

This worksheet is designed to show you how to read the tax tables needed for figuring the amount of federal tax to withhold from a paycheck, using the percentage method of withholding. We will learn how to read the table and have a chance to practice.

Below are assorted federal income tax tables for 2009. Notice there is a different table for each pay schedule (weekly, semimonthly, monthly, etc) and that each table is divided into two parts, depending on the marital status of the employee.

Another piece of information we need is how much we should withhold for each withholding allowance the employee claims on their W-4 form. We will use the figures given in table 4.

Our examples and practice problems follow.

Table 1 -- Weekly Payroll Period

(a) SINGLE person (including head of household) --

| | | | |
|--|------------------------|--|--------------------------|
| If the amount of wages(after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | |
| Not over \$51.00..... | | \$0 | |
| Over -- | But not over -- | | Of excess over -- |
| \$51.00 | \$200.00 ... | 10% | \$51.00 |
| \$200.00 | \$681.00 ... | \$14.90 plus 15% | \$200.00 |
| \$681.00 | \$1,621.00 ... | \$87.05 plus 25% | \$681.00 |
| \$1,621.00 | \$3,338.00 ... | \$322.05 plus 28% | \$1,621.00 |
| \$3,338.00 | \$7,212.00 ... | \$802.81 plus 33% | \$3,338.00 |
| \$7,212.00 | | \$2,081.23 plus 35% | \$7,212.00 |

(b) Married person --

| | | | |
|--|------------------------|--|--------------------------|
| If the amount of wages(after subtracting withholding allowances) is: | | The amount of income tax to withhold is: | |
| Not over \$154.00..... | | \$0 | |
| Over -- | But not over -- | | Of excess over -- |
| \$154.00 | \$461.00 ... | 10% | \$154.00 |
| \$461.00 | \$1,455.00 ... | \$30.70 plus 15% | \$461.00 |
| \$1,455.00 | \$2,785.00 ... | \$179.80 plus 25% | \$1,455.00 |
| \$2,785.00 | \$4,165.00 ... | \$512.30 plus 28% | \$2,785.00 |
| \$4,165.00 | \$7,321.00 ... | \$898.70 plus 33% | \$4,165.00 |
| \$7,321.00 | | \$1,940.18 plus 35% | \$7,321.00 |

Table 2 -- Semimonthly Payroll Period

(a) SINGLE person (including head of household) --

If the amount of wages(after subtracting withholding allowances) is:

Not over \$110.00.....

The amount of income tax to withhold is:

\$0

| Over -- | But not over -- | | Of excess over -- |
|-------------|-----------------|---------------------|-------------------|
| \$110.00 | \$433.00 ... | 10% | \$110.00 |
| \$433.00 | \$1,475.00 ... | \$32.30 plus 15% | \$433.00 |
| \$1,475.00 | \$3,513.00 ... | \$188.60 plus 25% | \$1,475.00 |
| \$3,513.00 | \$7,233.00 ... | \$698.10 plus 28% | \$3,513.00 |
| \$7,233.00 | \$15,625.00 ... | \$1,739.70 plus 33% | \$7,233.00 |
| \$15,625.00 | | \$4,509.06 plus 35% | \$15,625.00 |

(b) Married person --

If the amount of wages(after subtracting withholding allowances) is:

Not over \$333.00.....

The amount of income tax to withhold is:

\$0

| Over -- | But not over -- | | Of excess over -- |
|-------------|-----------------|---------------------|-------------------|
| \$333.00 | \$998.00 ... | 10% | \$333.00 |
| \$998.00 | \$3,152.00 ... | \$66.50 plus 15% | \$998.00 |
| \$3,152.00 | \$6,033.00 ... | \$389.60 plus 25% | \$3,152.00 |
| \$6,033.00 | \$9,025.00 ... | \$1,109.85 plus 28% | \$6,033.00 |
| \$9,025.00 | \$15,863.00 ... | \$1,947.61 plus 33% | \$9,025.00 |
| \$15,863.00 | | \$4,204.15 plus 35% | \$15,863.00 |

Table 3 -- Monthly Payroll Period

(a) SINGLE person (including head of household) --

If the amount of wages(after subtracting withholding allowances) is:

Not over \$221.00.....

The amount of income tax to withhold is:

\$0

| Over -- | But not over -- | | Of excess over -- |
|-------------|-----------------|---------------------|-------------------|
| \$221.00 | \$867.00 ... | 10% | \$221.00 |
| \$867.00 | \$2,950.00 ... | \$64.60 plus 15% | \$867.00 |
| \$2,950.00 | \$7,025.00 ... | \$377.05 plus 25% | \$2,950.00 |
| \$7,025.00 | \$14,467.00 ... | \$1,395.80 plus 28% | \$7,025.00 |
| \$14,467.00 | \$31,250.00 ... | \$3,479.56 plus 33% | \$14,467.00 |
| \$31,250.00 | | \$9,017.95 plus 35% | \$31,250.00 |

(b) Married person --

If the amount of wages(after subtracting withholding allowances) is:

Not over \$667.00.....

The amount of income tax to withhold is:

\$0

| Over -- | But not over -- | | Of excess over -- |
|-------------|-----------------|---------------------|-------------------|
| \$667.00 | \$1,996.00 ... | 10% | \$667.00 |
| \$1,996.00 | \$6,304.00 ... | \$132.90 plus 15% | \$1,996.00 |
| \$6,304.00 | \$12,067.00 ... | \$779.10 plus 25% | \$6,304.00 |
| \$12,067.00 | \$18,050.00 ... | \$2,219.85 plus 28% | \$12,067.00 |
| \$18,050.00 | \$31,725.00 ... | \$3,895.09 plus 33% | \$18,050.00 |
| \$31,725.00 | | \$8,407.84 plus 35% | \$31,725.00 |

| Table 4: Amount to Withhold for One Withholding Allowance | |
|--|-----------------|
| Payroll period | Amount * |
| Weekly | \$51.00 |
| Semimonthly | \$110.00 |
| Monthly | \$221.00 |

* This number is multiplied by the number of allowances when using tables 1-3.

Put this together and we have a sentence that tells us a formula for finding her withholding tax. “If the amount of wages (after subtracting withholding allowances) is over \$461 but not over \$1,455, the amount of income tax to withhold is \$30.70 plus 15% of excess over \$461”

We are to withhold \$30.70 plus 15% of whatever she made (minus that \$204) over \$461. Now let’s figure that.

Her adjusted salary (adjusted for withholding allowances) is $\$764 - \204 or $\$560$. We find the difference between that and $\$461$, which is $\$99$. That is “what she made (minus that $\$204$) over $\$461$ ”. Now, we need to take 15% of that and add it to $\$30.70$. I show this whole process below.

Tax withheld

$$= 30.70 + .15(560 - 461)$$

$$= 30.70 + .15(99)$$

$$= 30.70 + 14.85$$

$$= 45.55$$

So the tax we should withhold from each paycheck is $\$45.55$.

There is one last detail in the table I should mention. Look back to table 1. Notice if her salary (after subtracting withholding allowances) is “not over $\$154$ ”, you follow the very top row, and the amount to withhold is $\$0$.

Practice Problems:

Find the tax to withhold for the following employees.

1. Mark is paid $\$1400$ monthly. He is single and claims 3 withholding allowances. (You will notice the tax to withhold will be 10% of the excess over $\$221$. There is no base figure like Lisa’s $\$30.70$.)

2. Sam earns \$6200 a month, is single, and claims 5 withholding allowances.

3. Maria is married, earns \$500 twice a month, and claims 2 withholding allowances.

4. Clark earns \$450 weekly. He is married and claims 3 withholding allowances.