

## Percentage method of withholding for 2.50 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	
<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.com](http://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		7.25%	
\$ 2,885	\$ 3,365	209.13 plus 7.50%		\$ 2,885
\$ 3,365	\$ 4,327	245.19 plus 7.75%		\$ 3,365
\$ 4,327	\$ 5,769	319.71 plus 8.00%		\$ 4,327
\$ 5,769	--	435.10 plus 8.25%		\$ 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		7.25%	
\$ 5,769	\$ 6,731	418.27 plus 7.50%		\$ 5,769
\$ 6,731	\$ 8,654	490.38 plus 7.75%		\$ 6,731
\$ 8,654	\$ 11,538	639.42 plus 8.00%		\$ 8,654
\$ 11,538	--	870.19 plus 8.25%		\$ 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		7.25%	
\$ 6,250	\$ 7,292	453.13 plus 7.50%		\$ 6,250
\$ 7,292	\$ 9,375	531.25 plus 7.75%		\$ 7,292
\$ 9,375	\$ 12,500	692.71 plus 8.00%		\$ 9,375
\$ 12,500	--	942.71 plus 8.25%		\$ 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		7.25%	
\$ 12,500	\$ 14,583	906.25 plus 7.50%		\$ 12,500
\$ 14,583	\$ 18,750	1,062.50 plus 7.75%		\$ 14,583
\$ 18,750	\$ 25,000	1,385.42 plus 8.00%		\$ 18,750
\$ 25,000	--	1,885.42 plus 8.25%		\$ 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		7.25%	
\$ 1,923	\$ 2,404	139.42 plus 7.50%		\$ 1,923
\$ 2,404	\$ 2,885	175.48 plus 7.75%		\$ 2,404
\$ 2,885	\$ 4,808	212.74 plus 8.00%		\$ 2,885
\$ 4,808	--	366.59 plus 8.25%		\$ 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		7.25%	
\$ 3,846	\$ 4,808	278.85 plus 7.50%		\$ 3,846
\$ 4,808	\$ 5,769	350.96 plus 7.75%		\$ 4,808
\$ 5,769	\$ 9,615	425.48 plus 8.00%		\$ 5,769
\$ 9,615	--	733.17 plus 8.25%		\$ 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		7.25%	
\$ 4,167	\$ 5,208	302.08 plus 7.50%		\$ 4,167
\$ 5,208	\$ 6,250	380.21 plus 7.75%		\$ 5,208
\$ 6,250	\$ 10,417	460.94 plus 8.00%		\$ 6,250
\$ 10,417	--	794.27 plus 8.25%		\$ 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		7.25%	
\$ 8,333	\$ 10,417	604.17 plus 7.50%		\$ 8,333
\$ 10,417	\$ 12,500	760.42 plus 7.75%		\$ 10,417
\$ 12,500	\$ 20,833	921.88 plus 8.00%		\$ 12,500
\$ 20,833	--	1,588.54 plus 8.25%		\$ 20,833

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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	
<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)
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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		plus	of excess over
\$ 0	\$ 37,500		7.25%	
\$ 37,500	\$ 43,750	2,718.75	plus 7.50%	\$ 37,500
\$ 43,750	\$ 56,250	3,187.50	plus 7.75%	\$ 43,750
\$ 56,250	\$ 75,000	4,156.25	plus 8.00%	\$ 56,250
\$ 75,000	--	5,656.25	plus 8.25%	\$ 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		plus	of excess over
\$ 0	\$ 412		7.25%	
\$ 412	\$ 481	29.88	plus 7.50%	\$ 412
\$ 481	\$ 618	35.03	plus 7.75%	\$ 481
\$ 618	\$ 824	45.67	plus 8.00%	\$ 618
\$ 824	--	62.16	plus 8.25%	\$ 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		plus	of excess over
\$ 0	\$ 150,000		7.25%	
\$ 150,000	\$ 175,000	10,875.00	plus 7.50%	\$ 150,000
\$ 175,000	\$ 225,000	12,750.00	plus 7.75%	\$ 175,000
\$ 225,000	\$ 300,000	16,625.00	plus 8.00%	\$ 225,000
\$ 300,000	--	22,625.00	plus 8.25%	\$ 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		plus	of excess over
\$ 0	\$ 25,000		7.25%	
\$ 25,000	\$ 31,250	1,812.50	plus 7.50%	\$ 25,000
\$ 31,250	\$ 37,500	2,281.25	plus 7.75%	\$ 31,250
\$ 37,500	\$ 62,500	2,765.63	plus 8.00%	\$ 37,500
\$ 62,500	--	4,765.63	plus 8.25%	\$ 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		plus	of excess over
\$ 0	\$ 275		7.25%	
\$ 275	\$ 343	19.92	plus 7.50%	\$ 275
\$ 343	\$ 412	25.07	plus 7.75%	\$ 343
\$ 412	\$ 687	30.39	plus 8.00%	\$ 412
\$ 687	--	52.37	plus 8.25%	\$ 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		plus	of excess over
\$ 0	\$ 100,000		7.25%	
\$ 100,000	\$ 125,000	7,250.00	plus 7.50%	\$ 100,000
\$ 125,000	\$ 150,000	9,125.00	plus 7.75%	\$ 125,000
\$ 150,000	\$ 250,000	11,062.50	plus 8.00%	\$ 150,000
\$ 250,000	--	19,062.50	plus 8.25%	\$ 250,000

**Lump Sum Distribution of Annual Bonus**  
The amount to be withheld shall be  
**8.25%**