

Percentage method of withholding for 2.75 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 - 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		7.50%		
\$ 2,885	\$ 3,365	216.35 plus	7.75%	\$	2,885
\$ 3,365	\$ 4,327	253.61 plus	8.00%	\$	3,365
\$ 4,327	\$ 5,769	330.53 plus	8.25%	\$	4,327
\$ 5,769	--	449.52 plus	8.50%	\$	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		7.50%		
\$ 5,769	\$ 6,731	432.69 plus	7.75%	\$	5,769
\$ 6,731	\$ 8,654	507.21 plus	8.00%	\$	6,731
\$ 8,654	\$ 11,538	661.06 plus	8.25%	\$	8,654
\$ 11,538	--	899.04 plus	8.50%	\$	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		7.50%		
\$ 6,250	\$ 7,292	468.75 plus	7.75%	\$	6,250
\$ 7,292	\$ 9,375	549.48 plus	8.00%	\$	7,292
\$ 9,375	\$ 12,500	716.15 plus	8.25%	\$	9,375
\$ 12,500	--	973.96 plus	8.50%	\$	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		7.50%		
\$ 12,500	\$ 14,583	937.50 plus	7.75%	\$	12,500
\$ 14,583	\$ 18,750	1,098.96 plus	8.00%	\$	14,583
\$ 18,750	\$ 25,000	1,432.29 plus	8.25%	\$	18,750

(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		7.50%		
\$ 1,923	\$ 2,404	144.23 plus	7.75%	\$	1,923
\$ 2,404	\$ 2,885	181.49 plus	8.00%	\$	2,404
\$ 2,885	\$ 4,808	219.95 plus	8.25%	\$	2,885
\$ 4,808	--	378.61 plus	8.50%	\$	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		7.50%		
\$ 3,846	\$ 4,808	288.46 plus	7.75%	\$	3,846
\$ 4,808	\$ 5,769	362.98 plus	8.00%	\$	4,808
\$ 5,769	\$ 9,615	439.90 plus	8.25%	\$	5,769
\$ 9,615	--	757.21 plus	8.50%	\$	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		7.50%		
\$ 4,167	\$ 5,208	312.50 plus	7.75%	\$	4,167
\$ 5,208	\$ 6,250	393.23 plus	8.00%	\$	5,208
\$ 6,250	\$ 10,417	476.56 plus	8.25%	\$	6,250
\$ 10,417	--	820.31 plus	8.50%	\$	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		7.50%		
\$ 8,333	\$ 10,417	625.00 plus	7.75%	\$	8,333
\$ 10,417	\$ 12,500	786.46 plus	8.00%	\$	10,417
\$ 12,500	\$ 20,833	953.13 plus	8.25%	\$	12,500

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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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(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		
Over	But not over		plus	of excess over
\$ 0	\$ 37,500		7.50%	
\$ 37,500	\$ 43,750	2,812.50	plus 7.75%	\$ 37,500
\$ 43,750	\$ 56,250	3,296.88	plus 8.00%	\$ 43,750
\$ 56,250	\$ 75,000	4,296.88	plus 8.25%	\$ 56,250
\$ 75,000	--	5,843.75	plus 8.50%	\$ 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		
Over	But not over		plus	of excess over
\$ 0	\$ 412		7.50%	
\$ 412	\$ 481	30.91	plus 7.75%	\$ 412
\$ 481	\$ 618	36.23	plus 8.00%	\$ 481
\$ 618	\$ 824	47.22	plus 8.25%	\$ 618
\$ 824	--	64.22	plus 8.50%	\$ 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		
Over	But not over		plus	of excess over
\$ 0	\$ 150,000		7.50%	
\$ 150,000	\$ 175,000	11,250.00	plus 7.75%	\$ 150,000
\$ 175,000	\$ 225,000	13,187.50	plus 8.00%	\$ 175,000
\$ 225,000	\$ 300,000	17,187.50	plus 8.25%	\$ 225,000
\$ 300,000	--	23,375.00	plus 8.50%	\$ 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		
Over	But not over		plus	of excess over
\$ 0	\$ 25,000		7.50%	
\$ 25,000	\$ 31,250	1,875.00	plus 7.75%	\$ 25,000
\$ 31,250	\$ 37,500	2,359.38	plus 8.00%	\$ 31,250
\$ 37,500	\$ 62,500	2,859.38	plus 8.25%	\$ 37,500
\$ 62,500	--	4,921.88	plus 8.50%	\$ 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		
Over	But not over		plus	of excess over
\$ 0	\$ 275		7.50%	
\$ 275	\$ 343	20.60	plus 7.75%	\$ 275
\$ 343	\$ 412	25.93	plus 8.00%	\$ 343
\$ 412	\$ 687	31.42	plus 8.25%	\$ 412
\$ 687	--	54.09	plus 8.50%	\$ 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		
Over	But not over		plus	of excess over
\$ 0	\$ 100,000		7.50%	
\$ 100,000	\$ 125,000	7,500.00	plus 7.75%	\$ 100,000
\$ 125,000	\$ 150,000	9,437.50	plus 8.00%	\$ 125,000
\$ 150,000	\$ 250,000	11,437.50	plus 8.25%	\$ 150,000
\$ 250,000	--	19,687.50	plus 8.50%	\$ 250,000

Lump Sum Distribution of Annual Bonus

The amount to be withheld shall be

8.50%