

## **IRS Announces Changes to Rules for Income Tax Withholding for Nonresident Aliens Performing Services in the United States**

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The Internal Revenue Service recently announced that the withholding tables for wages paid on or after January 1, 2011 will not reflect the Making Work Pay Credit, and that Notice 2009-91 will not apply in determining the withholding on nonresident aliens. According to IRS Notice 2011-12, employers must determine income tax withholdings for nonresident aliens performing services within the United States using the procedure explained in Notice 2005-76, together with the tables in the revisions of Publication 15 (Circular E), Employer's Tax Guide, and Notice 1036, Early Release Copies of the 2011 Percentage Method Tables for Income Tax Withholding that are in effect when the wages are paid. Employers should implement the new withholding tables as soon as possible, but not later than January 31, 2011.