PAYROLL BACKUP WITHHOLDING TAX CALCULATION SHEET

Internal Revenue Service (IRS) Section 3406 Compliance

COMPANY NAME:

EMPLOYER TIN:

PAYROLL PERIOD:

DATE PREPARED:

PREPARED BY:

WITHHOLDING RATE %:

PAYEE NAME / VENDOR NAME	TIN / SSN STATUS	PAYMENT TYPE	GROSS PAYMENT ($)	TAX RATE (%)	BACKUP TAX WITHHELD ($)	NET PAYMENT ($)
		Total:				

COMPLIANCE REFERENCE NOTES

- Backup withholding applies to reportable interest, dividend, and certain other payments if the payee fails to provide a correct TIN or fails to report all interest and dividends.
- Ensure the correct statutory rate (e.g., standard 24% for US federal backup withholding) is applied in the Tax Rate column.
- Withheld amounts must be deposited with the IRS using Electronic Federal Tax Payment System (EFTPS) and reported on Form 945.
- Maintain copies of W-9 or equivalent forms, IRS B-Notices, or C-Notices in the respective payee physical/digital files.

Prepared By (Signature / Print Name)

Date: _____ Title: _____

Authorized Approver (Signature / Print Name)

Date: _____ Title: _____