

NEW ARIZONA INCOME TAX WITHHOLDING RATES EFFECTIVE MAY 1, 2009

On April 9, 2009, Governor Brewer signed into law changes to the Arizona income tax withholding rates that apply effective May 1, 2009 based on the following schedule:

OLD RATE <u>Jan-Apr 2009</u>	NEW RATE <u>May-Dec 2009</u>	
0%	0%	* See Note 1
10%	11.5%	* See Note 2
19%	21.9%	
23%	26.5%	
25%	28.8%	
31%	35.7%	
37%	42.6%	

* Note 1: Only available if you had no tax liability last year and do not expect to have any tax liability this year.

* Note 2: Option not available if your annual compensation is \$15,000 or more.

- The new rates will automatically be updated on May 1, 2009. You will not be required to submit a new A-4. The rate table above will default and no action is necessary.
- If you do want to make a change, you can download the new A-4 FORM from the YES website at: <http://yes.az.gov> . Login, then click on Pay, Tax Withholding, State Withholding. You will need to submit the form to your agency payroll office to have your withholding election processed.