



For Immediate Release

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Minimize the bite from your paycheck in January

Scottsdale, Arizona, June 4, 2004 -- At the end of May, the State Legislature passed and Gov. Janet Napolitano signed a measure that increases Arizona's tax-withholding rates. The vast majority of Arizonans will be negatively impacted in January when the new law goes into effect; however, people can take steps to minimize the bite from their paycheck.

In effect, this is a tax-free loan to Arizona. State coffers will pick up an extra \$152 million in cash flow annually. The new rates, which go into effect Jan. 1, require that employees earning \$15,000 or more per year withhold at least 19 percent, and as much as 37 percent, of their corresponding federal withholding rates. This change did not affect income tax, only withholding taxes that hit your paycheck.

"There are effective ways to manage this change" Says Sam Kerch, CPP, Senior Tax Research Analyst at Symmetry Software. "Employees must complete a new withholding certificate Arizona Form A-4. This is your opportunity to better manage your take-home pay," says Kerch. "Employees can decrease the withholding percentage on the new 2005 Form A-4. And because Arizona depends on Federal withholding, you can increase your allowances on the Federal W4. Either approach would decrease the amount Arizona withholds from your paycheck.

Arizona withholding is calculated as a percentage of Federal withholding. Arizona is unique because it is the only state following this method. The rate changes are as follows for employee who earn more than \$15,000 per year:

2004 Withholding Rate	2005 Withholding Rate
18.2	19
21.3	23
23.3	25
29.4	31
34.4	37

Kerch advises that a tax advisor or CPA should review any change. All changes have ramifications and may impact income taxes come April 15.

Symmetry Software is the firm behind the popular website, www.PaycheckCity.com. This website offers unequalled employee self-service tools for paycheck management. The FREE PERSONAL FINANCE CALCULATORS at this site are used by individuals and organizations of every size to quickly and accurately answer paycheck-related questions and to compute paychecks under a variety of circumstances. Over 1.5 million page views take place each month on PaycheckCity.com and visitors stay an average of 10 minutes each. It is the most visited site for payroll-related support on the Internet.

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