

■ **INTERNAL REVENUE CODE OF 1986 (COLLECTION OF INCOME TAX AT THE SOURCE ON WAGES)**

TERMS: Agricultural employers who pay at least \$2,500 in wages for agricultural labor during the year are required to deduct and withhold federal income tax from the wages of their agricultural employees.

On the other hand, 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, must deduct and withhold federal income tax from that worker's wages.

On or before January 31 of the following year, an employer required to withhold federal income tax must provide each worker with a statement on Form W-2 showing, among other information, (a) the employer's name, address and identification number, (b) the worker's name, address and Social Security number, (c) the total amount of wages paid, and (d) the total amount deducted and withheld as tax.

ENFORCEMENT: *Internal Revenue Service, U.S. Department of the Treasury, Washington, D.C. 20224 (202-283-1710)*. A worker who has reason to believe that federal income tax has been incorrectly withheld, or has not been properly paid or reported to the U.S. treasury, should contact a representative of the IRS. Local IRS offices may be located on the agency's website, at apps.irs.gov/app/officeLocator/index.jsp.

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