



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions
From: Marvin Becker, Assistant Comptroller – Operations
Date: January 16, 2018
Subject: Federal Withholding Tax Tables – 2018
Number: 1-18

The IRS has posted Notice 1036 – Early Release Copies of the 2018 Percentage Method Tables for Income Tax Withholding at <https://www.irs.gov/pub/irs-pdf/n1036.pdf>.

Attached are the 2018 withholding tax tables which are effective with the January 16-31, 2018 pay period. Instructions for calculating taxable earnings are attached. The tables will remain in effect until further notice.

Information regarding nonresident alien withholding is also provided in Notice 1036.

The IRS is in the process of revising the Form W-4. The Illinois Office of the Comptroller will issue a bulletin addressing these changes when the publication has been issued.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's website at www.illinoiscomptroller.gov/agencies. If you have any questions regarding this bulletin or the attached tax tables, please contact our payroll office at (217) 782-4758.

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

- (1) Multiply the number of withholding allowances by the amount for the applicable type payroll period.

Bi-weekly	\$159.60
Semi-monthly	\$172.90
Monthly	\$345.80

- (2) Subtract from gross pay, the following:
- (a) Allowances 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) 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 withholding allowances (3 allowances) \$172.90 x 3 =	- 518.70
(c)	Less deductions described in 2(b) through (h) page 1	- 125.30
(d)	Add any Other Compensation Subject to Withholding	<u>+ 32.00</u>
(e)	Taxable Gross	\$1,388.00
(f)	Tax on \$1,388.00 from semi-monthly married table on page 3	

$$\begin{array}{r}
 \$1,388.00 \\
 \underline{-1,275.00} \\
 \$113.00 \times 12\% + 79.40 = \$ 92.96
 \end{array}$$

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 \$142		\$0		Not over \$444		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$142	—\$509	\$0.00 plus 10%	—\$142	\$444	—\$1,177	\$0.00 plus 10%	—\$444
\$509	—\$1,631	\$36.70 plus 12%	—\$509	\$1,177	—\$3,421	\$73.30 plus 12%	—\$1,177
\$1,631	—\$3,315	\$171.34 plus 22%	—\$1,631	\$3,421	—\$6,790	\$342.58 plus 22%	—\$3,421
\$3,315	—\$6,200	\$541.82 plus 24%	—\$3,315	\$6,790	—\$12,560	\$1,083.76 plus 24%	—\$6,790
\$6,200	—\$7,835	\$1,234.22 plus 32%	—\$6,200	\$12,560	—\$15,829	\$2,468.56 plus 32%	—\$12,560
\$7,835	—\$19,373	\$1,757.42 plus 35%	—\$7,835	\$15,829	—\$23,521	\$3,514.64 plus 35%	—\$15,829
\$19,373		\$5,795.72 plus 37%	—\$19,373	\$23,521		\$6,206.84 plus 37%	—\$23,521

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 \$154		\$0		Not over \$481		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$154	—\$551	\$0.00 plus 10%	—\$154	\$481	—\$1,275	\$0.00 plus 10%	—\$481
\$551	—\$1,767	\$39.70 plus 12%	—\$551	\$1,275	—\$3,706	\$79.40 plus 12%	—\$1,275
\$1,767	—\$3,592	\$185.62 plus 22%	—\$1,767	\$3,706	—\$7,356	\$371.12 plus 22%	—\$3,706
\$3,592	—\$6,717	\$587.12 plus 24%	—\$3,592	\$7,356	—\$13,606	\$1,174.12 plus 24%	—\$7,356
\$6,717	—\$8,488	\$1,337.12 plus 32%	—\$6,717	\$13,606	—\$17,148	\$2,674.12 plus 32%	—\$13,606
\$8,488	—\$20,988	\$1,903.84 plus 35%	—\$8,488	\$17,148	—\$25,481	\$3,807.56 plus 35%	—\$17,148
\$20,988		\$6,278.84 plus 37%	—\$20,988	\$25,481		\$6,724.11 plus 37%	—\$25,481

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 \$308		\$0		Not over \$963		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$308	—\$1,102	\$0.00 plus 10%	—\$308	\$963	—\$2,550	\$0.00 plus 10%	—\$963
\$1,102	—\$3,533	\$79.40 plus 12%	—\$1,102	\$2,550	—\$7,413	\$158.70 plus 12%	—\$2,550
\$3,533	—\$7,183	\$371.12 plus 22%	—\$3,533	\$7,413	—\$14,713	\$742.26 plus 22%	—\$7,413
\$7,183	—\$13,433	\$1,174.12 plus 24%	—\$7,183	\$14,713	—\$27,213	\$2,348.26 plus 24%	—\$14,713
\$13,433	—\$16,975	\$2,674.12 plus 32%	—\$13,433	\$27,213	—\$34,296	\$5,348.26 plus 32%	—\$27,213
\$16,975	—\$41,975	\$3,807.56 plus 35%	—\$16,975	\$34,296	—\$50,963	\$7,614.82 plus 35%	—\$34,296
\$41,975		\$12,557.56 plus 37%	—\$41,975	\$50,963		\$13,448.27 plus 37%	—\$50,963