lines 20 and 25. Enter this amount on line 6 of the Oregon-only version of your federal Form W-4..... 26.

Note: If you have multiple jobs or if you and your spouse both earn wages, enter this amount on the Oregon-only version of the federal Form W-4 for the highest-paying job. For all lower-paying jobs, don't submit a new Oregon-only version of federal Form W-4.

Changes to Oregon withholding

Congress passed the Tax Cuts and Jobs Act in December 2017, which made many changes to federal personal income tax laws. Due to these changes, using your federal Form W-4, *Employee's Withholding Allowance Certificate*, for Oregon withholding calculations may no longer result in the correct amount of Oregon withholding.

If you filled out a new federal Form W-4 in 2018 to update your federal withholding or because you started a new job, **you might not be withholding enough to cover your Oregon tax liability.** This means you may end up owing taxes when you file your Oregon personal income tax return. See below for information on how to update your withholding for Oregon.

What is Oregon income tax withholding?

Oregon income tax withholding is the amount you have withheld from your paychecks to cover your anticipated personal income tax liability for the year. Your employer sends the money withheld to the Oregon Department of Revenue, where it's applied to your tax account. When you file your Oregon personal income tax return for the year, the amount withheld from your paychecks is applied toward the amount you owe. If the amount withheld is more than what you owe, you'll receive a refund. If it's less, you'll have additional tax to pay.

How is the amount of Oregon income tax withholding determined?

Oregon's withholding tax formulas, provided to your employer, use your wages, filing status, and number of withholding allowances claimed. Your employer will use the filing status and allowances you claimed on your federal Form W-4, unless you ask that a different amount be used for your Oregon withholding.

What can I do if my Oregon withholding is too high or too low?

Previously, the calculation of Oregon withholding was more in line with federal withholding. However, due to changes in federal tax laws, allowance calculations for federal purposes aren't as effective for determining Oregon withholding in certain cases.

The amount withheld from your wages may be higher than your actual Oregon tax liability, which may result in a refund, if:

- You have large deductions.

- You claim Oregon credits that aren't accounted for on the federal tax form, such as Oregon's working family household and dependent care credit.

If either of these situations apply to you, you should consider providing your employer with an Oregon-only version of the federal Form W-4 with more allowances than your federal form. Each additional allowance will reduce your withholding for the year by \$201. See below for information on how to file an Oregon-only version of the federal Form W-4.

The amount withheld from your wages may be lower than your actual tax liability, which may result in you owing money, if:

- You updated your Oregon withholding allowances based on the 2018 federal Form W-4.
- You're in a dual-earner household and filing a joint return.
- You have more than one job.
- You claimed federal credits that aren't carried over to your Oregon taxable income, such as the federal child tax credit.
- You have non-wage income, such as interest, dividends, business income, or capital gains.
- You claimed "exempt" from federal withholding because you had no federal tax liability, and you will have an Oregon tax liability.

If any of these situations apply to you, you should consider doing one of the following:

- Provide your employer with an Oregon-only version of the federal Form W-4 with fewer allowances than you're claiming for your federal withholding or with an additional amount to have withheld per paycheck. See the next page for information on how to file an Oregon-only version of the federal Form W-4.
- Make estimated tax payments to cover the difference between your withholding and the amount you'll owe when you file your return. See Publication OR-ESTIMATE for more information.

How can I file an Oregon-only version of the federal Form W-4?

If your federal withholding is close to your federal tax liability, but your Oregon withholding isn't, you can make changes to your Oregon withholding by:

- Adjusting the number of allowances claimed for Oregon; and/or
- Having an additional amount withheld for Oregon.

1. Obtain your most recent pay stub and identify the number of allowances you're currently claiming for Oregon and the amount of any additional Oregon withholding you have taken out of your paychecks. If you're completing Part B, it may be helpful to also obtain a copy of your 2017 Oregon personal income tax return.
2. Go to the IRS's website and complete the worksheets for federal Form W-4. You will need to complete the federal worksheets before you can fill out Worksheet OR-WW.

Note: If you claim "exempt" on federal Form W-4 and you anticipate having an Oregon tax liability, fill out the federal worksheets as if you weren't claiming exempt.

3. Complete Part A or Part B of Worksheet OR-WW. See below for special line instructions.

Line 17. There are many ways to estimate your tax liability after credits for tax year 2018. Two examples are:

- Complete the estimated tax worksheets in Publication OR-ESTIMATE. Full-year residents will use line 12 of the estimated tax worksheet for full-year resident filers. Nonresidents or part-year residents will use line 3 of the estimated tax worksheet for nonresidents and part-year resident filers. Calculate your 2018 tax liability after credits using the 2018 tax rate charts located in Publication OR-ESTIMATE and using the federal tax subtraction and standard deduction charts below.
- Enter your 2017 Oregon tax liability after credits, excluding the Oregon surplus "kicker" credit (for example: 2017 Form OR-40 line 31 minus lines 35 and 37). This option will only work if your tax situation hasn't changed from 2017 to 2018.

Line 21. There are many ways you can estimate your Oregon withholding for the remainder of the year. Two examples are:

- Multiply the amount you currently have withheld for Oregon on your paycheck by the remaining number of paychecks you will receive in 2018. This option will only work if you will continue to claim the same number of allowances going forward as was calculated on your last paycheck.
- Calculate your federal withholding first, using federal Notice 1036. Then calculate your Oregon withholding using, *Oregon Tax Formulas*, 150-206-436. You must calculate your federal withholding first before you can calculate your Oregon withholding. Use the amounts listed on lines 19 and 20 to help you determine this amount.

Note: Your payroll or tax professional may help you determine this amount.

4. Write "For Oregon only" at the top of the federal Form W-4. This will tell your employer to make changes only to your Oregon withholding.
5. Give the Oregon-only version of your federal Form W-4 to your employer.

2018 Federal tax subtraction chart

If your filing status is:	And your federal adjusted gross income is:		Then your maximum allowable tax liability subtraction is:
	At least—	But less than—	
Single	-0-	\$125,000	\$6,650
	\$125,000	\$130,000	\$5,300
	\$130,000	\$135,000	\$4,000
	\$135,000	\$140,000	\$2,650
	\$140,000	\$145,000	\$1,300
	\$145,000 or more		-0-
Married filing separately	-0-	\$125,000	\$3,325
	\$125,000	\$130,000	\$2,650
	\$130,000	\$135,000	\$2,000
	\$135,000	\$140,000	\$1,325
	\$140,000	\$145,000	\$ 650
	\$145,000 or more		-0-
Married filing jointly; or Head of household; or Qualifying widow(er)	-0-	\$250,000	\$6,650
	\$250,000	\$260,000	\$5,300
	\$260,000	\$270,000	\$4,000
	\$270,000	\$280,000	\$2,650
	\$280,000	\$290,000	\$1,300
	\$290,000 or more		-0-

2018 Standard deduction chart

Single	\$2,215
Married filing jointly	\$4,435
Married filing separately	
• If spouse claims standard deduction	\$2,215
• If spouse claims itemized deductions	-0-
Head of household	\$3,570
Qualifying widow(er)	\$4,435

Do you have questions or need help?

www.oregon.gov/dor
 (503) 378-4988 or (800) 356-4222
 questions.dor@oregon.gov

Contact us for ADA accommodations or assistance in other languages.