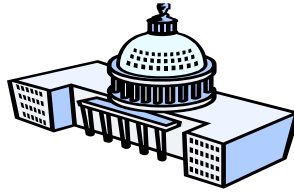


**WEST VALLEY CHAPTER
MONTHLY
TAX CORNER**



JULY & AUGUST
2003

**WEST VALLEY CHAPTER
MONTHLY
TAX CORNER**

THE PURPOSE OF THIS UPDATE IS TO PROVIDE YOU WITH
TAX NEWS AND UPDATES FROM

THE STATE AND FEDERAL
LEGISLATIVE BRANCHES
OBTAINED FROM VARIOUS
APA PUBLICATIONS & WEBSITES



The following states have announced tax changes:

CONNECTICUT: Tables have changed for employees who file a joint income tax return Where both spouses work and choose filing status A. Also decreased the supplemental tax rate from 5.25% to 5%.

PENNSYLVANIA:

Withholding:

- Changes the earning's taxability for Education Assistance from non-taxable to taxable.
 - Changes the earning's plan taxability for Personal use of Company Car from taxable to non-taxable.
- These changes are effective immediately.

ER Unemployment:

- Changes the earning's taxability for Education Assistance from non-taxable to taxable and Group Term Life > \$50,000 from taxable to non-taxable.
 - Changes the earning's plan taxability for Meals and Lodging from non-taxable to taxable.
- These changes are effective immediately.

EE Unemployment:

Changes the earning's taxability for Education Assistance from non-taxable to taxable and Group Term Life > \$50,000 from taxable to non-taxable.

These changes are effective immediately.

VERMONT:

Changes the 401K ER matching benefit plan contribution taxability from taxable to non-taxable.

This change is effective immediately.

ARIZONA:

Department of Revenue implemented a new \$5.00 minimum Withholding requirement.

Pay period maximum's are:

- 1) \$1.15 - weekly.
- 2) \$2.31 - biweekly.
- 3) \$2.50 - semimonthly.
- 4) \$5.00 - monthly.
- 5) \$60.00 - annually.

This change is effective 7/01/2003.

Included is a summary of articles and information accessible on the web for the August EPayXpress. You will find useful information by visiting the mentioned websites.

Also included for your information is a copy of the August 8, 2003 edition of Payroll Currently and the September issue of Inside Washington.

Well that's all for this month. Looking forward to our next meeting on September 15, 2003

REMEMBER

NATIONAL PAYROLL WEEK

SEPTEMBER 1 - 5



**Sheryl A. McIntosh
Government Liaison
Chapter Officer
West Valley APA**