OKLAHOMA TAX COMMISSION

TAX POLICY DIVISION

PHONE (405) 521-3133
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December 15, 2011

Re: LR 10-045; Income Tax Withholding Form OW-9-MSE Military Spouse Exemption

Dear :

This is in response to your inquiry of March 15, 2010 wherein you requested guidance concerning Form OW-9-MSE Military Spouse Exemption What follows is verbatim your facts and requested ruling and our response thereto.

FACTS / QUESTION:
We have received our first OW-9-MSE and need some direction. This form is properly completed and includes the documentation requested. We understand that we are to stop all OK withholding tax. However, our question is about the w-2. Do we keep tracking taxable wages and complete Box 16 of the W-2 for this individual. Is this form telling us to send in a blank box on the w-2?

RESPONSE:
The form OW-9-MSE Military Spouse Exemption was developed to comply with Military Spouses Residency Relief Act (P.L. 111-97), which provides that states cannot impose income taxes on military spouses under certain conditions. For this reason, box 16 on the W-2 form should be blank.

This response applies only to the circumstances set out in your request of March 15, 2010 Pursuant to Commission Rule 710:1-3-73(e), this Letter Ruling may be generally relied upon **only** by the entity to whom it is issued, assuming that all pertinent facts have been accurately and completely stated, and that there has been no change in applicable law.

If I can be of further assistance, please feel free to call me at (405) 521-3133.

Sincerely,
OKLAHOMA TAX COMMISSION

Michael C. Kaufmann
Tax Policy Analyst