January 7, 2005

REVISED DE 4 AND NEW INTERNET ONLINE DE 4 CALCULATOR

PURPOSE OF
BULLETIN

To inform staff of the revised DE 4, *Employee's Withholding Allowance Certificate*, and the new Internet Online DE 4 Calculator that is now available.

BACKGROUND

The DE 4 is an Employment Development Department form that helps taxpayers estimate the proper number of wage withholding allowances, and if necessary, additional California income taxes for employers to withhold from their wages.

Over the past several months staff from the FTB and EDD Tax Branch made significant revisions to the DE 4 form and instructions, and developed an Internet online calculator to help taxpayers more accurately calculate their withholding taxes. Both measures are designed to help reduce balance due amounts when individuals file their state income tax returns. The calculator reduces the chance of user error and includes prompts to help ensure proper completion of the form.

HOW TO
OBTAIN
FORM DE 4

Taxpayers can obtain copies of the DE 4 form from their employer, or print copies from our Website at www.ftb.ca.gov, EDD's Website at www.edd.ca.gov, or the California Tax Information Center Website at www.taxes.ca.gov (search for "DE 4"). Taxpayers can also complete the form using the Internet Online DE 4 Calculator.

INTERNET
ONLINE DE 4
CALCULATOR

The Internet Online DE 4 Calculator is available on the CTIC Website at www.taxes.ca.gov. FTB and EDD Websites provide links to the calculator. Taxpayers can also access the calculator from any of the three Websites by entering "DE 4" in the Search field.

The calculator uses an input sheet to help taxpayers enter all the necessary information to accurately complete the DE 4 form. After the taxpayer enters the required information, the calculator performs the math calculations, completes the worksheets, and prepares the actual DE 4 certificate. The taxpayer then prints the certificate and submits it to his or her employer.

Taxpayers must have access to Microsoft Excel software to use the Internet Online DE 4 Calculator.