

Form North Dakota Office of State Tax Commissioner
PWA Passthrough Entity Withholding Adjustment
for nonresident individual partner, shareholder, or beneficiary



2012

Name (First, MI, Last)		Social security number
Mailing address		
City	State	Zip Code

1. Estimated North Dakota distributive share of income from the partnership, S corporation, or trust **OR**
estimated total North Dakota taxable income for the tax year, whichever is less ----- **1** _____
2. Multiply line 1 by 3.99 percent (.0399) ----- **2** _____
3. Estimated North Dakota individual income tax that you paid for the tax year ----- **3** _____
4. Additional North Dakota income tax withheld from wage income ----- **4** _____
5. Withholding adjustment amount. Add lines 3 and 4 ----- **5** _____
6. Amount to withhold. Subtract line 5 from line 2 (If less than zero, enter 0) ----- **6** _____

To be completed by partner, shareholder, or beneficiary - Sign and date this form. Then give it to the partnership, S corporation, or trust.

I declare that this form is correct and complete to the best of my knowledge and belief.

Signature

Date

To be completed by partnership, S corporation, or trust -

Name of entity	
Entity's federal EIN	
Entity's tax year to which this form applies:	<input type="radio"/> Calendar year _____ <input type="radio"/> Fiscal year: Ending _____, _____

Purpose

A partnership, S corporation, and trust is required to withhold North Dakota income tax for a full-year nonresident individual partner, shareholder, or beneficiary who:

- Has a North Dakota distributive share of income of \$1,000 or more **and**
- Is not included in a composite return filed by the partnership, S corporation, or trust.

Note: For this purpose, a trust means one that files Form 38. This form also applies to the owner of a limited liability company that files either Form 58 or Form 60.

The entity is required to withhold 3.99 percent of the owner's or beneficiary's North Dakota distributive share of income. However, the entity may withhold a smaller amount if the owner or beneficiary requests a withholding adjustment by completing and giving this form to the entity. An owner or beneficiary may request a withholding adjustment if he or she:

- Already paid estimated North Dakota income tax using Form ND-1ES; or
- Had extra North Dakota income tax withheld from wage income to cover the tax owed on his or her North Dakota

distributive share of income from the entity; or

- Will have a North Dakota taxable income that is less than the North Dakota distributive share of income from the entity due to offsetting North Dakota losses or adjustments.

Who may use this form

If you are a full-year nonresident of North Dakota who is a partner in a partnership, a shareholder in an S corporation, or a beneficiary of a trust, you may use this form if you:

- Expect your year-end North Dakota distributive share of income from the entity to be \$1,000 or more for the year; **and**
- You want the entity to reduce the amount of North Dakota income tax that it withholds from your distributive share because you have already paid the tax through estimated payments or withholding, or you expect your North Dakota taxable income to be less than \$1,000.

Do not complete this form if you elected to include your North Dakota distributive share of income in a composite return filed by the entity. This form does not apply to withholding from wages by an employer.

This form is effective only for the entity's tax year to which it applies, as indicated by the entity on the form. A new form must be completed for each tax year you need to request an adjustment.

Instructions for owner or beneficiary

Complete the form as instructed, sign and date the form, and give it to the partnership, S corporation, or trust on or before the last day of its tax year. The entity needs this information before it files its North Dakota tax return.

Note: The entity is not obligated to accept this form after the end of its tax year; however, subject to the entity's discretion, it may accept and take it into account in preparing its return.

Do not file this form with your North Dakota individual income tax return or send it to the Office of State Tax Commissioner.

Instructions for entity

Enter your name, federal employer identification number, and tax year on the lines provided on the form. You do not have to attach a copy of this form to your Form 38, 58, or 60. However, you must retain the completed form in your records in case it is requested by the Office of State Tax Commissioner.