FORM **K-4**

Commonwealth of Kentucky
**Department of Revenue**

# KENTUCKY'S WITHHOLDING CERTIFICATE

**2026**

Social Security Number

Name—Last, First, Middle Initial

Mailing Address (Number and Street including Apartment Number or P.O. Box)

City, Town or Post Office | State | ZIP Code

All Kentucky wage earners are taxed at a flat 3.5% rate with a standard deduction allowance of $3,360. The Department of Revenue annually adjust the standard deduction in accordance with KRS 141.081(2)(a).

Check if exempt:

☐ 1. Kentucky income tax liability is not expected this year (see instructions)

☐ 2. You qualify for the Fort Campbell Exemption Certificate. I am a resident of _____
State

☐ 3. You qualify for the nonresident military spouse exemption

☐ 4. You work in Kentucky and reside in a reciprocal state

Additional withholding per pay period under agreement with employer $_____

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.

_____ Signature

_____ Date

## Instructions to Employees

All Kentucky wage earners are taxed at a flat 3.5% tax rate with an allowance for the standard deduction.

You may be exempt from withholding if any of the four conditions below are met:

1. You may be exempt from withholding for 2026 if both the following apply:
   - For 2025, you had a right to a refund of all Kentucky income tax withheld because you had no Kentucky income tax liability, and
   - For 2026, you expect a refund of all your Kentucky income tax withheld.

**Income Tax Liability Thresholds—**The 2025 filing threshold amount based upon federal poverty level is expected to be $15,650 for a family size of one (single, or married living apart from your spouse for the entire year), $21,150 for a family of two (single with one dependent child or a married couple), $26,650 for a family of three (single with two dependent children or a married couple with one dependent child) and $32,150 for a family of four or more (single with three dependent children or a married couple with two or more dependent children). Modified gross income is equal to your federal adjusted gross income plus any interest income from other states municipal bonds and pension income from a qualifying lump-sum distribution. If your combined modified gross income is expected to be less than the threshold amount for your family size, then you (and your spouse, if applicable) may not have an income tax liability.

If both the above statements apply, you are exempt and may check box 1. Your exemption for 2026 expires February 15, 2027.

2. Under the provisions of Public Law 105–261, pay and compensation earned at the Fort Campbell, Kentucky, military base is exempt from Kentucky income tax if you are not a resident of Kentucky. KRS 141.010(32) defines "resident" as an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in this state.

Check box 2 if you certify that you are not a resident of Kentucky and only earn wages as an employee at Fort Campbell, Kentucky. This exemption must be revoked within 10 days of a move or change of address to Kentucky.

3. You may be exempt from withholding, if you meet the conditions set for under the Servicemember Civil Relief Act as amended by the Military Spouses Residence Relief Act. You must complete the worksheet below to determine if you are eligible.

In order to qualify you must complete this form in full, certify that the you are not subject to Kentucky withholding tax because you met the conditions set forth below, and provide a copy of your spouse's military picture ID issued to the employee by the U.S. Department of Defense.

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1. My spouse is a military servicemember.....(check one) ☐ YES ☐ NO
2. I am NOT a military servicemember.....(check one) ☐ YES ☐ NO
3. My military servicemember spouse has a current military order assigning him or her to a military location in Kentucky.....(check one) ☐ YES ☐ NO
4. I and my military servicemember spouse live at the same address.....(check one) ☐ YES ☐ NO
5. My military servicemember's state of domicile is a state other than Kentucky and I am electing to use that state of domicile.....(check one) ☐ YES ☐ NO
   If yes, enter the 2-letter state code of the servicemember's state of domicile _____
6. I am present in Kentucky solely to be with my military servicemember spouse.....(check one) ☐ YES ☐ NO

**If you checked "YES" to all the statements above, your earned income is exempt from Kentucky withholding tax.**

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Check box 3 if you checked "YES" to all the statements listed in the worksheet. You are exempt from Kentucky income tax withholding. This exemption will terminate if any of the answers to the questions changes to "NO". In general, the exemption termination date will be the earlier of:

- The day the military servicemember is no longer in the military;
- The day the employee enlists in the military;
- The day the employee and the military servicemember no longer live at the same address; or
- The day the military servicemember's permanent duty station changes to a location outside of Kentucky.

4. You may be exempt from withholding if you work in Kentucky but reside in one of the following reciprocal states: Illinois, Indiana, Michigan, West Virginia, Wisconsin, Virginia and you commute daily or Ohio and you are not a shareholder–employee who is a "twenty (20) percent or greater" direct or indirect equity investor in a S corporation.

   In order to qualify you must complete the worksheet below:

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I have not been a resident of Kentucky during the year. (Check block in front of applicable statement.) I work in Kentucky and reside in:

☐ Illinois, ☐ Indiana, ☐ Michigan, ☐ West Virginia, ☐ Wisconsin
☐ Virginia and commute daily to my place of employment in Kentucky. *(Must commute daily to apply.)*
☐ Ohio and I am not a shareholder-employee who is a "twenty (20) percent or greater" direct or indirect equity investor in an S corporation.

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Check box 4 if you certify you work in Kentucky and reside in a reciprocal state.

**If you meet any of the four exemptions you are exempted from Kentucky withholding. However, you must complete this form and file it with your employer before withholding can be stopped. You will need to maintain a copy of the K-4 for your permanent records.**

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## Instructions to Employers

Form K-4 is only required to document that an employee has requested an exemption from withholding OR to document that an employee has requested additional withholding in excess of the amounts calculated using the formula or tables. If neither situation applies, then an employer is not required to maintain Form K-4.

Upon receipt of this form, properly completed, you are authorized to discontinue withholding for an employee who qualifies for one of the four exemptions. Retain a copy of all K-4's received from employees.

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