

# IRA

## STATE INCOME TAX WITHHOLDING ELECTION

The term IRA will be used below to mean Traditional IRA, Roth IRA, and SIMPLE IRA, unless otherwise specified. This form may only be used to supplement an IRA withdrawal form to make a state income tax withholding election.

### PART 1. IRA INFORMATION

#### IRA OWNER

Name (First/MI/Last) \_\_\_\_\_

Social Security Number \_\_\_\_\_

Date of Birth \_\_\_\_\_ Phone \_\_\_\_\_

Email Address \_\_\_\_\_

Account Number \_\_\_\_\_ Suffix \_\_\_\_\_

#### ACCOUNT TYPE (Select one)

- Traditional IRA     Inherited Traditional IRA     SIMPLE IRA  
 Roth IRA     Inherited Roth IRA

#### FORM TYPE AND DATE (Complete and attach the supplemented form)

Form Type \_\_\_\_\_

Form Dated \_\_\_\_\_

### PART 2. WITHHOLDING ELECTION

This form provides general information about state withholding requirements for IRA distributions. It is not intended to provide a complete overview of state withholding rules and regulations. The information on this form is obtained from state revenue authorities, and every effort has been made to ensure its accuracy. Because state tax laws are subject to constant change, often without prior notice, the accuracy of the information cannot be guaranteed beyond the revision date of the form. Seek professional tax advice if you have questions regarding state withholding requirements that apply to your IRA distribution.

Refer to page 3 of this form for a summary of applicable State Income Tax Withholding Rules. Withholding is based on your state of residence, unless noted otherwise.

#### ARKANSAS

- Withhold 3.0%  
 Do not withhold

#### CALIFORNIA

- Withhold 10% of my federal withholding election  
 Do not withhold

#### CONNECTICUT

- Withhold 6.99%  
 Withhold \$ \_\_\_\_\_ based on my election on Form CT-W4P  
 Do not withhold based on my election on Form CT-W4P

#### DISTRICT OF COLUMBIA

- Withhold 10.75%  
 Do not withhold

#### IOWA

- Withhold 5.0% because I elected federal withholding  
 Do not withhold because I did not elect federal withholding

#### KANSAS

- Withhold 5.0% regardless of my federal election  
 Do not withhold because I did not elect federal withholding

#### LOUISIANA

- Withhold \_\_\_\_\_% (Not greater than 4.8%)  
 Do not withhold

#### MAINE

- Withhold 5.0% because I elected federal withholding  
 Do not withhold because I did not elect federal withholding

#### MASSACHUSETTS

- Withhold 5.0% because I elected federal withholding  
 Do not withhold because I did not elect federal withholding or I am not required to pay Massachusetts income taxes

#### MICHIGAN

- Withhold 4.25%  
 Withhold \$ \_\_\_\_\_ based on my election on Form MI W-4P  
 In addition to my election above, withhold an optional \_\_\_\_\_% based on my election on Form MI W-4P  
 Do not withhold based on my election on Form MI W-4P

#### MINNESOTA

- Withhold or do not withhold based on my elections on Form W-4MNP or my failure to furnish the IRA trustee or custodian with Form W-4MNP. Withholding elections must be made on Form W-4MNP which may be obtained from the Minnesota Department of Revenue.

#### MISSOURI

- Withhold 5.4%  
 Do not withhold

#### MONTANA

- Withhold \$ \_\_\_\_\_  
 Do not withhold

#### NEBRASKA

- Withhold \_\_\_\_\_% (Must be 5.0% or greater) regardless of my federal election  
 Do not withhold because I did not elect federal withholding

#### NEW JERSEY

- Withhold \$ \_\_\_\_\_ (Must be an even dollar amount)  
 Do not withhold

#### NORTH CAROLINA

- Withhold 4.0%  
 Do not withhold based on my election on Form NC-4P

#### OKLAHOMA

- Withhold 4.75% regardless of my federal election  
 Do not withhold because I did not elect federal withholding

#### OREGON

- Withhold 8.0%  
 Do not withhold

#### VERMONT

- Withhold 30% of my federal withholding election  
 Do not withhold because I did not elect federal withholding

#### WISCONSIN

- Withhold \$ \_\_\_\_\_  
 Do not withhold

Name of IRA Owner \_\_\_\_\_, Account Number \_\_\_\_\_

**OTHER**

Use this section to elect a withholding rate not listed on page 1.

I file a tax return in \_\_\_\_\_ (Name of state)

(Check and complete one box below.)

Withhold \$ \_\_\_\_\_

Withhold \_\_\_\_\_ %

Do not withhold

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**PART 3. SIGNATURE**

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I have read and understand the applicable State Income Tax Withholding Rules on this form and agree to abide by those rules and conditions. All decisions regarding this withholding are my own and I expressly assume the responsibility for any consequences that may arise from this withholding election.

**X** \_\_\_\_\_  
Signature of IRA Owner

\_\_\_\_\_  
Date (mm/dd/yyyy)

**IRA TRUSTEE OR CUSTODIAN INFORMATION:** Name \_\_\_\_\_, Organization Number \_\_\_\_\_

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## STATE INCOME TAX WITHHOLDING RULES

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### GENERAL RULES

In most cases, state withholding applies to state residents only. In Maine, Massachusetts, Montana, Nebraska, Oregon, and Wisconsin, state withholding also applies to individuals required to file a state tax return in that state.

Financial organizations are required to offer state withholding for states in which they have a presence. Financial organizations that conduct business in a state in which they do not have a physical presence should review the withholding regulations in those states to determine if they are also required to comply with those states' withholding requirements.

If a state withholding election is not made and state withholding is required, state tax will be withheld.

A state withholding election may be changed at any time and will apply to payments made after the change.

### STATE-SPECIFIC RULES

**ARKANSAS.** IRA distributions are subject to state withholding at 3.0% of the gross payment, unless the IRA owner elects no state withholding.

**CALIFORNIA.** IRA distributions are subject to state withholding at 10% of the IRA owner's federal withholding election of the gross payment, unless the IRA owner elects no state withholding.

**CONNECTICUT.** Taxable lump-sum IRA distributions are subject to mandatory state withholding at 6.99% of the gross payment. Any other taxable distribution from an IRA is subject to state withholding at 6.99% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form CT-W4P. Form CT-W4P may be obtained from the Connecticut Department of Revenue Services.

**DISTRICT OF COLUMBIA.** Lump-sum IRA distributions are subject to mandatory state withholding at 10.75% of the gross payment, except for any after-tax amount in a lump-sum distribution or a trustee to trustee transfer between IRAs.

**IOWA.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment.

**KANSAS.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**LOUISIANA.** IRA distributions are subject to state withholding only when the IRA owner elects state withholding and specifies a percentage not to exceed 4.8% of the gross payment.

**MAINE.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from that payment.

**MASSACHUSETTS.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment. (*Exception: A payment is not subject to state withholding if it is excluded from taxation under Massachusetts law.*)

**MICHIGAN.** Any taxable distribution from an IRA received by an IRA owner or beneficiary born after December 31, 1945, is subject to state withholding at 4.25% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form MI W-4P. Withholding also applies to any taxable distributions received by an IRA owner or beneficiary born before 1946 that exceeds certain income thresholds. Withholding is not required on qualified distributions from Roth IRAs. Form MI W-4P may be obtained from the Michigan Department of Treasury.

**MINNESOTA.** IRA distributions are subject to mandatory state withholding. The IRA owner must furnish the financial organization with a completed Form W-4MNP to make a withholding election or to elect no state withholding. If the IRA owner fails to furnish the financial organization with a completed Form W-4MNP, the financial organization must withhold state tax as if the IRA owner is single with zero withholding allowances. Form W-4MNP may be obtained from the Minnesota Department of Revenue.

**MISSOURI.** IRA distributions are subject to state withholding at 5.4% of the gross payment, unless the IRA owner elects no state withholding.

**MONTANA.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if it would result in a net payment of less than \$10.

**NEBRASKA.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**NEW JERSEY.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. The IRA owner must specify an even dollar amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment).

**NORTH CAROLINA.** IRA distributions are subject to state withholding at 4.0% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form NC-4P. Form NC-4P may be obtained from the North Carolina Department of Revenue.

**OKLAHOMA.** IRA distributions are subject to state withholding at 4.75% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**OREGON.** IRA distributions are subject to state withholding at 8.0% of the gross payment, unless the IRA owner elects no state withholding.

**VERMONT.** IRA distributions are subject to state withholding at 30% of the IRA owner's federal withholding election of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**WISCONSIN.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$5 (per payment).

**OTHER.** This section is reserved for use if a state modifies its withholding requirements.