

Employer Withholding Taxes: Optional Computer Formula (Effective October 1, 2025)

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
\$26,050 or less	WD=	$\frac{TW \times 0.01775}{PP}$
More than \$26,050 but not more than \$100,000	WD=	$\frac{(TW - 26,050) \times 0.02990 + \$462.39}{PP}$
More than \$100,000	WD=	$\frac{(TW - 100,000) \times 0.03640 + \$2673.50}{PP}$
PP – the number of pay periods per year TW – taxable wage WD – withholding deduction		