

NOTE: This form is effective for annuity or pension payments after June 30, 2010.

Type or print your full name (last, first, middle initial)	Your social security number
Home address (number and street or rural route)	Annuity Contract Claim or I.D. Number
City or town, state, and ZIP code	Telephone Number ()

Annuitant's Voluntary Arizona Income Tax Withholding Options

Choose only one:

- 1 I hereby elect to have Arizona income taxes withheld from my annuity or pension payments as authorized by ARS §43-404.
I choose to have Arizona withholding at the rate of
(check only one box): 1.3% 1.8% 2.7% 3.6% 4.2% 5.1% of the taxable amount of distribution.
Additional amount to be withheld per distribution \$ _____
- 2 I hereby elect to terminate my prior election for voluntary Arizona income tax withholding from my annuity or pension payments as authorized by ARS §43-404.

I certify that I have made the percentage election marked above.

SIGNATURE _____ DATE _____

GENERAL INSTRUCTIONS

Who May Use Form A-4P

A person who receives an annuity or pension may use this form to elect voluntary Arizona income tax withholding. Arizona withholding is a percentage of the amount of the taxable amount of distribution in Box 2a of federal Form 1099-R. Therefore, you may elect voluntary Arizona income tax withholding at the applicable percentage rates and designate an additional amount to be withheld.

"Annuity" means any amount paid to an individual as a pension or annuity, but only to the extent that the amount is includible in the Arizona gross income of that individual. "An amount paid as a pension or annuity" is an amount received as an annuity under the provisions of the Internal Revenue Code.

You may NOT elect to have Arizona income tax withheld from nonperiodic payments, lump sum distributions, or individual retirement account distributions, that do not meet the definition of annuity listed above.

You also may NOT elect to have Arizona income tax withheld from Social Security pensions, Veteran's Administration annuities, or Railroad Retirement pensions.

How do I Determine Which Percentage to Elect?

See reverse side of this form for guidance.

Where to Send Form A-4P

Send Form A-4P to the payor of your annuity or pension. Do not send Form A-4P to the Arizona Department of Revenue.

Duration of Voluntary Arizona Withholding Election

The payor of your pension or annuity will withhold Arizona income tax from your payments until you notify the payor to terminate Arizona withholding.

How to Terminate a Voluntary Arizona Withholding Election

You may terminate your voluntary Arizona withholding election at any time. You may use Form A-4P to terminate Arizona withholding or you may send a written notice to the payor of your pension or annuity requesting termination of withholding.

Statement of Income Tax Withheld

The payor of your pension or annuity will provide you with a form that lists the total amount of your pension or annuity payments and the total amount of Arizona income tax withheld from these payments for the calendar year 2010. The payor of your pension or annuity will provide this form to you in early 2011.

Annuitant's Request for Voluntary Arizona Income Tax Withholding

How do I Determine Which Percentage to Elect?

In an effort to assist annuitants in electing a withholding percentage, the following simple examples are provided for general guidance. However, each annuitant must take into consideration the particular facts of their own situation and adjust the calculation accordingly.

If you want to keep your withholding approximately the same as last year, you can use your federal Form 1099-R for 2009 or your last distribution statement to calculate which withholding percentage to elect. For example, if box 2a of federal Form 1099-R shows \$36,000 in taxable distributions and box 10 shows \$1,200 in state income tax withheld, divide box 10 by box 2a to determine your withholding percentage ($1,200 / 36,000 = .033$ or 3.3%). In order to keep your withholding the same as 2009, choose 2.7% ($36,000 \times .027 = 972$) and an additional \$19.00 per monthly distribution ($1,200 - 972 = 228 / 12 = 19.00$). Be sure to take into account any amount already withheld for 2010. If you want to withhold more, choose one of the higher percentages or choose to have an additional amount withheld.

CAUTION: Underwithholding can result in payment of tax due when you file your Arizona return and/or underpayment penalties.

If you would rather more closely approximate your tax liability from last year, use your tax liability from your 2009 Arizona income tax return. Divide that number by the number of distributions in calendar year 2010. This will be the amount of withholding you will try to have withheld out of each distribution. For instance, if your 2009 tax liability was \$1,800 and you receive a distribution once a month (12 distributions a year) divide \$1,800 by 12 ($1,800 / 12 = 150.00$). This is your withholding goal per distribution. Next, divide your withholding goal by your taxable distribution amount, \$6,000 in this example, to determine the percentage of withholding to taxable distribution ($150.00 / 6,000 = .025$ or 2.5%). An election of 1.8% would result in \$108.00 ($6,000 \times 1.8\% = 108$) withheld for Arizona from each distribution (\$1,296 annually), while electing 2.7% would result in \$162.00 ($6,000 \times 2.7\% = 162$) withheld for Arizona from each distribution (\$1,944 annually). Be sure to take into account any amount already withheld for 2010.

Example: This example assumes this distribution is your only income and your situation is the same as last year. If you receive a distribution once a month and your federal Form 1099-R shows \$48,000 in box 2a and \$2,400 in box 10, \$900 has already been withheld from your distributions for 2010, there are 6 distributions remaining in the calendar year, and you want to keep your withholding approximately the same, the following worksheet shows how to keep your Arizona withholding the same.

	Example:		Your Calculation:	
Line 1: Annual taxable distribution.	\$48,000			
Line 2: Number of distributions per year.	12			
Line 3: Divide line 1 by line 2. This is the taxable amount per distribution.	$48000 / 12 =$	\$4,000		
Line 4: Annual withholding goal.	\$2,400			
Line 5: Amount already withheld for the calendar year.	\$900			
Line 6: Balance of withholding for the calendar year.	$2400 - 900 =$	\$1,500		
Line 7: Number of of distributions remaining in the calendar year.	6			
Line 8: Divide line 6 by line 7. This is your Arizona withholding goal per distribution.	$1500 / 6 =$	\$250.00		
Line 9: Percentage: divide line 8 by line 3.	$250 / 4000 =$	6.25%		
Line 10: Withholding percentage that is less than line 9. Check this box on line 1 of Form A-4.	5.1%			
Line 11: Multiply line 10 by line 3.	$5.1\% \times 4000 =$	\$204.00		
Line 12: Subtract line 11 from line 8. Enter this amount in the additional amount space on line 1 of Form A-4.	$250 - 204 =$	\$46.00		