



STATE OF ALABAMA  
Department of Finance  
Office of the State Comptroller

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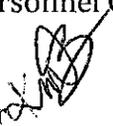
Kay Ivey  
Governor

Kathleen D. Baxter, PhD, CGFM, CPM  
State Comptroller

Clinton Carter  
Finance Director

**MEMORANDUM**

**TO:** All Legislative Fiscal Officers  
All Legislative Personnel Officers

**FROM:** Kathleen Baxter  
State Comptroller 

**DATE:** January 18, 2018

**RE:** 2017 Form W-2 for Legislators

The following recaps the calculation of the boxes on the Form W-2 as it applies to State Legislators. This will assist you in responding to questions. If a legislator received pay other than for legislative service for 2017, refer to the memorandum titled "2017 Wage and Tax Statement, Form W-2", attached for your convenience. Use of the QPSM and QDSM screens in GHRS will also assist you in responding to questions.

- Box 1** -- "Wages, tips and other compensation" is the total wages subject to Federal tax and should be used on the Federal tax return. This box is calculated as follows:
- + Legislative salary (LEGIS)
  - + Taxable travel (TXTRV)
  - + Prior Year Ins Refund (PRYRR)
  - Deferred Compensation contributions
  - Exempt Health Insurance premiums
  - = **Federal Taxable Wages**
- Box 2** -- "Federal income tax withheld" is the total amount withheld from legislative earnings for Federal income tax.
- Box 3** -- "Social Security wages" is the amount of wages subject to Social Security tax and should not exceed \$127,200. This box is calculated as follows:
- + Legislative salary (LEGIS)
  - + Taxable travel (TXTRV)
  - Exempt Health Insurance premiums
  - = **Social Security Wages**

- Box 4** -- "Social Security tax withheld" is the amount withheld from employees' wages for Social Security tax. It is calculated by multiplying the amounts in Box 3 by .062.
- Box 5** -- "Medicare wages and tips" is the amount of wages subject to Medicare tax. This box is calculated as follows:  
+ Legislative salary (LEGIS)  
+ Taxable travel (TXTRV)  
- Exempt Health Insurance Premiums  
= **Medicare Taxable Wages**
- Box 6** -- "Medicare tax withheld" is the amount of tax deducted from the Legislative earnings (salary only) for Medicare tax. It is calculated by multiplying the amount in Box 5 up to \$200,000 by .0145 and wages in excess of \$200,000 by .0235.
- Box 16** -- "State wages, tips, etc." is the total wages subject to State tax and should be used on the State tax return. This box is calculated as follows:  
+ Legislative salary (LEGIS)  
- Deferred Compensation contributions  
- Exempt Health Insurance premiums  
= **State Taxable Wages**
- Box 17** -- "State income tax" is the total tax withheld from legislative earnings for State income tax.

If you have any additional questions, please call the GHRS Hotline at 334-242-2188.

KB/shk

Attachment