

Tax tip: Withhold less

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Still waiting for refund from the tax withheld from your paycheck in 2004?

Save yourself the trouble of waiting — next time.

Form W-4, which usually can be obtained from the human resources office at your workplace, or downloaded from www.irs.com, allows you to reduce the amount of taxes withheld from your paycheck so that you're waiting for a smaller amount or no refund at all.

Guam taxpayer advocate Frank B. Leon Guerrero encourages taxpayers to increase the number of dependents they state on Form W-4, because when you have a higher number of dependents, the amount withheld from your paycheck shrinks.

He said even single taxpayers can claim dependents as a means of off-

ONLINE TAX CALCULATOR

▲ The Internal Revenue Service Web site offers an online calculator to help you gauge how much tax can be withheld from your paycheck:

<http://www.irs.gov/individuals/page/0,,id=14806,00.html>

DOWNLOADING THE FORM W-4

To download the form, log on to

www.guampdn.com.



ON THE NET

▲ To file the 1040EZ:
www.myguamtax.com

▲ To download forms: www.gov-guamdocs.com

▲ To pay taxes online:
www.guampay.com

WITHHOLDING TAXES Q & A

Question: Can an employer take out taxes if a Form W-4 was never filed?

Answer: Yes, the

employer is required to withhold income taxes. If an employee does not submit a completed Form W-4, the tax taken out of the employee's paycheck will be as if he or she is single, with no withholding allowances.

TAX ADVOCATE

To contact Guam taxpayer advocate Frank B. Leon Guerrero, call 472 5798 or e-mail taxadvct@ite.net.

lowers him to help taxpayers who have legitimate questions about the amount of income taxes assessed by the Guam Department of Revenue and Taxation.

Because local government funding for tax refunds is "very short," Leon Guerrero said, taxpayers should avoid having to wait for their refunds by not allowing the amount of their withholding taxes highly exceed their estimated tax obligation.

"They haven't even started with 2004 yet," he said of the government's inability to release non-emergency refunds for tax year 2004.

The IRS, from which Guam taxes are mirrored, offers an online withholding tax calculator.

Before you log on to www.irs.gov, have your recent pay stubs and last year's or your most recent tax return handy because you'll need to type in information from those documents, says the IRS.

setting certain tax credits due them at the end of the year.

But Leon Guerrero also cautioned taxpayers to be careful not to underpay their withholding tax be-

cause doing so would also result in a penalty of 10 percent of the shortfall.

Leon Guerrero's government-paid taxpayer advocate position al-