

## Where can I get more information?

Information and free forms are available on the IRS's website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-829-1040. You can check your withholdings with their online withholding calculator (type "withholding calculator" into the search box in the top right corner). More information about withholding is available in IRS Publication 919, *How Do I Adjust My Tax Withholding?*.

Oregon tax information is available by calling 1-800-356-4222 or visiting their website at [www.oregon.gov/DOR/](http://www.oregon.gov/DOR/).

More useful tax information is available on our website at [www.oregonlawhelp.org](http://www.oregonlawhelp.org). The Legal Aid LITC may also be able to help you.

## How to get help from the Legal Aid Low Income Taxpayer Clinic

Call the Legal Aid Low Income Taxpayer Clinic (LITC) and apply for our services. If you are eligible, we will make an appointment for you to speak with a tax advocate at our office or by phone.

Please bring us your most recent IRS notice or send it to us before your appointment so we can better understand your problem.

After your appointment, we will review your case to determine whether we can help you. If we can't accept your case, we will try to advise you on how to represent yourself.

We do not assist with tax return preparation.

To find local, free tax preparation sites, call 211 or 1-888-227-7669

## About the Low Income Taxpayer Clinic at Legal Aid

Legal Aid Services of Oregon is an independent non-profit law firm that provides statewide legal services to low income clients.

The Low Income Taxpayer Clinic is designed to help people who cannot afford a private attorney.

We can help:

- Represent clients in Tax Court
- Stop liens and levies
- Assist with audits
- Appeal Earned Income Credit denials
- Settle tax debts
- Help with Innocent Spouse Relief and Injured Spouse claims

We are not part of the IRS. When you talk to us, all of your information is confidential. We do not share information with the IRS without your permission.

**We never charge a fee for our services.**

LOW INCOME  
TAXPAYER CLINIC

**LEGAL AID SERVICES OF OREGON**

921 SW Washington, Suite 500  
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# HELP!

## How much should be taken from my check for taxes?



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## Why does my employer take money from my paycheck?

Your employer generally withholds (takes out) money from your paycheck for state and federal taxes. They are also required to keep some of your money to pay towards FICA and Medicare. FICA and Medicare taxes finance the federal system of old-age, survivors, disability, and hospital insurance. Your employer must pay the same amount for FICA and Medicare that you pay.

 Keep in mind that different rules apply for people who work as independent contractors.

## How do they know how much to take for taxes?

Your employer figures out how much to withhold (take out) from your paycheck based on the information you provide them. When you first start your job, your employer should ask you to fill out a W-4 form. This form tells them your name, your social security number, your marital status, and the number of allowances you wish to claim.

 Your name should match the name on your social security card. You can not use an ITIN in place of your social security number on a W-4.

## What are allowances?

Allowances help your employer determine how much to withhold from your paycheck for taxes. Generally, the more allowances you claim on your W-4, the less tax is withheld. For example, someone who claims 9 allowances will have much less money withheld from their paycheck than someone who only claims 1 allowance.

## How many allowances should I claim?

The W-4 form has a worksheet which will help you calculate how many allowances to claim. When deciding how many allowances to use, you should think about the number of dependents you are supporting, your filing status, whether you are eligible for certain tax credits, and how many different jobs you and your spouse have at the same time.

 **You may not claim more allowances than you're entitled to claim! Though your W-4 form is kept by your employer, the IRS can review it at any time.**

## Why does it matter?

The W-4 form is used only by your employer to figure out how much money to withhold for taxes. **It does not determine the amount of taxes you owe.** Your goal should be to have at least enough money withheld from your paycheck to cover the state and federal taxes you will owe at the end of the year.

## What happens if they don't take enough?

You are not supposed to claim more allowances than you are entitled to claim. If you claim too many allowances, you might not have enough money withheld from your checks to pay the taxes you owe for the year. When you file your tax return, you may owe a large amount for taxes or may have to pay a penalty. For many people it is easier to have the money withheld a little bit each month, than to have to pay a large bill all at once.

If you can't pay the full amount you owe when it is due (April 15), the IRS and the Department of Revenue will charge you penalties and interest until you pay the amount in full.

## What happens if they take too much?

If too much money is withheld, it will reduce the amount of your take-home pay, which could make it difficult to pay your monthly bills. Instead of getting to keep more of your paycheck each month, you will get a larger refund when you file your taxes. While a refund is nice (and certainly better than having to pay!), it means you have to wait until you get your refund to use your money.

## Can I change my W-4?

It is a good idea to update your W-4 anytime your circumstances change. For example, you might want to change your W-4 if: you get married or divorced, have a baby, one of your dependents moves out, your name changes, or you expect your tax situation (eligibility for credits, amount of deductions, etc.) to change.

If you get a large refund every year you may want to check your W-4 to make sure you're claiming all the allowances you're allowed to claim. This will increase your take-home pay each month and reduce your refund.

If you owe taxes every year, you may want to reduce the number of allowances you claim. The IRS will allow you to claim fewer allowances than you are allowed to claim, which increases the amount of tax that is withheld. This will decrease your take-home pay each month and reduce the amount you owe in taxes when you file your return.

If you wish to change your W-4, ask your employer for a new form or get one from the IRS (1-800-829-3676 or [www.irs.gov](http://www.irs.gov)). Once you have filled it in, give it to your employer.