

Procedures for Withholding State Taxes on Special Categories of Individuals and Companies Paid by a Purchase Order

Under MGL Chapter 262, Subsection 21, of the Acts of 2004, effective immediately, Bridgewater State College will be required to notify individuals/companies (see list below) that state taxes of 5.3% will be withheld on all payments over \$5,000 for individuals and \$10,000 for companies per *calendar* year, unless a waiver is filed with the Commonwealth of Massachusetts Department of Revenue 10 days prior to the performance of the event.

Categories of Individuals and Companies include:

- Athletes
- Entertainers
- Speakers or Lecturers
- Actors, Singers, Musicians, Dancers, Circus Performers
- Comedians
- Celebrities
- Individuals who assist the above such as coaches, trainers, or crew members
- Agencies that employ the above.

The procedure is as follows:

In order to comply with this law, all departments must include a PWH-WW waiver form http://www.mass.gov/Ador/docs/dor/Forms/Wage_Rpt/PDFs/pwh_ww.pdf when sending the contract to be signed along with the letter from Joan Mulrooney, Associate Controller, explaining the process. This form is to be given regardless of the amount of the contract due to the possibility of all payments exceeding the limit for the calendar year. The vendor may choose not to submit the waiver due to the amount being less than \$5,000/\$10,000 knowing that they will not reach the limit in a calendar year. Please emphasize that it is the individual/company's obligation to file the form with the DOR. Upon DOR approval, the form will be returned to the individual/company. **It is the individual's/company's obligation to return this form to the BSC Accounting Office, Boyden Hall – Room 204, Bridgewater, MA 02325, prior to event/payment. If the form is not returned prior to payment, withholding taxes will be deducted from the payment.**

For more information contact Joan Mulrooney, at j1mulrooney@bridgew.edu or x-2784.

Related links:

Letter to Vendor

Instructions <http://www.mass.gov/Ador/docs/dor/Publ/PDFS/performers.pdf>

Waiver Form http://www.mass.gov/Ador/docs/dor/Forms/Wage_Rpt/PDFs/pwh_ww.pdf