

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE DRH50184-LC-82 (03/26)**

Short Title: Verify Excess Withholding Allowances. (Public)

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Sponsors: Representative Starnes.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO REQUIRE VERIFICATION OF EXCESS WITHHOLDING ALLOWANCES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-163.2 is amended by adding a new subsection to read:

"(b1) Verification of Withholding Allowances. – If an employee claims to be entitled to more than five withholding allowances, the employer must apply the withholding tables for that employee using the greater of five withholding allowances or the number of withholding allowances for which employee provides written verifying information. For each withholding allowance claimed for the employee and the employee's spouse and dependents, the verifying information must be the name and social security number of the person for whom the allowance is claimed. In the case of withholding allowances claimed because the taxpayer expects to have excess itemized deductions or credits, the verifying information must be the estimated amount of these excess items as well as the employee's estimated federal adjustments to income, estimated State deductions from and additions to federal taxable income, and estimated nonwage income. If an employee claims to be entitled to more than five withholding allowances and fails to provide verifying information for all allowances claimed, the employer must report the employee to the Secretary."

**SECTION 2.** This act becomes effective for taxable years beginning on or after January 1, 2004.