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## HOUSE BILL NO. 2511

Offered January 20, 1997

A *BILL to amend and reenact § 58.1-461 of the Code of Virginia, relating to requirement for withholding taxes.*

Patron—Marshall

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That § 58.1-461 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-461. (Effective until January 1, 1999) Requirement of withholding.

Every employer making payment of wages shall deduct and withhold with respect to the wages of each employee for each payroll period an amount determined as follows: Such amount which, if an equal amount was collected for each similar payroll period with respect to a similar amount of wages for each payroll period during an entire calendar year, would aggregate or approximate the income tax liability of such employee under this chapter after making allowance for the personal exemptions to which such employee could be entitled on the basis of his status during such payroll period and after making allowance for withholding purposes for a standard deduction from wages in accordance with the laws of the United States relating to federal income taxes and after making an allowance for any credit available to the employee as provided by § 58.1-332, and without making allowance for any other deductions. In determining the amount to be deducted and withheld under this article, the wages may, at the election of the employer, be computed to the nearest dollar.

An employer shall not be required to deduct any amount upon a payment of wages to an employee if there is in effect with respect to such payment a withholding exemption certificate, in such form and containing such other information as the Tax Commissioner may prescribe, furnished by the employee to the employer, certifying that the employee: (i) incurred no liability for income tax imposed by this chapter for his preceding taxable year; and (ii) anticipates that he will incur no liability for income tax imposed by this chapter for his current taxable year.

*The Tax Commissioner shall provide to employers an additional withholding form to be used for the payment of tangible personal property taxes.*

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Every employer making payment of wages shall deduct and withhold with respect to the wages of each employee for each payroll period an amount determined as follows: Such amount which, if an equal amount was collected for each similar payroll period with respect to a similar amount of wages for each payroll period during an entire calendar year, would aggregate or approximate the income tax liability of such employee under this chapter after making allowance for the personal exemptions to which such employee could be entitled on the basis of his status during such payroll period and after making allowance for withholding purposes for either a standard deduction or an itemized deduction from wages in accordance with the laws of Virginia relating to income taxes and additional exemptions to approximate the amount by which the taxpayer's itemized deduction will exceed the standard deduction. In determining the amount to be deducted and withheld under this article, the wages may, at the election of the employer, be computed to the nearest dollar.

An employer shall not be required to deduct any amount upon a payment of wages to an employee if there is in effect with respect to such payment a withholding exemption certificate, in such form and containing such other information as the Tax Commissioner may prescribe, furnished by the employee to the employer, certifying that the employee: (i) incurred no liability for income tax imposed by this chapter for his preceding taxable year; and (ii) anticipates that he will incur no liability for income tax imposed by this chapter for his current taxable year.

*The Tax Commissioner shall provide to employers an additional withholding form to be used for the payment of tangible personal property taxes.*

INTRODUCED

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