

## Percentage method of withholding for 3.05 PERCENT LOCAL INCOME TAX

Payroll period	Amount of one exemption	15% allowance for Standard Deduction*	
		MIN	MAX
Weekly	\$ 61.54	\$ 35.58	\$ 53.85
Bi-weekly	\$ 123.08	\$ 71.15	\$ 107.69
Semi-monthly	\$ 133.33	\$ 77.08	\$ 116.67
Monthly	\$ 266.67	\$ 154.17	\$ 233.33
Quarterly	\$ 800.00	\$ 463.00	\$ 700.00
Annually	\$ 3,200.00	\$ 1,850.00	\$ 2,800.00
Daily	\$ 8.77	\$ 5.07	\$ 7.67

\* The standard Deduction is 15% of the gross income with a minimum of **\$1,850** and a maximum of **\$2,800**.

### FORMULA

**Total wages** (before any deductions)

**LESS** Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

**LESS** Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

**Equals TAXABLE INCOME**

**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		7.80%	
\$ 2,885	\$ 3,365	225.00 plus 8.05%		\$ 2,885
\$ 3,365	\$ 4,327	263.70 plus 8.30%		\$ 3,365
\$ 4,327	\$ 5,769	343.51 plus 8.55%		\$ 4,327
\$ 5,769	--	466.83 plus 8.80%		\$ 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		7.80%	
\$ 5,769	\$ 6,731	450.00 plus 8.05%		\$ 5,769
\$ 6,731	\$ 8,654	527.40 plus 8.30%		\$ 6,731
\$ 8,654	\$ 11,538	687.02 plus 8.55%		\$ 8,654
\$ 11,538	--	933.65 plus 8.80%		\$ 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		7.80%	
\$ 6,250	\$ 7,292	487.50 plus 8.05%		\$ 6,250
\$ 7,292	\$ 9,375	571.35 plus 8.30%		\$ 7,292
\$ 9,375	\$ 12,500	744.27 plus 8.55%		\$ 9,375
\$ 12,500	--	1,011.46 plus 8.80%		\$ 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		7.80%	
\$ 12,500	\$ 14,583	975.00 plus 8.05%		\$ 12,500
\$ 14,583	\$ 18,750	1,142.71 plus 8.30%		\$ 14,583
\$ 18,750	\$ 25,000	1,488.54 plus 8.55%		\$ 18,750
\$ 25,000	--	2,022.92 plus 8.80%		\$ 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		7.80%	
\$ 1,923	\$ 2,404	150.00 plus 8.05%		\$ 1,923
\$ 2,404	\$ 2,885	188.70 plus 8.30%		\$ 2,404
\$ 2,885	\$ 4,808	228.61 plus 8.55%		\$ 2,885
\$ 4,808	--	393.03 plus 8.80%		\$ 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		7.80%	
\$ 3,846	\$ 4,808	300.00 plus 8.05%		\$ 3,846
\$ 4,808	\$ 5,769	377.40 plus 8.30%		\$ 4,808
\$ 5,769	\$ 9,615	457.21 plus 8.55%		\$ 5,769
\$ 9,615	--	786.06 plus 8.80%		\$ 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		7.80%	
\$ 4,167	\$ 5,208	325.00 plus 8.05%		\$ 4,167
\$ 5,208	\$ 6,250	408.85 plus 8.30%		\$ 5,208
\$ 6,250	\$ 10,417	495.31 plus 8.55%		\$ 6,250
\$ 10,417	--	851.56 plus 8.80%		\$ 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		7.80%	
\$ 8,333	\$ 10,417	650.00 plus 8.05%		\$ 8,333
\$ 10,417	\$ 12,500	817.71 plus 8.30%		\$ 10,417
\$ 12,500	\$ 20,833	990.63 plus 8.55%		\$ 12,500
\$ 20,833	--	1,703.13 plus 8.80%		\$ 20,833

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Quarterly	\$ 800.00	\$ 463.00	\$ 700.00
Annually	\$ 3,200.00	\$ 1,850.00	\$ 2,800.00
Daily	\$ 8.77	\$ 5.07	\$ 7.67

\* The standard Deduction is 15% of the gross income with a minimum of **\$1,850** and a maximum of **\$2,800**.

### FORMULA

**Total wages** (before any deductions)

**LESS** Allowance for Standard Deduction (15% of wages for payroll period with a minimum and maximum as set forth for the particular payroll period)

**LESS** Value of exemptions (number of exemptions times the allowable amount for one exemption as shown for the applicable payroll period)

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**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 - 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		of excess over
Over	But not over			
\$ 0	\$ 37,500		7.80%	
\$ 37,500	\$ 43,750	2,925.00 plus	8.05%	\$ 37,500
\$ 43,750	\$ 56,250	3,428.13 plus	8.30%	\$ 43,750
\$ 56,250	\$ 75,000	4,465.63 plus	8.55%	\$ 56,250
\$ 75,000	--	6,068.75 plus	8.80%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 412		7.80%	
\$ 412	\$ 481	32.14 plus	8.05%	\$ 412
\$ 481	\$ 618	37.67 plus	8.30%	\$ 481
\$ 618	\$ 824	49.07 plus	8.55%	\$ 618
\$ 824	--	66.69 plus	8.80%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 150,000		7.80%	
\$ 150,000	\$ 175,000	11,700.00 plus	8.05%	\$ 150,000
\$ 175,000	\$ 225,000	13,712.50 plus	8.30%	\$ 175,000
\$ 225,000	\$ 300,000	17,862.50 plus	8.55%	\$ 225,000
\$ 300,000	--	24,275.00 plus	8.80%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 25,000		7.80%	
\$ 25,000	\$ 31,250	1,950.00 plus	8.05%	\$ 25,000
\$ 31,250	\$ 37,500	2,453.13 plus	8.30%	\$ 31,250
\$ 37,500	\$ 62,500	2,971.88 plus	8.55%	\$ 37,500
\$ 62,500	--	5,109.38 plus	8.80%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 275		7.80%	
\$ 275	\$ 343	21.43 plus	8.05%	\$ 275
\$ 343	\$ 412	26.96 plus	8.30%	\$ 343
\$ 412	\$ 687	32.66 plus	8.55%	\$ 412
\$ 687	--	56.15 plus	8.80%	\$ 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		of excess over
Over	But not over			
\$ 0	\$ 100,000		7.80%	
\$ 100,000	\$ 125,000	7,800.00 plus	8.05%	\$ 100,000
\$ 125,000	\$ 150,000	9,812.50 plus	8.30%	\$ 125,000
\$ 150,000	\$ 250,000	11,887.50 plus	8.55%	\$ 150,000
\$ 250,000	--	20,437.50 plus	8.80%	\$ 250,000

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

**8.80%**