

Michigan State University – East Lansing Income Tax FAQ

Revised Dec. 11, 2018

1. Who must pay the East Lansing income tax?

- a) Residents of East Lansing
- b) Nonresidents working in East Lansing, including most of Michigan State University's central campus.

2. I have an East Lansing address for my residence and/or my location of work. How can I determine if I am subject to the East Lansing income tax?

Please see the City of East Lansing's [Income Tax Boundary Maps](#). This jurisdiction map is intended to support taxpayers in determining their tax status for residency and location of work. If you are still unsure of your tax status, please consult your local tax authority.

3. What is the East Lansing income tax rate?

1 percent for residents and 0.5 percent for nonresidents working in East Lansing.

4. When is the East Lansing income tax effective?

Jan. 1, 2019. MSU is required to withhold this tax on applicable MSU employees beginning with payrolls in January 2019. This includes the Jan. 4, 2019, biweekly payroll for pay dates Dec. 9-Dec. 22, 2018.

5. The City of East Lansing has published the EL-W-4 Employees Withholding Certificate. Is this the form I need to file with MSU?

No. All MSU employees will complete their W-4 Local Tax withholding form directly in EBS. All MSU employees will need to review and confirm their residency and work location on the W-4 Local Tax form.

6. How will my MSU withholdings be handled?

MSU employees are required by Michigan law to complete and certify a W-4 Local Tax form.

Note: Electronic W-4 Local Tax forms with an East Lansing option will be available in EBS Dec. 17, 2018. There will be two prepopulated forms you need to review and certify – Residency and Location of Work:

- a) Residency: If your Permanent Residence in EBS includes East Lansing zip codes 48823, 48824, 48825 or 48826, your Residency W-4 Local Tax form will default to "East Lansing." All others will default to "Other/no applicable city tax" unless you have already selected another city of residence for income tax withholding or if you are an out-of-state resident and have an out-of-state certification on file in Payroll;
- b) Location of Work: All employees will be defaulted to "East Lansing" unless you have already selected another work city for income tax withholding or you are an out-of-state resident and have an out-of-state certification on file in Payroll.

If you are a **bi-weekly paid employee**, you will receive an email **Dec. 17** noting your W-4 Local Tax form defaults and instructions on how to review and certify this information. You will have until **5 p.m. Dec. 27** to update and certify information for the Jan. 4, 2019 paycheck.

If you are a **monthly paid employee**, you will receive an email **Jan. 2** noting your W-4 Local Tax form defaults and instructions on how to review and certify this information. You will have until **5 p.m. Jan. 22** to update and certify information for the Jan. 31, 2019 paycheck.

7. Can I make changes to my W-4 right now?

No. You need to wait until the dates provided in Question 6 to review and certify your W-4 in the EBS Portal. If you make changes prior to your applicable date, you will have to re-certify your information after that date.

8. What happens if I don't review and certify my information before the deadlines noted in Question 6?

MSU will withhold based on your defaulted W-4 Local Tax form information in EBS. Once it is available in EBS, you will be able to update your W-4 Local Tax form at any time throughout the year.

9. What if I live in East Lansing but work outside of East Lansing in a city that also has an income tax?

Your W-4 Local Tax form will default to East Lansing for residency and if you had previously selected and certified your taxable location of work, it will remain unchanged. If you did not previously select your location of work, it will default to East Lansing. Your local tax authority can provide guidance should you have questions about selections for withholding.

10. MSU already has my home address and knows where I work. Why do I need to complete and certify W-4 Local Tax forms in EBS?

Taxable boundaries are not the same as city (address) boundaries. For this reason, the use of city or zip code in an address is not a completely reliable indicator of taxability (see Question 2 above for tax jurisdiction map). Therefore, each employee will be required to complete and certify their W-4 Local Tax forms in EBS to declare taxability.

11. I am not an East Lansing resident, and I have a nine-month appointment working in East Lansing during the academic year. Will MSU still withhold taxes from my pay?

If East Lansing is selected in your W-4 Local Tax for location of work, MSU will withhold at the 0.5 percent tax rate.

12. Are students exempt from the East Lansing income tax?

Student status alone does not exempt an individual from the tax. All wages earned at an East Lansing work location are required to be taxed at the 0.5 percent tax rate. If your driver's license has an East Lansing address or your permanent address in EBS is East Lansing, you may be considered a resident and be required to pay the 1 percent tax rate for residents. You can find exemption information in the City of East Lansing's [Income Tax FAQ for Individuals](#).

13. I work at an MSU extension office full time outside of East Lansing and do not live in East Lansing. Will MSU withhold the East Lansing income tax from my pay?

If you select 'Other/no applicable city tax' on your W-4 Local Tax form for residency and location of work, MSU will not withhold the East Lansing income tax from your pay.

14. What do I do if I work in more than one taxable city?

The W-4 Local Tax form in EBS accepts one work location. The location you select will have withholding on 100 percent of your earnings. Your local tax authority can provide guidance should you have questions about selections for withholding.

MSU is working to provide functionality allowing you to enter your percentage of time worked in your predominant place of employment. This functionality is expected later in 2019. We will communicate to employees once it is available.

15. I don't work or live in East Lansing. Will MSU withhold the East Lansing income tax from my pay?

If you select 'Other/no applicable city tax' on your W-4 Local Tax form for residency and location of work, MSU will not withhold the East Lansing income tax from your pay.

16. Thanks, but I still need help!

The Payroll Office is happy to help. Please email all East Lansing income tax-related questions or comments to ctrl.payroll@ctrl.msu.edu and we will answer any question for which we know the answer at this time.

The city's [General FAQ](#) also may be of assistance. We are working closely with city officials and will share more detailed information as it is confirmed.