

Difference Between W2 W4 and W9

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Key Difference - W2 W4 vs W9


Since tax amounts to a major source of revenue to the government, it is important to ensure that sufficient amounts are deducted from each taxpayer. W2, W4, and W9 are three tax-related documents in the United States that must be filled by employers, employees and independent contractors, respectively. The key difference between W2 W4 and W9 are as follows. **The W2 is the form sent by an employer to the employee and the Internal Revenue Service (IRS) at the end of each year. W4 is completed by the employee in order to indicate his or her tax situation to the employer. W9 is the form filled by third party companies such as independent contractors who provide services to companies, upon the request from the respective company.**

What is W2?

The W2 is the form sent by an employer to the employee and the Internal Revenue Service (IRS) at the end of each year. Sending this form is mandatory in nature, and this reports the annual income and the amount of state taxes that were withheld from the paychecks. Following details are entered on the W2 form.

- Employer Identification number (EIN)
- Employer's name, address, and Zip code
- Employee's Social Security Number
- Employee's name, address, and Zip code
- Wages, tips, other compensation and income tax withheld
- Social security wages and social security tax withheld

Medicare wages, tips, and Medicare tax withheld

a Control number		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile .			
b Employer identification number (EIN)				1 Wages, tips, other compensation		2 Federal income tax withheld			
c Employer's name, address, and ZIP code				3 Social security wages		4 Social security tax withheld			
				5 Medicare wages and tips		6 Medicare tax withheld			
				7 Social security tips		8 Allocated tips			
d Employee's social security number				9 Advance EIC payment		10 Dependent care benefits			
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans			
f Employee's address and ZIP code				12a See instructions for box 12		12b			
				13 Statutory employee <input type="checkbox"/>		Retirement plan <input type="checkbox"/>		Third-party sick pay <input type="checkbox"/>	
				14 Other		12c		12d	
15 State		Employer's state ID number		16 State wages, tips, etc.		17 State income tax			
18 Local wages, tips, etc.		19 Local income tax		20 Locality name					

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.
 This information is being furnished to the Internal Revenue Service.

Figure 01: W2 form

What is W4?

W4 is the form completed by the employee in order to indicate his or her tax situation to the employer. W4 is also referred to as the **Employee's Withholding Allowance Certificate**. This form provides information regarding the amount of tax to be withheld from the paycheck of the employee based on the employee's marital status, the number of exemptions and dependents and other factors to the employer. W4 contains the following information.

- Employee's name, address, and Zip code
- Employee's Social Security Number
- Marital status
- Total number of allowances

When the number of allowances is high, the money that the employer withhold for tax purposes will be low. Marriage and dependents also affect an employee's W4 tax withholdings; thus all the necessary information has to be updated properly.

Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form W-4 Department of the Treasury Internal Revenue Service	Employee's Withholding Allowance Certificate ▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.	OMB No. 1545-0074 2009
1 Type or print your first name and middle initial. Last name Juan M Gomez		2 Your social security number XXX XX XXXX
Home address (number and street or rural route) 1234 Beaver Creek Blvr		3 <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <small>Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.</small>
City or town, state, and ZIP code Avon, CO, 81620		4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. <input type="checkbox"/>
5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2)		5 1
6 Additional amount, if any, you want withheld from each paycheck		6 \$ NR
7 I claim exemption from withholding for 2009, and I certify that I meet both of the following conditions for exemption. • Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and • This year I expect a refund of all federal income tax withheld because I expect to have no tax liability. If you meet both conditions, write "Exempt" here		
Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.		
Employee's signature (Form is not valid unless you sign it.)		Date
8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.)		9 Office code (optional)
		10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2009)

Figure 02: W4 form

What is W9?

W9 is the form filled by third party companies such as independent contractors who provide services to companies, upon the request from the respective company. The w9 form is also known as the **Request for Taxpayer Identification Number and Certification Form**. Name/ business name, address, zip code and taxpayer identification information of the taxpayer (this is usually the Social Security Number or the Employer Identification Number) are included in the W9 form as general information. Following such, W9 mainly consists of two parts:

- Taxpayer Identification Number
- Certification

W9 is an IRS form; however, this is not sent to the IRS, but is maintained by the individual who files the information return for verification purposes. W9 also serves as an important identification of the TIN of the taxpayer. Companies who obtain services from third parties can request the W9 from a U.S. citizen or a foreign national.

Form W-9
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do not
send to the IRS.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: Individual/sole proprietor Corporation Partnership Other Exempt from backup withholding

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

OR

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person Date

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States.
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity.

Figure 03: W9

What are the similarities between W2 W4 and W9?

- W2, W4, and W9 are documents prepared for tax purposes.
- Social Security Number is the main identifier included in W2, W4, and W9.

What is the difference between W2 W4 and W9?

W2 vs W4 vs W9	
Definition	
W2	W2 is the form sent by an employer to the employee and the Internal Revenue Service (IRS) at the end of each year.
W4	W4 is the form completed by the employee in order to indicate his or her tax situation to the employer.
W9	W9 is the form filled by third party companies such as independent contractors who provide services to companies, upon the request from the respective company.
Availability	
W2	Employer is the responsible party for the completion of the W2.
W4	W4 is a form that has to be completed by the employee.
W9	Independent contractors are entitled to fill the W9.

Summary- W2 vs W4 vs W9

The difference between W2 W4 and W9 can be mainly identified by giving consideration to the party responsible for completing the respective form. They have to be filled by employers (for W2), employees (for W4) and independent contractors (for W9). Filling these forms are mandatory in nature to ensure proper payment of tax which is a responsibility of the mentioned parties. Further, tax calculation and documentation has been made convenient by these forms.

References:

1. "W-2 Form." Investopedia. N.p., 02 Nov. 2015. Web. [Available here](#). 21 June 2017.
2. "W-4 Form." Investopedia. N.p., 18 Nov. 2003. Web. [Available here](#). 21 June 2017.
3. Perez, William. "What You Need to Know about Form W-9." The Balance. N.p., n.d. Web. [Available here](#). 21 June 2017.

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