■ PERSONAL NET INCOME TAX LAW

TERMS: A farm employer who pays at least $2,500 in wages for agricultural labor during the year is required to withhold federal income tax from each worker's wages. In those cases, the employer must also withhold *state* income tax.

Likewise, an employer whose annual agricultural payroll expenditures amount to *less* than $2,500, but who pays at least $150 in cash agricultural wages to a particular worker during the year, is required to withhold federal income tax from that worker's wages, and thus would be obligated to withhold *state* income tax as well.

On or before January 31 of the following year — or within 30 days after the last payment of wages, in the case of a worker whose job ends before the close of the current year — the employer is required to provide the worker with a written statement showing (1) the employer's name, address and tax identification number, (2) the worker's name, address and Social Security number, (3) the worker's total wages, (4) the amount of state income tax withheld, and (5) the amount of federal income tax withheld.

ENFORCEMENT: *Iowa Department of Revenue, Des Moines, Iowa 50306 (515-281-3114; toll-free 800-367-3388).*

SPECIAL NOTE: Even when a farm employer is not required to withhold state income taxes from a worker's wages, the worker may have to file a tax return with the state and may, in fact, owe taxes at the end of the year, depending on total income and other circumstances.