

# Employer Letter to Employees Regarding Special Withholding Procedures

Dear Employee,

This notice is a reminder of the special withholding procedures in place for employees who have very low or no Nebraska income tax withholding as defined in [Neb. Rev. Stat. § 77-2753 \(1\) \(b\)](#). The law states that employees are required to have their state withholding set at no lower than 1.5% of gross wages, unless we receive documentation that a lower amount of withholding is proper and not an attempt to avoid paying the appropriate amount of state income tax.

We are sharing this information with you because as your employer:

1. We want you to know what is being withheld from your paycheck and why; and
2. We are available to help you make sure the amount withheld from your paycheck is correct.

Our records show, based on the number of withholding allowances on your [Employee's Nebraska Withholding Allowance Certificate, Form W-4N](#), your state withholding falls within the criteria required for review. Therefore, we ask that you please provide documentation supporting the number of withholding allowances you have claimed on your Employee's Nebraska Withholding Allowance Certificate, Form W-4N. Documentation that can be provided includes:

1. Social Security numbers of dependents you can legally claim (spouse and children); and/or
2. Detailed information showing the total itemized deductions claimed on your federal income tax return (for example, mortgage interest statements, charitable contributions, property tax statements, state income tax payments, excess medical expenses, etc.).

WITH THIS INFORMATION, we can set your state income tax withholding at the correct amount for the allowances you claimed on your Employee's Nebraska Withholding Allowance Certificate, Form W-4N.

WITHOUT THIS INFORMATION, your state income tax withholding rate will be set to the level required by law (as much as 1.5%). This may result in lower take-home pay due to more state income tax withholding being deducted from your paycheck.

If you have questions regarding this special withholding requirement, please contact the Nebraska Department of Revenue's Taxpayer Assistance office at 800-742-7474 (NE and IA) or 402-471-5729. More information is also available at the Nebraska Department of Revenue website: [revenue.nebraska.gov](http://revenue.nebraska.gov).

