

■ **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.

No later than the following January 31 — or on the day of the last payment of wages, in the case of a worker whose job ended before the end of the year — the employer is required to provide the worker with a written statement showing (1) the employer's name, (2) the worker's name and Social Security number, (3) the worker's gross wages, and (4) the amount of state income tax withheld.

**ENFORCEMENT:** *Individual Income and Withholding Tax Division, Office of Income Taxation, Kentucky Department of Revenue, (502-564-7007, extension 7552).*

**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.