



## **New Withholding Requirements on Distributions from Retirement Plans and Accounts**

**OTR Tax Notice 2011 - 9**

**December 28, 2011**

Under emergency legislation effective December 22, 2011, payors of distributions from retirement plans or accounts which are subject to federal withholding and made on or after January 1, 2012 to District of Columbia (DC) residents are required to withhold DC income tax at the highest DC income tax rate in effect at the time of the distribution. As of January 1, 2012, the highest DC income tax rate is 8.95 percent.

The term retirement plan or account means:

- A qualified employee benefit plan;
- A qualified employee annuity plan;
- A defined contribution plan;
- A tax sheltered annuity plan;
- An individual retirement account;
- Any combination of the plans and accounts listed above; or
- Any similarly situated plan as defined by the Internal Revenue Code of 1986.

The Office of Tax and Revenue recognizes that this is short notice for this tax change. Payors are expected to make this change effective as soon as possible.

For additional information, please contact the Office of Tax and Revenue's Customer Service Administration at (202) 727-4TAX (4829).