



PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions
From: Steven L. Valasek, Director of State Accounting
Date: December 14, 2004
Subject: Federal Withholding Tax Tables – 2005
Number: 5-04

Attached are new withholding tax tables which will become effective with the December 16-31, 2004 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	\$133.33
Monthly	\$266.67
Bi-weekly	\$123.08

- (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) $\$133.33 \times 5 = 666.65$	- 666.65
(c)	Less: deductions described in 2(b) through (h) page 1	- 75.16
(d)	Plus: Other Compensation subject	<u>+ 30.00</u>
(e)	Taxable Gross	\$1,288.19
(f)	Tax on \$1,288.19 from semi-monthly married table on page 3.	

$$\begin{array}{r}
 \$1,288.19 \\
 - \quad 942.00 \\
 \hline
 \$346.19 \times 15\% \ \& \ 60.90 = \quad \$ \ 112.83
 \end{array}$$

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 2005)

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	—\$377	10%	—\$102	\$308	—\$869	10%	—\$308
\$377	—\$1,212	\$27.50 plus 15%	—\$377	\$869	—\$2,546	\$56.10 plus 15%	—\$869
\$1,212	—\$2,683	\$152.75 plus 25%	—\$1,212	\$2,546	—\$4,644	\$307.65 plus 25%	—\$2,546
\$2,683	—\$5,844	\$520.50 plus 28%	—\$2,683	\$4,644	—\$7,292	\$832.15 plus 28%	—\$4,644
\$5,844	—\$12,625	\$1,405.58 plus 33%	—\$5,844	\$7,292	—\$12,817	\$1,573.59 plus 33%	—\$7,292
\$12,625		\$3,643.31 plus 35%	—\$12,625	\$12,817		\$3,396.84 plus 35%	—\$12,817

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	—\$408	10%	—\$110	\$333	—\$942	10%	—\$333
\$408	—\$1,313	\$29.80 plus 15%	—\$408	\$942	—\$2,758	\$60.90 plus 15%	—\$942
\$1,313	—\$2,906	\$165.55 plus 25%	—\$1,313	\$2,758	—\$5,031	\$333.30 plus 25%	—\$2,758
\$2,906	—\$6,331	\$563.80 plus 28%	—\$2,906	\$5,031	—\$7,900	\$901.55 plus 28%	—\$5,031
\$6,331	—\$13,677	\$1,522.80 plus 33%	—\$6,331	\$7,900	—\$13,885	\$1,704.87 plus 33%	—\$7,900
\$13,677		\$3,946.98 plus 35%	—\$13,677	\$13,885		\$3,679.92 plus 35%	—\$13,885

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	—\$817	10%	—\$221	\$667	—\$1,883	10%	—\$667
\$817	—\$2,625	\$59.60 plus 15%	—\$817	\$1,883	—\$5,517	\$121.60 plus 15%	—\$1,883
\$2,625	—\$5,813	\$330.80 plus 25%	—\$2,625	\$5,517	—\$10,063	\$666.70 plus 25%	—\$5,517
\$5,813	—\$12,663	\$1,127.80 plus 28%	—\$5,813	\$10,063	—\$15,800	\$1,803.20 plus 28%	—\$10,063
\$12,663	—\$27,354	\$3,045.80 plus 33%	—\$12,663	\$15,800	—\$27,771	\$3,409.56 plus 33%	—\$15,800
\$27,354		\$7,893.83 plus 35%	—\$27,354	\$27,771		\$7,359.99 plus 35%	—\$27,771