

Percentage method of withholding for 2.25 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 34.62	\$ 51.92
Bi-weekly	\$ 123.08	\$ 69.23	\$ 103.85
Semi-monthly	\$ 133.33	\$ 75.00	\$ 112.50
Monthly	\$ 266.67	\$ 150.00	\$ 225.00
Quarterly	\$ 800.00	\$ 450.00	\$ 675.00
Annually	\$ 3,200.00	\$ 1,800.00	\$ 2,700.00
Daily	\$ 8.77	\$ 4.93	\$ 7.40

* The standard Deduction is 15% of the gross income with a minimum of \$1,800 and a maximum of \$2,700.

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 - Weekly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 2,885		7.00%	
\$ 2,885	\$ 3,365	201.92 plus 7.25%		\$ 2,885
\$ 3,365	\$ 4,327	236.78 plus 7.50%		\$ 3,365
\$ 4,327	\$ 5,769	308.89 plus 7.75%		\$ 4,327
\$ 5,769	--	420.67 plus 8.00%		\$ 5,769

Withholding - Bi-Weekly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 5,769		7.00%	
\$ 5,769	\$ 6,731	403.85 plus 7.25%		\$ 5,769
\$ 6,731	\$ 8,654	473.56 plus 7.50%		\$ 6,731
\$ 8,654	\$ 11,538	617.79 plus 7.75%		\$ 8,654
\$ 11,538	--	841.35 plus 8.00%		\$ 11,538

Withholding - Semi-Monthly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 6,250		7.00%	
\$ 6,250	\$ 7,292	437.50 plus 7.25%		\$ 6,250
\$ 7,292	\$ 9,375	513.02 plus 7.50%		\$ 7,292
\$ 9,375	\$ 12,500	669.27 plus 7.75%		\$ 9,375
\$ 12,500	--	911.46 plus 8.00%		\$ 12,500

Withholding - Monthly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 12,500		7.00%	
\$ 12,500	\$ 14,583	875.00 plus 7.25%		\$ 12,500
\$ 14,583	\$ 18,750	1,026.04 plus 7.50%		\$ 14,583
\$ 18,750	\$ 25,000	1,338.54 plus 7.75%		\$ 18,750
\$ 25,000	--	1,822.92 plus 8.00%		\$ 25,000

(b) Single including Married Filing Separately or Dependent

Withholding - Weekly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$96.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 1,923		7.00%	
\$ 1,923	\$ 2,404	134.62 plus 7.25%		\$ 1,923
\$ 2,404	\$ 2,885	169.47 plus 7.50%		\$ 2,404
\$ 2,885	\$ 4,808	205.53 plus 7.75%		\$ 2,885
\$ 4,808	--	354.57 plus 8.00%		\$ 4,808

Withholding - Bi-Weekly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$192.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 3,846		7.00%	
\$ 3,846	\$ 4,808	269.23 plus 7.25%		\$ 3,846
\$ 4,808	\$ 5,769	338.94 plus 7.50%		\$ 4,808
\$ 5,769	\$ 9,615	411.06 plus 7.75%		\$ 5,769
\$ 9,615	--	709.13 plus 8.00%		\$ 9,615

Withholding - Semi-Monthly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$208.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 4,167		7.00%	
\$ 4,167	\$ 5,208	291.67 plus 7.25%		\$ 4,167
\$ 5,208	\$ 6,250	367.19 plus 7.50%		\$ 5,208
\$ 6,250	\$ 10,417	445.31 plus 7.75%		\$ 6,250
\$ 10,417	--	768.23 plus 8.00%		\$ 10,417

Withholding - Monthly payroll period DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$417.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 8,333		7.00%	
\$ 8,333	\$ 10,417	583.33 plus 7.25%		\$ 8,333
\$ 10,417	\$ 12,500	734.38 plus 7.50%		\$ 10,417
\$ 12,500	\$ 20,833	890.63 plus 7.75%		\$ 12,500
\$ 20,833	--	1,536.46 plus 8.00%		\$ 20,833

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Semi-monthly	\$ 133.33	\$ 75.00	\$ 112.50
Monthly	\$ 266.67	\$ 150.00	\$ 225.00
Quarterly	\$ 800.00	\$ 450.00	\$ 675.00
Annually	\$ 3,200.00	\$ 1,800.00	\$ 2,700.00
Daily	\$ 8.77	\$ 4.93	\$ 7.40

* The standard Deduction is 15% of the gross income with a minimum of \$1,800 and a maximum of \$2,700.

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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(a) Married Filing Joint or Head of Household

Withholding - Quarterly payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1,250.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 37,500		7.00%	
\$ 37,500	\$ 43,750	2,625.00	plus 7.25%	\$ 37,500
\$ 43,750	\$ 56,250	3,078.13	plus 7.50%	\$ 43,750
\$ 56,250	\$ 75,000	4,015.63	plus 7.75%	\$ 56,250
\$ 75,000	--	5,468.75	plus 8.00%	\$ 75,000

Withholding - Daily payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 412		7.00%	
\$ 412	\$ 481	28.85	plus 7.25%	\$ 412
\$ 481	\$ 618	33.83	plus 7.50%	\$ 481
\$ 618	\$ 824	44.13	plus 7.75%	\$ 618
\$ 824	--	60.10	plus 8.00%	\$ 824

Withholding - Annual payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 150,000		7.00%	
\$ 150,000	\$ 175,000	10,500.00	plus 7.25%	\$ 150,000
\$ 175,000	\$ 225,000	12,312.50	plus 7.50%	\$ 175,000
\$ 225,000	\$ 300,000	16,062.50	plus 7.75%	\$ 225,000
\$ 300,000	--	21,875.00	plus 8.00%	\$ 300,000

(b) Single including Married Filing Separately or Dependent

Withholding - Quarterly payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$1,250.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 25,000		7.00%	
\$ 25,000	\$ 31,250	1,750.00	plus 7.25%	\$ 25,000
\$ 31,250	\$ 37,500	2,203.13	plus 7.50%	\$ 31,250
\$ 37,500	\$ 62,500	2,671.88	plus 7.75%	\$ 37,500
\$ 62,500	--	4,609.38	plus 8.00%	\$ 62,500

Withholding - Daily payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$13.70

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 275		7.00%	
\$ 275	\$ 343	19.23	plus 7.25%	\$ 275
\$ 343	\$ 412	24.21	plus 7.50%	\$ 343
\$ 412	\$ 687	29.36	plus 7.75%	\$ 412
\$ 687	--	50.65	plus 8.00%	\$ 687

Withholding - Annual payroll period
DO NOT WITHHOLD ON GROSS WAGES LESS THAN \$5,000.00

IF THE taxable income is		The amount to be withheld shall be		of excess over
Over	But not over			
\$ 0	\$ 100,000		7.00%	
\$ 100,000	\$ 125,000	7,000.00	plus 7.25%	\$ 100,000
\$ 125,000	\$ 150,000	8,812.50	plus 7.50%	\$ 125,000
\$ 150,000	\$ 250,000	10,687.50	plus 7.75%	\$ 150,000
\$ 250,000	--	18,437.50	plus 8.00%	\$ 250,000

Lump Sum Distribution of Annual Bonus
The amount to be withheld shall be
8.00%