Lesson 2 Note-Taking Guide: The Basics of Withholding

Fill out this guide as you complete Lesson 2.

What is Withholding?

Fill in the blanks to complete the sentence:

Withholding helps people avoid having to make a _____ _____ _____all at once.

Define each word in this table.

Vocabulary	Definition
Individual Income Taxes	
Withholding	

Setting Up Your Withholding

Fill in the blanks to complete each sentence:

When you first start a job, your employer will ask you to _____ _____ that determines how much _____ you would like to have withheld from your paycheck to pay for your federal and state income tax.

To set up your withholding, you need to complete two documents: Form _____ and Form _____

If your personal or financial situation changes during your job, you can fill out those forms again to _____ your withholding.

Define each word in this table.

Vocabulary	Definition
Form W-4	
Form W-4MN	

Completing a Form W-4MN

The steps for completing Form W-4MN are:

1. Provide _____ _____.
2. Complete _____ ____ or _____ ___.
3. _____ and _____ the form.

Define each word in this table.

Vocabulary	Definition
Social Security Number	
Allowances	
Exempt	

Determine Your Withholding Amount

Fill in the blanks to complete each sentence:

Factors that impact your allowances include:

- Whether someone else can claim you as a _____.

- Whether you have only _____ _____ or multiple jobs.
- Whether you are _____ and whether your spouse works.
- Whether you have _____ of your own.
- Whether you qualify for _____ _____ _____filing status.

If you claim more allowances, you will have _____ money withheld from your paycheck toward your Minnesota income tax and _____ money in your paycheck.

If you claim fewer allowances, you will have _____ money withheld from your paycheck toward your Minnesota income tax and _____ money in your paycheck.

If you have any money withheld from your paycheck, you should file a Minnesota Individual Income Tax return because the government may owe you a _____.

Define the word in this table.

Vocabulary	Definition
Minnesota Individual Income Tax Return	
Refund	

Taxes for Other Types of Income

Fill in the blank to complete this sentence.

If taxes are not taken out of the money you earn by an employer, you may need to pay your income taxes throughout the year by making quarterly _____ ____ _____.

Define the words in this table.

Vocabulary	Definition
Employee	

Vocabulary	Definition
Contractor	
Self-employed	
Estimated Tax Payments	