

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** _____

You may only claim nonresident withholding amounts from line 56 of schedule KPI and line 54 of schedule KS on your individual income tax return.

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.