



2015-2016 General Assembly

SENATE BILL 513: North Carolina Farm Act of 2015, Sec. 2: Conform Compensation Paid to an H-2A Agricultural Worker to Federal Wage Withholding Standards

Committee:
Introduced by:
Analysis of: Sec. 2 of S.L. 2015-263

Date:
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Staff Attorney

SUMMARY: *Sec. 2 of S.L. 2015-263 provides that an employer does not have to withhold State income tax on compensation paid to an H-2A agricultural worker if the employer is not required to withhold federal income tax on that compensation. Since calendar year 2011, an employer must report compensation of \$600 or more paid to an H-2A agricultural worker on Form W-2, but the employer is not required to withhold federal taxes on the compensation unless the worker fails to provide the employer with either a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). In the case of an H-2A agricultural worker who fails to provide a SSN or ITIN, the employer must withhold and remit 28% of the compensation and continue withholding this amount until the worker furnishes the employer the SSN or ITIN.*

This section is effective for taxable years beginning on or after January 1, 2015.

O. Walker Reagan
Director



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