

Employer Withholding Taxes: Optional Computer Formula (Effective July 1, 2024)

In order to determine the employee's taxable wage, use the following formula:

$$TW = (\text{pay per period} \times PP) - (\$650 \times \text{number of exemptions})$$

Taxable Wage	Withholding Deduction
\$5,000 or less	WD= $\frac{TW \times 0.00501}{PP}$
More than \$5,000 but not more than \$10,000	WD= $\frac{(TW - 5,000) \times 0.01001 + \$25.05}{PP}$
More than \$10,000 but not more than \$15,000	WD= $\frac{(TW - 10,000) \times 0.02005 + \$75.10}{PP}$
More than \$15,000 but not more than \$20,000	WD= $\frac{(TW - 15,000) \times 0.02505 + \$175.35}{PP}$
More than \$20,000 but not more than \$100,000	WD= $\frac{(TW - 20,000) \times 0.02990 + \$300.60}{PP}$
More than \$100,000	WD= $\frac{(TW - 100,000) \times 0.03800 + \$2,692.60}{PP}$
PP – the number of pay periods per year TW – taxable wage WD – withholding deduction	