

# Form AWC, Alternative Withholding Certificate for Year \_\_\_\_\_ for Nonresident Individual Partners and Shareholders

For use by nonresident individual partners or shareholders subject to Minnesota withholding. Complete a certificate each year you wish to reduce the amount withheld by the partnership or S corporation.

First Name and Initial	Last Name	Social Security Number
Address		

City	State	ZIP Code
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- 1 Your estimated share of Minnesota distributive income from this partnership or S corporation  
or your estimated total Minnesota taxable income for the tax year, whichever is less . . . . . **1** \_\_\_\_\_
- 2 Multiply line 1 by 9.85 percent (.0985) . . . . . **2** \_\_\_\_\_
- 3 Minnesota individual estimated tax you paid for the tax year . . . . . **3** \_\_\_\_\_
- 4 Minnesota income tax withheld from other income (*from Form W-2 or W-2P*) . . . **4** \_\_\_\_\_
- 5 Minnesota backup withholding and certain tax credits (*see instructions*) . . . . . **5** \_\_\_\_\_
- 6 Add lines 3, 4, and 5 . . . . . **6** \_\_\_\_\_
- 7 Subtract line 6 from line 2 (*if result is zero or less, enter 0*). This is the amount you are requesting to be withheld . . . **7** \_\_\_\_\_

**Partner or shareholder:** I declare that this form is correct and complete to the best of my knowledge and belief.

Signature	Daytime Phone	Date
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**Partner or shareholder:** Complete, sign, and date this certificate. Give the original form to the partnership or S corporation before the end of the entity's tax year.

**Partnership or S corporation:** Enter the partnership's or S corporation's name and federal and Minnesota tax ID numbers in the boxes to the right. Include a copy of each AWC you receive when you file your Form M3 or M8 tax return.

**To be completed by the entity:**

Name of Partnership or S Corporation	
Federal ID Number	Minnesota ID Number

## Form AWC Instructions

All partnerships and S corporations, not making a pass-through entity (PTE) tax election, must withhold Minnesota income tax for any nonresident individual partner or shareholder who:

- is not included in composite income tax
- has Minnesota distributive income of \$1,000 or more

You must withhold 9.85% of their Minnesota source distributive income, less any credits that are passed through to them.

However, we will allow you to withhold a smaller amount of tax if the partner or shareholder owes less Minnesota tax. This may happen if a partner or shareholder:

- has paid Minnesota estimated tax or had Minnesota withholding tax taken out of wage income; or
- has Minnesota taxable income less than the distributive income received from this entity, due to losses from other Minnesota sources.

### Who should file Form AWC

Complete this form if you are a nonresident individual partner of a partnership or shareholder of an S corporation and you expect to receive Minnesota distributive income of \$1,000 or more from this partnership or S corporation and want less than 9.85% of your Minnesota source distributive income withheld by the entity.

If you choose to have 9.85% of your distributive income withheld or to be included in composite income tax, you do not need to complete this form.