

Percentage method of withholding for 2.40 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 32.69	\$ 49.09
Bi-weekly	\$ 123.08	\$ 65.38	\$ 98.08
Semi-monthly	\$ 133.33	\$ 70.84	\$ 106.25
Monthly	\$ 266.67	\$ 141.67	\$ 212.50
Quarterly	\$ 800.00	\$ 425.00	\$ 637.50
Annually	\$ 3,200.00	\$ 1,700.00	\$ 2,550.00
Daily	\$ 8.77	\$ 4.66	\$ 6.99

* The standard Deduction is 15% of the gross income with a minimum of \$1,700 and a maximum of \$2,550.

FORMULA

Total wages (before any deductions)

LESS Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

LESS Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

Equals TAXABLE INCOME

Note: The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at www.marylandtaxes.gov.

(a) Married Filing Joint or Head of Household

Withholding Daily Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 412		7.15%		
\$ 412	\$ 481	29.46	plus 7.40%	\$ 412	
\$ 481	\$ 618	34.55	plus 7.65%	\$ 481	
\$ 618	\$ 824	45.05	plus 7.90%	\$ 618	
\$ 824	--	61.33	plus 8.15%	\$ 824	

Withholding Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 2,885		7.15%		
\$ 2,885	\$ 3,365	206.25	plus 7.40%	\$ 2,885	
\$ 3,365	\$ 4,327	241.83	plus 7.65%	\$ 3,365	
\$ 4,327	\$ 5,769	315.38	plus 7.90%	\$ 4,327	
\$ 5,769	--	429.33	plus 8.15%	\$ 5,769	

Withholding Bi-Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 5,769		7.15%		
\$ 5,769	\$ 6,731	412.50	plus 7.40%	\$ 5,769	
\$ 6,731	\$ 8,654	483.65	plus 7.65%	\$ 6,731	
\$ 8,654	\$ 11,538	630.77	plus 7.90%	\$ 8,654	
\$ 11,538	--	858.65	plus 8.15%	\$ 11,538	

Withholding Semi-Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 6,250		7.15%		
\$ 6,250	\$ 7,292	446.88	plus 7.40%	\$ 6,250	
\$ 7,292	\$ 9,375	523.96	plus 7.65%	\$ 7,292	
\$ 9,375	\$ 12,500	683.33	plus 7.90%	\$ 9,375	
\$ 12,500	--	930.21	plus 8.15%	\$ 12,500	

(b) Single including Married Filing Separately or Dependent

Withholding Daily Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 275		7.15%		
\$ 275	\$ 343	19.64	plus 7.40%	\$ 275	
\$ 343	\$ 412	24.73	plus 7.65%	\$ 343	
\$ 412	\$ 687	29.98	plus 7.90%	\$ 412	
\$ 687	--	51.68	plus 8.15%	\$ 687	

Withholding Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 1,923		7.15%		
\$ 1,923	\$ 2,404	137.50	plus 7.40%	\$ 1,923	
\$ 2,404	\$ 2,885	173.08	plus 7.65%	\$ 2,404	
\$ 2,885	\$ 4,808	209.86	plus 7.90%	\$ 2,885	
\$ 4,808	--	361.78	plus 8.15%	\$ 4,808	

Withholding Bi-Weekly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 3,846		7.15%		
\$ 3,846	\$ 4,808	275.00	plus 7.40%	\$ 3,846	
\$ 4,808	\$ 5,769	346.15	plus 7.65%	\$ 4,808	
\$ 5,769	\$ 9,615	419.71	plus 7.90%	\$ 5,769	
\$ 9,615	--	723.56	plus 8.15%	\$ 9,615	

Withholding Semi-Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.

If taxable net income is:		The amount to be withheld shall be		of excess over	
Over:	But not over:				
\$ 0	\$ 4,167		7.15%		
\$ 4,167	\$ 5,208	297.92	plus 7.40%	\$ 4,167	
\$ 5,208	\$ 6,250	375.00	plus 7.65%	\$ 5,208	
\$ 6,250	\$ 10,417	454.69	plus 7.90%	\$ 6,250	
\$ 10,417	--	783.85	plus 8.15%	\$ 10,417	

Percentage method of withholding for 2.40 PERCENT LOCAL INCOME TAX

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		MIN	MAX
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Bi-weekly	\$ 123.08	\$ 65.38	\$ 98.08
Semi-monthly	\$ 133.33	\$ 70.84	\$ 106.25
Monthly	\$ 266.67	\$ 141.67	\$ 212.50
Quarterly	\$ 800.00	\$ 425.00	\$ 637.50
Annually	\$ 3,200.00	\$ 1,700.00	\$ 2,550.00
Daily	\$ 8.77	\$ 4.66	\$ 6.99

* The standard Deduction is 15% of the gross income with a minimum of \$1,700 and a maximum of \$2,550.

FORMULA

Total wages (before any deductions)

LESS Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

LESS Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

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Note: The number of exemptions to be used in this formula is determined from the Form MW507 (Maryland Employee Exemption Certificate) filed by your employee. Form MW507 is available on our Web site at www.marylandtaxes.gov.

(a) Married Filing Joint or Head of Household

Withholding Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 12,500	7.15%		
\$ 12,500	\$ 14,583	893.75 plus	7.40%	\$ 12,500
\$ 14,583	\$ 18,750	1,047.92 plus	7.65%	\$ 14,853
\$ 18,750	\$ 25,000	1,366.67 plus	7.90%	\$ 18,750
\$ 25,000	--	1,860.42 plus	8.15%	\$ 25,000

Withholding Quarterly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1250.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	but not over:			
\$ 0	\$ 37,500	7.15%		
\$ 37,500	\$ 43,750	2,681.25 plus	7.40%	\$ 37,500
\$ 43,750	\$ 56,250	3,143.75 plus	7.65%	\$ 43,750
\$ 56,250	\$ 75,000	4,100.00 plus	7.90%	\$ 56,250
\$ 75,000	--	5,581.25 plus	8.15%	\$ 75,000

Withholding Annual Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 150,000	7.15%		
\$ 150,000	\$ 175,000	10,725.00 plus	7.40%	\$ 150,000
\$ 175,000	\$ 225,000	12,575.00 plus	7.65%	\$ 175,000
\$ 225,000	\$ 300,000	16,400.00 plus	7.90%	\$ 225,000
\$ 300,000	--	22,325.00 plus	8.15%	\$ 300,000

(b) Single including Married Filing Separately or Dependent

Withholding Monthly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 8,333	7.15%		
\$ 8,333	\$ 10,417	595.83 plus	7.40%	\$ 8,333
\$ 10,417	\$ 12,500	750.00 plus	7.65%	\$ 10,417
\$ 12,500	\$ 20,833	909.38 plus	7.90%	\$ 12,500
\$ 20,833	--	1,567.71 plus	8.15%	\$ 20,833

Withholding Quarterly Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1250.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 25,000	7.15%		
\$ 25,000	\$ 31,250	1,787.50 plus	7.40%	\$ 25,000
\$ 31,250	\$ 37,500	2,250.00 plus	7.65%	\$ 31,250
\$ 37,500	\$ 62,500	2,728.13 plus	7.90%	\$ 37,500
\$ 62,500	--	4,703.13 plus	8.15%	\$ 62,500

Withholding Annual Period

DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.

If taxable net income is:		The amount to be withheld shall be		of excess over
Over:	But not over:			
\$ 0	\$ 100,000	7.15%		
\$ 100,000	\$ 125,000	7,150.00 plus	7.40%	\$ 100,000
\$ 125,000	\$ 150,000	9,000.00 plus	7.65%	\$ 125,000
\$ 150,000	\$ 250,000	10,912.50 plus	7.90%	\$ 150,000
\$ 250,000	--	18,812.50 plus	8.15%	\$ 250,000

Amount to Be Withheld on Annual Bonus Paid In Lump Sum 8.15% of Bonus