

This worksheet is designed to show you how to read the tax tables needed for figuring the amount of federal tax to withhold from a paycheck, using the percentage method of withholding. We will learn how to read the table and have a chance to practice.

Below are assorted federal income tax tables for 2016. Notice there is a different table for each pay schedule (weekly, semimonthly, monthly, etc) and that each table is divided into two parts, depending on the marital status of the employee.

Another piece of information we need is how much we should withhold for each withholding allowance the employee claims on their W-4 form. We will use the figures given in table 4.

Our examples and practice problems follow.

### Table 1 -- Weekly Payroll Period

#### (a) SINGLE person (including head of household) --

If the amount of wages(after  
subtracting withholding  
allowances) is:

The amount of income tax  
to withhold is:

Not over \$43.00.....

\$0

Over --	But not over --		of excess over --
\$43.00	---\$222.00	... \$0.00 plus 10%	---\$43.00
\$222.00	---\$767.00	... \$17.90 plus 15%	---\$222.00
\$767.00	---\$1,796.00	... \$99.65 plus 25%	---\$767.00
\$1,796.00	---\$3,700.00	... \$356.90 plus 28%	---\$1,796.00
\$3,700.00	---\$7,992.00	... \$890.02 plus 33%	---\$3,700.00
\$7,992.00	---\$8,025.00	... \$2,306.38 plus 35%	---\$7,992.00
\$8,025.00	.....	... \$2,317.93 plus 39.6%	---\$8,025.00

#### (b) MARRIED person --

If the amount of wages(after  
subtracting withholding  
allowances) is:

The amount of income tax  
to withhold is:

Not over \$164.00.....

\$0

Over --	But not over --		of excess over --
\$164.00	---\$521.00	... \$0.00 plus 10%	---\$164.00
\$521.00	---\$1,613.00	... \$35.70 plus 15%	---\$521.00
\$1,613.00	---\$3,086.00	... \$199.50 plus 25%	---\$1,613.00
\$3,086.00	---\$4,615.00	... \$567.75 plus 28%	---\$3,086.00
\$4,615.00	---\$8,113.00	... \$995.87 plus 33%	---\$4,615.00
\$8,113.00	---\$9,144.00	... \$2,150.21 plus 35%	---\$8,113.00
\$9,144.00	.....	... \$2,511.06 plus 39.6%	---\$9,144.00

**Table 2 -- Semimonthly Payroll Period**

**(a) SINGLE person** (including head of household) --

If the amount of wages(after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$94.00.....		\$0	
Over --	But not over --		of excess over --
\$94.00	---\$480.00 ...	\$0.00 plus 10%	---\$94.00
\$480.00	---\$1,663.00 ...	\$38.60 plus 15%	---\$480.00
\$1,663.00	---\$3,892.00 ...	\$216.05 plus 25%	---\$1,663.00
\$3,892.00	---\$8,017.00 ...	\$773.30 plus 28%	---\$3,892.00
\$8,017.00	---\$17,317.00 ...	\$1,928.30 plus 33%	---\$8,017.00
\$17,317.00	---\$17,388.00 ...	\$4,997.30 plus 35%	---\$17,317.00
\$17,388.00	.....	\$5,022.15 plus 39.6%	---\$17,388.00

**(b) MARRIED person --**

If the amount of wages(after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$356.00.....		\$0	
Over --	But not over --		of excess over --
\$356.00	---\$1,129.00 ...	\$0.00 plus 10%	---\$356.00
\$1,129.00	---\$3,494.00 ...	\$77.30 plus 15%	---\$1,129.00
\$3,494.00	---\$6,685.00 ...	\$432.05 plus 25%	---\$3,494.00
\$6,685.00	---\$10,000.00 ...	\$1,229.80 plus 28%	---\$6,685.00
\$10,000.00	---\$17,579.00 ...	\$2,158.00 plus 33%	---\$10,000.00
\$17,579.00	---\$19,813.00 ...	\$4,659.07 plus 35%	---\$17,579.00
\$19,813.00	.....	\$5,440.97 plus 39.6%	---\$19,813.00

### Table 3 -- Monthly Payroll Period

#### (a) SINGLE person (including head of household) --

If the amount of wages(after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$188.00.....		\$0	
Over --	But not over --	of excess over --	
\$188.00	---\$960.00 ...	\$0.00 plus 10%	---\$188.00
\$960.00	---\$3,325.00 ...	\$77.20 plus 15%	---\$960.00
\$3,325.00	---\$7,783.00 ...	\$431.95 plus 25%	---\$3,325.00
\$7,783.00	---\$16,033.00 ...	\$1,546.45 plus 28%	---\$7,783.00
\$16,033.00	---\$34,633.00 ...	\$3,856.45 plus 33%	---\$16,033.00
\$34,633.00	---\$34,775.00 ...	\$9,994.45 plus 35%	---\$34,633.00
\$34,775.00	.....	\$10,044.15 plus 39.6%	---\$34,775.00

#### (b) MARRIED person --

If the amount of wages(after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$713.00.....		\$0	
Over --	But not over --	of excess over --	
\$713.00	---\$2,258.00 ...	\$0.00 plus 10%	---\$713.00
\$2,258.00	---\$6,988.00 ...	\$154.50 plus 15%	---\$2,258.00
\$6,988.00	---\$13,371.00 ...	\$864.00 plus 25%	---\$6,988.00
\$13,371.00	---\$20,000.00 ...	\$2,459.75 plus 28%	---\$13,371.00
\$20,000.00	---\$35,158.00 ...	\$4,315.87 plus 33%	---\$20,000.00
\$35,158.00	---\$39,625.00 ...	\$9,318.01 plus 35%	---\$35,158.00
\$39,625.00	.....	\$10,881.46 plus 39.6%	---\$39,625.00

Table 4: Amount to Deduct for One Withholding Allowance	
Payroll period	Amount *
Weekly	\$77.90
Semimonthly	\$168.80
Monthly	\$337.50

\* This number is multiplied by the number of allowances and subtracted from income before using tables 1-3.

### Example:

Lisa is married, gets paid \$1064 weekly, and claims 4 withholding allowances on her W-4 form. Let's figure the amount of federal income tax that should be withheld from each paycheck.

I have copied the pertinent half of table 1 below. We are using table 1 because Lisa is paid weekly. The main issue is how to read the table. I think of it as three columns, circled below.

**Table 1 – Weekly payroll period**

<b>(b) MARRIED person --</b>		<b>The amount of income tax to withhold is:</b>	
If the amount of wages(after subtracting withholding allowances) is:			
Not over \$164.00.....		\$0	
<b>Over --</b>	<b>But not over --</b>		<b>of excess over --</b>
\$164.00	---\$521.00	\$0.00 plus 10%	---\$164.00
\$521.00	---\$1,613.00	\$35.70 plus 15%	---\$521.00
\$1,613.00	---\$3,086.00	\$199.50 plus 25%	---\$1,613.00
\$3,086.00	---\$4,615.00	\$567.75 plus 28%	---\$3,086.00
\$4,615.00	---\$8,113.00	\$995.87 plus 33%	---\$4,615.00
\$8,113.00	---\$9,144.00	\$2,150.21 plus 35%	---\$8,113.00
\$9,144.00	.....	\$2,511.06 plus 39.6%	---\$9,144.00

First, we use table 4 to find the amount we will subtract from her salary for withholding allowances. We do this **before** we look up her salary in table 1. Table 4 tells us that we should withhold \$77.90 for one withholding allowance. Since she has 4 allowances, we multiply that by 4 to get \$311.60.

If you read the table's three columns in order, it basically makes a complete sentence that tells you the tax to withhold. You want to start by reading the heading at the top of the first column, "If the amount of wages (after subtracting withholding allowances) is:"

Then you find her salary (minus \$311.60 for her withholding allowances) within the ranges given. Her weekly salary minus \$311.60 is \$752.40, which falls into the range "Over \$521.00...But not over \$1,613.00." This is the second row of numbers. (Notice how we incorporate the subheadings "**Over --**" and "**But not over --**" here.) So we will follow that row across, reading the headings at the top as we go.

Now, return to the top (second column) and read "The amount of income tax to withhold is:"

Return to the second row to read "\$35.70 plus 15%". Go back to the top heading (third column) to read "**of excess over --**" and then to the second row to read \$521.00.

Put this together and we have a sentence that tells us a formula for finding her withholding tax. “If the amount of wages (after subtracting withholding allowances) is over \$521 but not over \$1,613, the amount of income tax to withhold is \$35.70 plus 15% of excess over \$521”.

We are to withhold \$35.70 plus 15% of whatever she made (minus that \$311.60) over \$521. Now let’s figure that.

Her adjusted salary (adjusted for withholding allowances) is  $\$1064 - \$311.60$  or  $\$752.40$ . We find the difference between that and  $\$521$ , which is  $\$231.40$ . That is “what she made (minus that  $\$311.60$ ) over  $\$521$ ”. Now, we need to take 15% of that and add it to  $\$35.70$ . I show this whole process below.

*Tax withheld*

$$\begin{aligned} &= 35.70 + .15(752.40 - 521) \\ &= 35.70 + .15(231.40) \\ &= 35.70 + 34.71 \\ &= 70.41 \end{aligned}$$

So the tax we should withhold from each paycheck is  $\$70.41$ .

There is one last detail in the table I should mention. Look back to table 1. Notice if her salary (after subtracting withholding allowances) is “not over \$164”, you follow the very top row, and the amount to withhold is \$0. She makes so little that you would not withhold taxes.

### **Practice Problems:**

Find the tax to withhold for the following employees. Please circle your final answer.

1. Mark is paid \$1600 monthly. He is single and claims 3 withholding allowances. (You will notice the tax to withhold will be “\$0.00 plus 10% of the excess over \$188”. There is no base figure like Lisa’s \$35.70.)

2. Sam earns \$7500 a month, is single, and claims 5 withholding allowances.

3. Maria is married, earns \$650 twice a month, and claims 2 withholding allowances.

4. Clark earns \$600 weekly. He is married and claims 3 withholding allowances.