

## Percentage method of withholding for 2.85 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		7.60%	
\$ 2,885	\$ 3,365	219.23 plus 7.85%		\$ 2,885
\$ 3,365	\$ 4,327	256.97 plus 8.10%		\$ 3,365
\$ 4,327	\$ 5,769	334.86 plus 8.35%		\$ 4,327
\$ 5,769	--	455.29 plus 8.60%		\$ 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		7.60%	
\$ 5,769	\$ 6,731	438.46 plus 7.85%		\$ 5,769
\$ 6,731	\$ 8,654	513.94 plus 8.10%		\$ 6,731
\$ 8,654	\$ 11,538	669.71 plus 8.35%		\$ 8,654
\$ 11,538	--	910.58 plus 8.60%		\$ 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		7.60%	
\$ 6,250	\$ 7,292	475.00 plus 7.85%		\$ 6,250
\$ 7,292	\$ 9,375	556.77 plus 8.10%		\$ 7,292
\$ 9,375	\$ 12,500	725.52 plus 8.35%		\$ 9,375
\$ 12,500	--	986.46 plus 8.60%		\$ 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		7.60%	
\$ 12,500	\$ 14,583	950.00 plus 7.85%		\$ 12,500
\$ 14,583	\$ 18,750	1,113.54 plus 8.10%		\$ 14,583
\$ 18,750	\$ 25,000	1,451.04 plus 8.35%		\$ 18,750
\$ 25,000	--	1,972.92 plus 8.60%		\$ 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		7.60%	
\$ 1,923	\$ 2,404	146.15 plus 7.85%		\$ 1,923
\$ 2,404	\$ 2,885	183.89 plus 8.10%		\$ 2,404
\$ 2,885	\$ 4,808	222.84 plus 8.35%		\$ 2,885
\$ 4,808	--	383.41 plus 8.60%		\$ 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		7.60%	
\$ 3,846	\$ 4,808	292.31 plus 7.85%		\$ 3,846
\$ 4,808	\$ 5,769	367.79 plus 8.10%		\$ 4,808
\$ 5,769	\$ 9,615	445.67 plus 8.35%		\$ 5,769
\$ 9,615	--	766.83 plus 8.60%		\$ 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		7.60%	
\$ 4,167	\$ 5,208	316.67 plus 7.85%		\$ 4,167
\$ 5,208	\$ 6,250	398.44 plus 8.10%		\$ 5,208
\$ 6,250	\$ 10,417	482.81 plus 8.35%		\$ 6,250
\$ 10,417	--	830.73 plus 8.60%		\$ 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		7.60%	
\$ 8,333	\$ 10,417	633.33 plus 7.85%		\$ 8,333
\$ 10,417	\$ 12,500	796.88 plus 8.10%		\$ 10,417
\$ 12,500	\$ 20,833	965.63 plus 8.35%		\$ 12,500
\$ 20,833	--	1,661.46 plus 8.60%		\$ 20,833

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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)
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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	of excess over		
\$ 0	\$ 37,500	7.60%		
\$ 37,500	\$ 43,750	2,850.00	plus 7.85%	\$ 37,500
\$ 43,750	\$ 56,250	3,340.63	plus 8.10%	\$ 43,750
\$ 56,250	\$ 75,000	4,353.13	plus 8.35%	\$ 56,250
\$ 75,000	--	5,918.75	plus 8.60%	\$ 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	of excess over		
\$ 0	\$ 412	7.60%		
\$ 412	\$ 481	31.32	plus 7.85%	\$ 412
\$ 481	\$ 618	36.71	plus 8.10%	\$ 481
\$ 618	\$ 824	47.84	plus 8.35%	\$ 618
\$ 824	--	65.04	plus 8.60%	\$ 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	of excess over		
\$ 0	\$ 150,000	7.60%		
\$ 150,000	\$ 175,000	11,400.00	plus 7.85%	\$ 150,000
\$ 175,000	\$ 225,000	13,362.50	plus 8.10%	\$ 175,000
\$ 225,000	\$ 300,000	17,412.50	plus 8.35%	\$ 225,000
\$ 300,000	--	23,675.00	plus 8.60%	\$ 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	of excess over		
\$ 0	\$ 25,000	7.60%		
\$ 25,000	\$ 31,250	1,900.00	plus 7.85%	\$ 25,000
\$ 31,250	\$ 37,500	2,390.63	plus 8.10%	\$ 31,250
\$ 37,500	\$ 62,500	2,896.88	plus 8.35%	\$ 37,500
\$ 62,500	--	4,984.38	plus 8.60%	\$ 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	of excess over		
\$ 0	\$ 275	7.60%		
\$ 275	\$ 343	20.88	plus 7.85%	\$ 275
\$ 343	\$ 412	26.27	plus 8.10%	\$ 343
\$ 412	\$ 687	31.83	plus 8.35%	\$ 412
\$ 687	--	54.77	plus 8.60%	\$ 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	of excess over		
\$ 0	\$ 100,000	7.60%		
\$ 100,000	\$ 125,000	7,600.00	plus 7.85%	\$ 100,000
\$ 125,000	\$ 150,000	9,562.50	plus 8.10%	\$ 125,000
\$ 150,000	\$ 250,000	11,587.50	plus 8.35%	\$ 150,000
\$ 250,000	--	19,937.50	plus 8.60%	\$ 250,000

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

**8.60%**