

Percentage method of withholding for 1.75 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 29.00	\$ 38.55
Bi-weekly	\$ 123.08	\$ 58.05	\$ 77.00
Semi-monthly	\$ 133.33	\$ 62.50	\$ 83.50
Monthly	\$ 266.67	\$ 125.00	\$ 167.00
Quarterly	\$ 800.00	\$ 375.00	\$ 500.00
Annually	\$ 3,200.00	\$ 1,500.00	\$ 2,000.00
Daily	\$ 8.77	\$ 4.15	\$ 5.50

* The standard Deduction is 15% of the gross income with a minimum of \$1,500 and a maximum of \$2,000.

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.com.

(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	0.00	plus 6.50%	
\$ 2,885	\$ 3,365	187.50	plus 6.75%	\$ 2,885
\$ 3,365	\$ 4,327	219.95	plus 7.00%	\$ 3,365
\$ 4,327	\$ 5,769	287.26	plus 7.25%	\$ 4,327
\$ 5,769	--	391.83	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 5,769	\$ 6,731	375.00	plus 6.75%	\$ 5,769
\$ 6,731	\$ 8,654	439.90	plus 7.00%	\$ 6,731
\$ 8,654	\$ 11,538	574.52	plus 7.25%	\$ 8,654
\$ 11,538	--	783.65	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 6,250	\$ 7,292	406.25	plus 6.75%	\$ 6,250
\$ 7,292	\$ 9,375	476.56	plus 7.00%	\$ 7,292
\$ 9,375	\$ 12,500	622.40	plus 7.25%	\$ 9,375
\$ 12,500	--	848.96	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 12,500	\$ 14,583	812.50	plus 6.75%	\$ 12,500
\$ 14,583	\$ 18,750	953.13	plus 7.00%	\$ 14,583
\$ 18,750	\$ 25,000	1,244.49	plus 7.25%	\$ 18,750
\$ 25,000	--	1,697.92	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 1,923	\$ 2,404	125.00	plus 6.75%	\$ 1,923
\$ 2,404	\$ 2,885	157.45	plus 7.00%	\$ 2,404
\$ 2,885	\$ 4,808	191.11	plus 7.25%	\$ 2,885
\$ 4,808	--	330.53	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 3,846	\$ 4,808	250.00	plus 6.75%	\$ 3,846
\$ 4,808	\$ 5,769	314.90	plus 7.00%	\$ 4,808
\$ 5,769	\$ 9,615	382.21	plus 7.25%	\$ 5,769
\$ 9,615	--	661.06	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 4,167	\$ 5,208	270.83	plus 6.75%	\$ 4,167
\$ 5,208	\$ 6,250	341.15	plus 7.00%	\$ 5,208
\$ 6,250	\$ 10,417	414.06	plus 7.25%	\$ 6,250
\$ 10,417	--	716.15	plus 7.50%	\$ 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	0.00	plus 6.50%	
\$ 8,333	\$ 10,417	541.67	plus 6.75%	\$ 8,333
\$ 10,417	\$ 12,500	682.29	plus 7.00%	\$ 10,417
\$ 12,500	\$ 20,833	828.13	plus 7.25%	\$ 12,500
\$ 20,833	--	1,432.29	plus 7.50%	\$ 20,833

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Monthly	\$ 266.67	\$ 125.00	\$ 167.00
Quarterly	\$ 800.00	\$ 375.00	\$ 500.00
Annually	\$ 3,200.00	\$ 1,500.00	\$ 2,000.00
Daily	\$ 8.77	\$ 4.15	\$ 5.50

* The standard Deduction is 15% of the gross income with a minimum of \$1,500 and a maximum of \$2,000.

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

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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	0.00	plus 6.50%	
\$ 37,500	\$ 43,750	2,437.50	plus 6.75%	\$ 37,500
\$ 43,750	\$ 56,250	2,859.38	plus 7.00%	\$ 43,750
\$ 56,250	\$ 75,000	3,734.38	plus 7.25%	\$ 56,250
\$ 75,000	--	5,093.75	plus 7.50%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 412	0.00	plus 6.50%	
\$ 412	\$ 481	26.79	plus 6.75%	\$ 412
\$ 481	\$ 618	31.42	plus 7.00%	\$ 481
\$ 618	\$ 824	41.04	plus 7.25%	\$ 618
\$ 824	--	55.98	plus 7.50%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 150,000	0.00	plus 6.50%	
\$ 150,000	\$ 175,000	9,750.00	plus 6.75%	\$ 150,000
\$ 175,000	\$ 225,000	11,437.50	plus 7.00%	\$ 175,000
\$ 225,000	\$ 300,000	14,937.50	plus 7.25%	\$ 225,000
\$ 300,000	--	20,375.00	plus 7.50%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 25,000	0.00	plus 6.50%	
\$ 25,000	\$ 31,250	1,625.00	plus 6.75%	\$ 25,000
\$ 31,250	\$ 37,500	2,046.88	plus 7.00%	\$ 31,250
\$ 37,500	\$ 62,500	2,484.38	plus 7.25%	\$ 37,500
\$ 62,500	--	4,296.88	plus 7.50%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 275	0.00	plus 6.50%	
\$ 275	\$ 343	17.86	plus 6.75%	\$ 275
\$ 343	\$ 412	22.49	plus 7.00%	\$ 343
\$ 412	\$ 687	27.30	plus 7.25%	\$ 412
\$ 687	--	47.22	plus 7.50%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 100,000	0.00	plus 6.50%	
\$ 100,000	\$ 125,000	6,500.00	plus 6.75%	\$ 100,000
\$ 125,000	\$ 150,000	8,187.50	plus 7.00%	\$ 125,000
\$ 150,000	\$ 250,000	9,937.50	plus 7.25%	\$ 150,000
\$ 250,000	--	17,187.50	plus 7.50%	\$ 250,000

Lump Sum Distribution of Annual Bonus The amount to be withheld shall be **7.50%**