



# PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions  
From: Steven L. Valasek, Director of State Accounting  
Date: December 13, 2005  
Subject: Federal Withholding Tax Tables – 2006  
Advance Earned Income Credit Payments – 2006  
Number: 2-05

Attached are new withholding tax tables which will become effective with the December 16-31, 2005 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	\$137.50
Monthly	\$275.00
Bi-weekly	\$126.92

- (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) $\$137.50 \times 5 = 687.50$	- 687.50
(c)	Less: deductions described in 2(b) through (h) page 1	- 75.16
(d)	Plus: Other Compensation subject	<u>+ 35.00</u>
(e)	Taxable Gross	\$1,272.34
(f)	Tax on \$1,272.34 from semi-monthly married table on page 3.	

$$\begin{array}{r}
 \$1,272.34 \\
 - \quad 954.00 \\
 \hline
 \$318.34 \times 15\% \ \& \ 62.10 = \$ \ 109.85
 \end{array}$$

Page 4 shows the 2006 tables for calculating the Advance Payments of Earned Income Credit.

Any Form W-5, Earned Income Credit Advance Payment Certificate, filed for 2005 expires December 30, 2005. 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](http://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 2006)

**TABLE 1—BIWEEKLY Payroll Period**

<b>(a) SINGLE person (including head of household)—</b>				<b>(b) MARRIED person—</b>			
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	
<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>	<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>
\$102	—\$385 . . . . .	10%	—\$102	\$308	—\$881 . . . . .	10%	—\$308
\$385	—\$1,240 . . . . .	\$28.30 plus 15%	—\$385	\$881	—\$2,617 . . . . .	\$57.30 plus 15%	—\$881
\$1,240	—\$2,817 . . . . .	\$156.55 plus 25%	—\$1,240	\$2,617	—\$4,881 . . . . .	\$317.70 plus 25%	—\$2,617
\$2,817	—\$6,025 . . . . .	\$550.80 plus 28%	—\$2,817	\$4,881	—\$7,517 . . . . .	\$883.70 plus 28%	—\$4,881
\$6,025	—\$13,015 . . . . .	\$1,449.04 plus 33%	—\$6,025	\$7,517	—\$13,213 . . . . .	\$1,621.78 plus 33%	—\$7,517
\$13,015		\$3,755.74 plus 35%	—\$13,015	\$13,213		\$3,501.46 plus 35%	—\$13,213

**TABLE 2—SEMIMONTHLY Payroll Period**

<b>(a) SINGLE person (including head of household)—</b>				<b>(b) MARRIED person—</b>			
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	
<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>	<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>
\$110	—\$417 . . . . .	10%	—\$110	\$333	—\$954 . . . . .	10%	—\$333
\$417	—\$1,343 . . . . .	\$30.70 plus 15%	—\$417	\$954	—\$2,835 . . . . .	\$62.10 plus 15%	—\$954
\$1,343	—\$3,052 . . . . .	\$169.60 plus 25%	—\$1,343	\$2,835	—\$5,288 . . . . .	\$344.25 plus 25%	—\$2,835
\$3,052	—\$6,527 . . . . .	\$596.85 plus 28%	—\$3,052	\$5,288	—\$8,144 . . . . .	\$957.50 plus 28%	—\$5,288
\$6,527	—\$14,100 . . . . .	\$1,569.85 plus 33%	—\$6,527	\$8,144	—\$14,315 . . . . .	\$1,757.18 plus 33%	—\$8,144
\$14,100		\$4,068.94 plus 35%	—\$14,100	\$14,315		\$3,793.61 plus 35%	—\$14,315

**TABLE 3—MONTHLY Payroll Period**

<b>(a) SINGLE person (including head of household)—</b>				<b>(b) MARRIED person—</b>			
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	
<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>	<b>Over—</b>	<b>But not over—</b>		<b>of excess over—</b>
\$221	—\$833 . . . . .	10%	—\$221	\$667	—\$1,908 . . . . .	10%	—\$667
\$833	—\$2,687 . . . . .	\$61.20 plus 15%	—\$833	\$1,908	—\$5,670 . . . . .	\$124.10 plus 15%	—\$1,908
\$2,687	—\$6,104 . . . . .	\$339.30 plus 25%	—\$2,687	\$5,670	—\$10,575 . . . . .	\$688.40 plus 25%	—\$5,670
\$6,104	—\$13,054 . . . . .	\$1,193.55 plus 28%	—\$6,104	\$10,575	—\$16,288 . . . . .	\$1,914.65 plus 28%	—\$10,575
\$13,054	—\$28,200 . . . . .	\$3,139.55 plus 33%	—\$13,054	\$16,288	—\$28,629 . . . . .	\$3,514.29 plus 33%	—\$16,288
\$28,200		\$8,137.73 plus 35%	—\$28,200	\$28,629		\$7,586.82 plus 35%	—\$28,629

**Tables for Percentage Method of Advance EIC Payments**  
(For Wages Paid in 2006)

**Table 1. BIWEEKLY Payroll Period**

<b>(a) SINGLE or HEAD OF HOUSEHOLD</b>			<b>(b) MARRIED Without Spouse Filing Certificate</b>			<b>(c) MARRIED With Both Spouses Filing Certificate</b>		
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	\$310 . . . . .	20.40% of wages	\$0	\$310 . . . . .	20.40% of wages	\$0	\$155 . . . . .	20.40% of wages
\$310	\$569 . . . . .	\$63	\$310	\$646 . . . . .	\$63	\$155	\$323 . . . . .	\$32
\$569	.....	\$63 less 9.588% of wages in excess of \$569	\$646	.....	\$63 less 9.588% of wages in excess of \$646	\$323	.....	\$32 less 9.588% of wages in excess of \$323

**Table 2. SEMIMONTHLY Payroll Period**

<b>(a) SINGLE or HEAD OF HOUSEHOLD</b>			<b>(b) MARRIED Without Spouse Filing Certificate</b>			<b>(c) MARRIED With Both Spouses Filing Certificate</b>		
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	\$336 . . . . .	20.40% of wages	\$0	\$336 . . . . .	20.40% of wages	\$0	\$168 . . . . .	20.40% of wages
\$336	\$617 . . . . .	\$69	\$336	\$700 . . . . .	\$69	\$168	\$350 . . . . .	\$34
\$617	.....	\$69 less 9.588% of wages in excess of \$617	\$700	.....	\$69 less 9.588% of wages in excess of \$700	\$350	.....	\$34 less 9.588% of wages in excess of \$350

**Table 3. MONTHLY Payroll Period**

<b>(a) SINGLE or HEAD OF HOUSEHOLD</b>			<b>(b) MARRIED Without Spouse Filing Certificate</b>			<b>(c) MARRIED With Both Spouses Filing Certificate</b>		
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	\$673 . . . . .	20.40% of wages	\$0	\$673 . . . . .	20.40% of wages	\$0	\$336 . . . . .	20.40% of wages
\$673	\$1,234 . . . . .	\$137	\$673	\$1,400 . . . . .	\$137	\$336	\$700 . . . . .	\$69
\$1,234	.....	\$137 less 9.588% of wages in excess of \$1,234	\$1,400	.....	\$137 less 9.588% of wages in excess of \$1,400	\$700	.....	\$69 less 9.588% of wages in excess of \$700