

Type or print your Full Name		Your Social Security Number	
Home Address – number and street or rural route			
City or Town		State	ZIP Code

**Choose either box 1 or box 2:**

- 1** Withhold from gross taxable wages at the percentage checked (**check only one percentage**):
- 0.5%   
  1.0%   
  1.5%   
  2.0%   
  2.5%   
  3.0%   
  3.5%
- Check this box and enter an extra amount to be withheld from each paycheck ..... \$
- 2** I elect an Arizona withholding percentage of zero, and I certify that I expect to have no Arizona tax liability for the current taxable year.

I certify that I have made the election marked above.	
SIGNATURE _____	DATE _____

**Employee's Instructions**

Arizona law requires your employer to withhold Arizona income tax from your wages for work done in Arizona. The amount withheld is applied to your Arizona income tax due when you file your tax return. The amount withheld is a percentage of your gross taxable wages from every paycheck. You may also have your employer withhold an extra amount from each paycheck. Complete this form to select a percentage and any extra amount to be withheld from each paycheck.

**What are my "Gross Taxable Wages"?**

For withholding purposes, your "gross taxable wages" are the wages that will generally be in box 1 of your federal Form W-2. It is your gross wages less any pretax deductions, such as your share of health insurance premiums.

**New Employees**

Complete this form within the first five days of your employment to select an Arizona withholding percentage. You may also have your employer withhold an extra amount from each paycheck. If you do not give this form to your employer the department requires your employer to withhold 2.0% of your gross taxable wages.

**Current Employees**

If you want to change your current amount withheld, you must file this form to change the Arizona withholding percentage or to change the extra amount withheld.

**What Should I do With Form A-4?**

Give your completed Form A-4 to your employer.

**Electing a Withholding Percentage of Zero**

You may elect an Arizona withholding percentage of zero if you expect to have no Arizona income tax liability for the current year. Arizona tax liability is gross tax liability less any tax credits, such as the family tax credit, school tax credits, or credits for taxes paid to other states. If you make this election, your employer will not withhold Arizona income tax from your wages for payroll periods beginning after the date you file the form. To keep this election for the next calendar year, you must give your employer an updated Form A-4. If you do not, your employer may withhold Arizona income tax from your wages and salary until you submit an updated Form A-4.

Zero withholding does not relieve you from paying Arizona income taxes that might be due at the time you file your Arizona income tax return. If you have an Arizona tax liability when you file your return or if at any time during the current year conditions change so that you expect to have a tax liability, you should promptly file a new Form A-4 and choose a withholding percentage that applies to you.

**Voluntary Withholding Election by Certain Nonresident Employees**

Compensation earned by nonresidents while physically working in Arizona for temporary periods is subject to Arizona income tax. However, under Arizona law, compensation paid to certain nonresident employees is not subject to Arizona income tax withholding. These nonresident employees need to review their situations and determine if they should elect to have Arizona income taxes withheld from their Arizona source compensation. Nonresident employees may request that their employer withhold Arizona income taxes by completing this form to elect Arizona income tax withholding.

# Employer's Instructions for the Employee's Arizona Withholding Election

## Arizona Form A-4

### For information or help, call one of the numbers listed:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

### Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

### Withholding Tax Procedures and Rulings

These instructions may refer to the department's withholding tax procedures and rulings for more information. To view or print these, go to our website and select *Reports & Legal Research*. On the next page, click on *Legal Research*. Select a Document Type and a Category from the drop down menus. If you know the document ID number you may enter it in the Search field and then press enter.

### Publications

To view or print the department's publications, go to our website, scroll down, click on *Reports & Legal Research*, and click on *Publications* in the right hand column.

Arizona employers are required to make Arizona Form A-4 available to employees at all times and to inform them of Arizona's withholding election options.

Arizona income tax withholding is a percentage of gross taxable wages. "Gross taxable wages" is the amount that meets the federal definition of "wages." Generally, it is the amount included in box 1 of the employee's federal Form W-2 at the end of the calendar year.

Employees elect the percentage of their gross taxable wages they wish to be withheld. They may also elect to have an extra amount withheld from each paycheck.

**NOTE:** *Arizona tax rates are lower. As a result, the department revised the withholding percentages and is requiring all individuals to complete a new Form A-4 for 2024.*

### COMPLETING ARIZONA FORM A-4

- All employees are required to complete Form A-4.
- New employees must complete Form A-4 within 5 days of employment. ***If the employee fails to complete the form, the employer must withhold Arizona income tax at the default rate, 2.0% of the employee's wages until the employer receives a completed Form A-4 from that employee.***
- Current employees must complete an updated Form A-4 to elect a different Arizona withholding percentage or to change any extra amount to be withheld from his/her paycheck.
- An employee may elect an Arizona withholding percentage of zero if that employee expects to have no Arizona income tax liability for the current taxable year.
  - o If an employee makes this election, his/her employer will not withhold Arizona tax from his/her paycheck for all payroll periods beginning after the date of the employee's election.
  - o Each employee claiming to be exempt from Arizona withholding must renew this election annually. Each employee who wishes to keep this election in the next taxable year must complete and provide to his/her employer a new Form A-4 by February 15th of the following year. ***If the employee fails to provide an updated Form A-4 by February 15th, the employer will***

***withhold Arizona income tax at the default rate, 2.0% until the employee provides the employer with an updated Form A-4.***

- A qualifying nonresident employee may use Form A-4 to elect to have a percentage of his/her wages withheld to be applied to his/her Arizona income tax liability.

### EMPLOYMENT REQUIRING WITHHOLDING

***Withholding tax shall be deducted from the compensation of:***

- Wages paid to an Arizona resident whose compensation is for services performed within this state.
- Wages paid to a nonresident employee who is in this state solely for athletic or entertainment purposes.
- Wages paid to part-time or seasonal agricultural employees whose principal duties are operating any mechanically-driven device in such operations.
- Wages paid to a non-resident who is in this state for 60 or more days in a calendar year for the purpose of performing a service that will benefit the employer or a related entity.

### EMPLOYMENT FOR WHICH WITHHOLDING MAY BE ELECTED

- A nonresident Arizona employee in this state for less than 60 days may elect to have Arizona withholding amounts subtracted from his/her paycheck and the employer must withhold tax based on the employee's election to do so.
- An out of state business may elect to withhold tax from the nonresident employee before the 60 day limitation has elapsed.

### EMPLOYMENT EXCLUDED FROM WITHHOLDING

**NOTE:** *An employee exempted from withholding tax may not be exempted from paying Arizona income tax.*

***No withholding amount shall be deducted from:***

- Wages paid to an employee of a common carrier when that employee is a nonresident of Arizona and regularly performs services inside and outside the state.
- Wages paid for domestic service in a private home.
- Wages paid for casual labor not in the course of the employer's trade or business.
- Wages paid for part-time or seasonal agricultural labor whose services to the employer consist solely of labor in connection with the planting, cultivating, harvesting or field packing of seasonal agricultural crops.
- Wages paid to a nonresident of Arizona who is solely in this state on a temporary basis for the purpose of performing disaster recovery from a declared disaster during a disaster period.
- Wages paid to a nonresident of Arizona engaged in any phase of motion picture production, if the employer applies for an exemption from the withholding provisions, and the department determines that the nonresident would be allowed a credit for taxes paid to his/her state of residency or domicile.

- Wages paid to a nonresident of Arizona who is:
  - o An employee of an individual, fiduciary, partnership, corporation, or limited liability company having property, payroll and sales in this state, or of a related entity having more than fifty percent direct or indirect common ownership.
  - o Physically present in this state for less than sixty (60) days in a calendar year for the purpose of performing a service that will benefit the employer or the related entity. For purposes of determining the number of days of service in this state, days spent in the following activities are not included:
    - In transit
    - Engaging in personal activities
    - Participating in training or professional development activities or attending meetings that are not directly connected to the Arizona operations of the employer or related entity.

A “related entity having more than 50 percent direct or indirect common ownership” means that the related entities are more than 50 percent owned by the same interests. The following examples demonstrate three different situations in which the nonresident employee performs services in Arizona for less than 60 days during the calendar year.

**Example 1:**

Corporation A is the U.S. domestic parent of Corporation B, a wholly owned foreign subsidiary corporation. Corporation A has property, payroll and sales in Arizona. Corporation B operates in China. It has no Arizona property, payroll and sales. R is an employee of B and is not a resident of Arizona. R performs services for B in Arizona for 45 days during calendar year 2024.

**Example 2:**

Corporation F, based in California, is the common parent of Corporation W. Corporation F does not have property, payroll and sales in Arizona. Corporation W has property, payroll, and sales in Arizona. L is an employee of F and is not an Arizona resident. L performs services for F in Arizona for 55 days during calendar year 2024.

**Example 3:**

D owns 60 percent of Corporation K and 51 percent of Corporation S. N owns 40 percent of Corporation K and 49 percent of Corporation S. Corporation S has property, payroll and sales in Arizona. Corporation K is based in California and has no Arizona property, payroll, and sales. T is an employee of K and is not a resident of Arizona. T performs services for K in Arizona for 35 days during calendar year 2024.