

## Percentage method of withholding for 2.65 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 29.00	\$ 43.27
Bi-weekly	\$ 123.08	\$ 58.05	\$ 86.54
Semi-monthly	\$ 133.33	\$ 62.50	\$ 93.75
Monthly	\$ 266.67	\$ 125.00	\$ 187.50
Quarterly	\$ 800.00	\$ 375.00	\$ 562.50
Annually	\$ 3,200.00	\$ 1,500.00	\$ 2,250.00
Daily	\$ 8.77	\$ 4.15	\$ 6.16

\* The standard Deduction is 15% of the gross income with a minimum of \$1,500 and a maximum of \$2,250.

FORMULA	
<b>Total wages</b> (before any deductions)	
<b>LESS</b>	Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)
<b>LESS</b>	Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)
<b>Equals</b>	<b>TAXABLE INCOME</b>

**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](http://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		7.40%	
\$ 2,885	\$ 3,365	213.46 plus 7.65%		\$ 2,885
\$ 3,365	\$ 4,327	250.24 plus 7.90%		\$ 3,365
\$ 4,327	\$ 5,769	326.20 plus 8.15%		\$ 4,327
\$ 5,769	--	443.75 plus 8.40%		\$ 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		7.40%	
\$ 5,769	\$ 6,731	426.92 plus 7.65%		\$ 5,769
\$ 6,731	\$ 8,654	500.48 plus 7.90%		\$ 6,731
\$ 8,654	\$ 11,538	652.40 plus 8.15%		\$ 8,654
\$ 11,538	--	887.50 plus 8.40%		\$ 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		7.40%	
\$ 6,250	\$ 7,292	462.50 plus 7.65%		\$ 6,250
\$ 7,292	\$ 9,375	542.19 plus 7.90%		\$ 7,292
\$ 9,375	\$ 12,500	706.77 plus 8.15%		\$ 9,375
\$ 12,500	--	961.46 plus 8.40%		\$ 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		7.40%	
\$ 12,500	\$ 14,583	925.00 plus 7.65%		\$ 12,500
\$ 14,583	\$ 18,750	1,084.38 plus 7.90%		\$ 14,583
\$ 18,750	\$ 25,000	1,413.54 plus 8.15%		\$ 18,750
\$ 25,000	--	1,922.92 plus 8.40%		\$ 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		7.40%	
\$ 1,923	\$ 2,404	142.31 plus 7.65%		\$ 1,923
\$ 2,404	\$ 2,885	179.09 plus 7.90%		\$ 2,404
\$ 2,885	\$ 4,808	217.07 plus 8.15%		\$ 2,885
\$ 4,808	--	373.80 plus 8.40%		\$ 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		7.40%	
\$ 3,846	\$ 4,808	284.62 plus 7.65%		\$ 3,846
\$ 4,808	\$ 5,769	358.17 plus 7.90%		\$ 4,808
\$ 5,769	\$ 9,615	434.13 plus 8.15%		\$ 5,769
\$ 9,615	--	747.60 plus 8.40%		\$ 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		7.40%	
\$ 4,167	\$ 5,208	308.33 plus 7.65%		\$ 4,167
\$ 5,208	\$ 6,250	388.02 plus 7.90%		\$ 5,208
\$ 6,250	\$ 10,417	470.31 plus 8.15%		\$ 6,250
\$ 10,417	--	809.90 plus 8.40%		\$ 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		7.40%	
\$ 8,333	\$ 10,417	616.67 plus 7.65%		\$ 8,333
\$ 10,417	\$ 12,500	776.04 plus 7.90%		\$ 10,417
\$ 12,500	\$ 20,833	940.63 plus 8.15%		\$ 12,500
\$ 20,833	--	1,619.79 plus 8.40%		\$ 20,833

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Monthly	\$ 266.67	\$ 125.00	\$ 187.50
Quarterly	\$ 800.00	\$ 375.00	\$ 562.50
Annually	\$ 3,200.00	\$ 1,500.00	\$ 2,250.00
Daily	\$ 8.77	\$ 4.15	\$ 6.16

\* The standard Deduction is 15% of the gross income with a minimum of \$1,500 and a maximum of \$2,250.

FORMULA	
Total wages (before any deductions)	
<b>LESS</b>	Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)
<b>LESS</b>	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

<b>Withholding - Quarterly payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 37,500	7.40%		
\$ 37,500	\$ 43,750	2,775.00 plus 7.65%	\$	37,500
\$ 43,750	\$ 56,250	3,253.13 plus 7.90%	\$	43,750
\$ 56,250	\$ 75,000	4,240.63 plus 8.15%	\$	56,250
\$ 75,000	--	5,768.75 plus 8.40%	\$	75,000

<b>Withholding - Daily payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 412	7.40%		
\$ 412	\$ 481	30.49 plus 7.65%	\$	412
\$ 481	\$ 618	35.75 plus 7.90%	\$	481
\$ 618	\$ 824	46.60 plus 8.15%	\$	618
\$ 824	--	63.39 plus 8.40%	\$	824

<b>Withholding - Annual payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 150,000	7.40%		
\$ 150,000	\$ 175,000	11,100.00 plus 7.65%	\$	150,000
\$ 175,000	\$ 225,000	13,012.50 plus 7.90%	\$	175,000
\$ 225,000	\$ 300,000	16,962.50 plus 8.15%	\$	225,000
\$ 300,000	--	23,075.00 plus 8.40%	\$	300,000

### (b) Single including Married Filing Separately or Dependent

<b>Withholding - Quarterly payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 25,000	7.40%		
\$ 25,000	\$ 31,250	1,850.00 plus 7.65%	\$	25,000
\$ 31,250	\$ 37,500	2,328.13 plus 7.90%	\$	31,250
\$ 37,500	\$ 62,500	2,821.88 plus 8.15%	\$	37,500
\$ 62,500	--	4,859.38 plus 8.40%	\$	62,500

<b>Withholding - Daily payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 275	7.40%		
\$ 275	\$ 343	20.33 plus 7.65%	\$	275
\$ 343	\$ 412	25.58 plus 7.90%	\$	343
\$ 412	\$ 687	31.01 plus 8.15%	\$	412
\$ 687	--	53.40 plus 8.40%	\$	687

<b>Withholding - Annual payroll period</b>				
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	withheld shall be	of excess over	
\$ 0	\$ 100,000	7.40%		
\$ 100,000	\$ 125,000	7,400.00 plus 7.65%	\$	100,000
\$ 125,000	\$ 150,000	9,312.50 plus 7.90%	\$	125,000
\$ 150,000	\$ 250,000	11,287.50 plus 8.15%	\$	150,000
\$ 250,000	--	19,437.50 plus 8.40%	\$	250,000

**Lump Sum Distribution of Annual Bonus**  
**The amount to be withheld shall be**  
**8.40%**