

PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions

From: Steven L. Valasek, Director of State Accounting

Date: December 19, 2006

Subject: Federal Withholding Tax Tables – 2007
Advance Earned Income Credit Payments – 2007

Number: 3-06

Attached are new withholding tax tables which will become effective with the December 16-31, 2006 pay period. These tables will remain in effect until you are further notified.

To use the attached federal tables, you must first determine the taxable earnings for the employee, calculated as follows:

- (1) Multiply the number of exemptions by the amount of one exemption for the applicable type payroll period. The amount of one withholding exemption is:

Semi-monthly	\$141.67
Monthly	\$283.33
Bi-weekly	\$130.77

- (2) Subtract from gross pay, the following:
 - (a) Exemptions as determined in (1) above
 - (b) Deferred Compensation
 - (c) Tax Sheltered Annuity
 - (d) Non-taxable Benefits
 - (e) Flexible Spending
 - (f) Any other Non-taxable Income
 - (g) Deducted Retirement
 - (h) Tax Deferral Retirement Service Purchases

- (3) Add any other compensation subject to withholding.
- (4) Determine the amount to be withheld from the appropriate percentage withholding table (page 3).

(5) Example:

(a)	Gross pay, semi monthly	\$2,000.00
(b)	Less exemptions (married with 5 exemptions) $\$141.67 \times 5 = 708.35$	- 708.35
(c)	Less: deductions described in 2(b) through (h) page 1	- 75.16
(d)	Plus: Other Compensation subject to withholding	<u>+ 35.00</u>
(e)	Taxable Gross	\$1,251.49
(f)	Tax on \$1,251.49 from semi-monthly married table on page 3.	

$$\begin{array}{r}
 \$1,251.49 \\
 - \underline{973.00} \\
 \$278.49 \times 15\% + 64.00 = \$ 105.77
 \end{array}$$

Page 4 shows the 2007 tables for calculating the Advance Payments of Earned Income Credit.

Any Form W-5, Earned Income Credit Advance Payment Certificate, filed for 2006 expires December 29, 2006. Employees who wish to continue to receive advance payments must file a new Form W-5.

Agencies may reproduce this bulletin as needed for internal distribution purposes.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's website at www.ioc.state.il.us under Resource Library.

If you have any questions regarding this bulletin or the attached tax tables, please contact our payroll office at (217) 782-4758.



Tables for Percentage Method of Withholding
(For Wages Paid in 2007)

TABLE 1—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$102		\$0		Not over \$308		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$102	—\$389	10%	—\$102	\$308	—\$898	10%	—\$308
\$389	—\$1,289	\$28.70 plus 15%	—\$389	\$898	—\$2,719	\$59.00 plus 15%	—\$898
\$1,289	—\$2,964	\$163.70 plus 25%	—\$1,289	\$2,719	—\$5,146	\$332.15 plus 25%	—\$2,719
\$2,964	—\$6,262	\$582.45 plus 28%	—\$2,964	\$5,146	—\$7,813	\$938.90 plus 28%	—\$5,146
\$6,262	—\$13,525	\$1,505.89 plus 33%	—\$6,262	\$7,813	—\$13,731	\$1,685.66 plus 33%	—\$7,813
\$13,525		\$3,902.68 plus 35%	—\$13,525	\$13,731		\$3,638.60 plus 35%	—\$13,731

TABLE 2—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$110		\$0		Not over \$333		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$110	—\$422	10%	—\$110	\$333	—\$973	10%	—\$333
\$422	—\$1,397	\$31.20 plus 15%	—\$422	\$973	—\$2,946	\$64.00 plus 15%	—\$973
\$1,397	—\$3,211	\$177.45 plus 25%	—\$1,397	\$2,946	—\$5,575	\$359.95 plus 25%	—\$2,946
\$3,211	—\$6,783	\$630.95 plus 28%	—\$3,211	\$5,575	—\$8,465	\$1,017.20 plus 28%	—\$5,575
\$6,783	—\$14,652	\$1,631.11 plus 33%	—\$6,783	\$8,465	—\$14,875	\$1,826.40 plus 33%	—\$8,465
\$14,652		\$4,227.88 plus 35%	—\$14,652	\$14,875		\$3,941.70 plus 35%	—\$14,875

TABLE 3—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$221		\$0		Not over \$667		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$221	—\$843	10%	—\$221	\$667	—\$1,946	10%	—\$667
\$843	—\$2,793	\$62.20 plus 15%	—\$843	\$1,946	—\$5,892	\$127.90 plus 15%	—\$1,946
\$2,793	—\$6,423	\$354.70 plus 25%	—\$2,793	\$5,892	—\$11,150	\$719.80 plus 25%	—\$5,892
\$6,423	—\$13,567	\$1,262.20 plus 28%	—\$6,423	\$11,150	—\$16,929	\$2,034.30 plus 28%	—\$11,150
\$13,567	—\$29,304	\$3,262.52 plus 33%	—\$13,567	\$16,929	—\$29,750	\$3,652.42 plus 33%	—\$16,929
\$29,304		\$8,455.73 plus 35%	—\$29,304	\$29,750		\$7,883.35 plus 35%	—\$29,750

Tables for Percentage Method of Advance EIC Payments
(For Wages Paid in 2007)

Table 1. BIWEEKLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$322	20.40% of wages	\$0	\$322	20.40% of wages	\$0	\$161	20.40% of wages
\$322	\$591	\$66	\$322	\$668	\$66	\$161	\$334	\$33
\$591	.....	\$66 less 9.588% of wages in excess of \$591	\$668	.....	\$66 less 9.588% of wages in excess of \$668	\$334	.....	\$33 less 9.588% of wages in excess of \$334

Table 2. SEMIMONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$349	20.40% of wages	\$0	\$349	20.40% of wages	\$0	\$174	20.40% of wages
\$349	\$641	\$71	\$349	\$724	\$71	\$174	\$362	\$35
\$641	.....	\$71 less 9.588% of wages in excess of \$641	\$724	.....	\$71 less 9.588% of wages in excess of \$724	\$362	.....	\$35 less 9.588% of wages in excess of \$362

Table 3. MONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$699	20.40% of wages	\$0	\$699	20.40% of wages	\$0	\$349	20.40% of wages
\$699	\$1,282	\$143	\$699	\$1,449	\$143	\$349	\$724	\$71
\$1,282	.....	\$143 less 9.588% of wages in excess of \$1,282	\$1,449	.....	\$143 less 9.588% of wages in excess of \$1,449	\$724	.....	\$71 less 9.588% of wages in excess of \$724