

STATE TAXES

What You Need to Know While Working as a Casual!



TAXES WITHHELD FROM THE WRONG STATE?

- If you notice before the end of the year that taxes were withheld from an incorrect state, you may contact us to submit a tax correction form.
- If you notice after the end of the year that taxes were withheld from an incorrect state, taxes cannot be reversed. At that point you should contact a tax professional about filing tax returns for both states.

State Tax Procedures

Wages are required to be reported to the state in which you are hired. This is called your "Hired At State". Therefore, a state tax record will be set up in your profile to withhold taxes for the state in which you are hired. If you submit a State Tax form indicating a different state than your Hired At State, taxes will be deducted for **both** states.

Example 1: You are hired out of an Arizona office, and then you work/live in Utah:

- Taxes **will be** deducted for Arizona.
- Taxes **will not** be deducted for Utah unless you submit a form for Utah state taxes. Always indicate "Utah State Taxes Only" at the top of the form (or appropriate residence state).

The only time you can opt to remove your Hired At State from your profile is when there is a reciprocal agreement in place.

Example 2: You are hired out of a Montana office, and then you work/live in North Dakota:

- A tax record for Montana will be set up in your profile; however, because these two states have a reciprocal agreement, you may send us a form to remove Montana and add North Dakota if you would like.

You should always discuss withholding and exemption options with your tax advisor.

What am I responsible for?

- It is your responsibility to make sure your profile is correct and up-to-date!
- If unsure of the State(s) you have elected to withhold tax, contact our office. Tax designations are also indicated on your Wage and Earning Statements.
- You may email forms to our office to update your profile. Forms and a list of state reciprocal agreements can be found on our website at: <https://www.nifc.gov/programs/casual-payment-center>