INSTRUCTIONS

1. NUMBER OF EXEMPTIONS—Do not claim more than the correct number of exemptions. However, if you have actually one or more additional exemptions to avoid taxes, you may circulate and list each additional exemption in the column at the top of the form. The number of exemptions that you claim must be reported to the Department of Revenue.

2. CHANGES IN EXEMPTIONS—You may file a new certificate at any time of the year. The number of your exemptions INCREASES if:
   a. You lose your exemption for any reason or become entitled to a new exemption.
   b. Your spouse or parent claims another exemption on your behalf.
   c. You become entitled to additional exemptions.

3. DEPENDENTS—To qualify as a dependent, a person must either:
   a. Be related to you as a child (including stepchild), parent (including stepfather or stepmother), sibling (including stepbrother or stepsister), or grandchild, grandparent, cousin, or nephew.
   b. Be a member of your household for the entire year or for part of the year.

4. OTHER DECREASES—If any of the following occurs, you may decrease your exemptions for the person or persons involved:
   a. The death of a spouse or a dependent.
   b. The loss of a job or reduction in income.
   c. A change in family status (e.g., marriage, divorce, adoption).

5. PENALTIES—Penalties are imposed if the information you provide is incorrect or if you fail to supply the information required by law. The Department of Revenue reserves the right to reduce the withholding exemptions.

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