

PAYROLL BULLETIN

To: All State Agencies, Boards, Commissions and Universities
From: Steven L. Valasek, Director of State Accounting
Date: June 22, 2001
Subject: Federal Withholding Tax Tables - 2001
Number: 2-01

The Federal Government has changed the Federal tax rate. Attached are the new withholding tax tables that will become effective for payrolls received after June 28, 2001. 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	\$120.83
Monthly	\$241.67
Bi-weekly	\$111.54

- (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 Purchase
- (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) $\$120.83 \times 5 =$	- 604.15
(c)	Less: deductions described in 2(b) through (h) page 1	- 75.16
(d)	Plus: Other Compensation subject to withholding	<u>+ 30.00</u>
(e)	Taxable Gross	\$1,350.69
(f)	Tax on \$1,350.69 from semi-monthly married table on page 3.	

$$\begin{array}{r} \$1,350.69 \\ - 269.00 \\ \hline \$1,081.69 \times 15\% = \$ 162.25 \end{array}$$

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

If you have any questions regarding this bulletin or the attached tax tables, please contact our payroll office at (217) 782-4758. Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's website at www.ioc.state.il.us under Reference Library.

Tables for Percentage Method of Withholding

(For Wages Paid in July-Dec 2001)

TABLE 2—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 \$248		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$102	—\$1,104	15%	—\$102	\$248	—\$1,919	15%	—\$248
\$1,104	—\$2,392	\$150.30 plus 27%	—\$1,104	\$1,919	—\$4,046	\$250.65 plus 27%	—\$1,919
\$2,392	—\$5,323	\$498.06 plus 30%	—\$2,392	\$4,046	—\$6,585	\$824.94 plus 30%	—\$4,046
\$5,323	—\$11,500	\$1,377.36 plus 35%	—\$5,323	\$6,585	—\$11,617	\$1,586.64 plus 35%	—\$6,585
\$11,500	. . . . .	\$3,539.31 plus 38.6%	—\$11,500	\$11,617	. . . . .	\$3,347.84 plus 38.6%	—\$11,617

TABLE 3—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 \$269		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$110	—\$1,196	15%	—\$110	\$269	—\$2,079	15%	—\$269
\$1,196	—\$2,592	\$162.90 plus 27%	—\$1,196	\$2,079	—\$4,383	\$271.50 plus 27%	—\$2,079
\$2,592	—\$5,767	\$539.82 plus 30%	—\$2,592	\$4,383	—\$7,133	\$893.58 plus 30%	—\$4,383
\$5,767	—\$12,458	\$1,492.32 plus 35%	—\$5,767	\$7,133	—\$12,585	\$1,718.58 plus 35%	—\$7,133
\$12,458	. . . . .	\$3,834.17 plus 38.6%	—\$12,458	\$12,585	. . . . .	\$3,626.78 plus 38.6%	—\$12,585

TABLE 4—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 \$538		\$0	
Over—	But not over—	of excess over—		Over—	But not over—	of excess over—	
\$221	—\$2,392	15%	—\$221	\$538	—\$4,158	15%	—\$538
\$2,392	—\$5,183	\$325.65 plus 27%	—\$2,392	\$4,158	—\$8,767	\$543.00 plus 27%	—\$4,158
\$5,183	—\$11,533	\$1,079.22 plus 30%	—\$5,183	\$8,767	—\$14,267	\$1,787.43 plus 30%	—\$8,767
\$11,533	—\$24,917	\$2,984.22 plus 35%	—\$11,533	\$14,267	—\$25,171	\$3,437.43 plus 35%	—\$14,267
\$24,917	. . . . .	\$7,668.62 plus 38.6%	—\$24,917	\$25,171	. . . . .	\$7,253.83 plus 38.6%	—\$25,171