



DAWN CLARK NETSCH

Comptroller
State of Illinois

201 State House
Springfield, Illinois 62706
217/782-6000
TDD 217/782-1308

James R. Thompson Center
100 West Randolph, Suite 15-500
Chicago, Illinois 60601
312/814-2451

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PAYROLL BULLETIN
(5-94)

TO: All State Agencies, Departments, Boards, Commissions and Universities

SUBJECT: Federal Withholding Tax Tables - 1995
Earned Income Credit Tables - 1995

Attached are new withholding tax tables which will become effective with the December 16-31, 1994 payroll period. These tables will remain in effect until you are further notified.

To use the attached 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	\$104.17
Monthly	\$208.33
Bi-weekly	\$ 96.15

- (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

- (3) Add any other compensation subject to withholding.
- (4) Round the total to the nearest dollar.

(5) Determine the amount to be withheld from the applicable withholding table.

(6) Example:

(a) Gross pay, semi-monthly	\$1,000.00
(b) Less exemptions (married with 5 exemptions) $\$104.17 \times 5 =$	- 520.85
(c) Less: deductions described in 2(b) through (g) above	- 75.16
(d) Plus: Other Compensation subject to withholding	<u>+ 30.00</u>
(e) Taxable Gross (rounded to the nearest dollar)	\$ 434.00
(f) Tax on \$434.00 from semi-monthly married table on page 13	\$ 25.05

Tape submitting agencies should calculate federal income taxes on payrolls from the appropriate percentage method of withholding table on page 33.

Page 34 shows the 1995 tables for calculating the Advance Payment of Earned Income Credit.

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 Dan Steven or Nancy Smith at (217) 782-4758.

Tables for Percentage Method of Withholding
(For Wages Paid in 1995)

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 \$100		\$0		Not over \$246		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$100	—\$952	15%	—\$100	\$246	—\$1,656	15%	—\$246
\$952	—\$1,998	\$127.80 plus 28%	—\$952	\$1,656	—\$3,329	\$211.50 plus 28%	—\$1,656
\$1,998	—\$4,590	\$420.68 plus 31%	—\$1,998	\$3,329	—\$5,679	\$679.94 plus 31%	—\$3,329
\$4,590	—\$9,919	\$1,224.20 plus 36%	—\$4,590	\$5,679	—\$10,021	\$1,408.44 plus 36%	—\$5,679
\$9,919		\$3,142.64 plus 39.6%	—\$9,919	\$10,021		\$2,971.56 plus 39.6%	—\$10,021

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 \$108		\$0		Not over \$267		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$108	—\$1,031	15%	—\$108	\$267	—\$1,794	15%	—\$267
\$1,031	—\$2,165	\$138.45 plus 28%	—\$1,031	\$1,794	—\$3,606	\$229.05 plus 28%	—\$1,794
\$2,165	—\$4,973	\$455.97 plus 31%	—\$2,165	\$3,606	—\$6,152	\$736.41 plus 31%	—\$3,606
\$4,973	—\$10,746	\$1,326.45 plus 36%	—\$4,973	\$6,152	—\$10,856	\$1,525.67 plus 36%	—\$6,152
\$10,746		\$3,404.73 plus 39.6%	—\$10,746	\$10,856		\$3,219.11 plus 39.6%	—\$10,856

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 \$217		\$0		Not over \$533		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$217	—\$2,063	15%	—\$217	\$533	—\$3,588	15%	—\$533
\$2,063	—\$4,329	\$276.90 plus 28%	—\$2,063	\$3,588	—\$7,213	\$458.25 plus 28%	—\$3,588
\$4,329	—\$9,946	\$911.38 plus 31%	—\$4,329	\$7,213	—\$12,304	\$1,473.25 plus 31%	—\$7,213
\$9,946	—\$21,492	\$2,652.65 plus 36%	—\$9,946	\$12,304	—\$21,713	\$3,051.46 plus 36%	—\$12,304
\$21,492		\$6,809.21 plus 39.6%	—\$21,492	\$21,713		\$6,438.70 plus 39.6%	—\$21,713

Tables for Percentage Method of Advance EIC Payments
(For Wages Paid in 1995)

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$236 . . .	20.40% of wages
\$236	\$434 . . .	\$48
\$434	. . . . .	\$48 less 9.588% of wages in excess of \$434

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$118 . . .	20.40% of wages
\$118	\$217 . . .	\$24
\$217	. . . . .	\$24 less 9.588% of wages in excess of \$217

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$256 . . .	20.40% of wages
\$256	\$470 . . .	\$52
\$470	. . . . .	\$52 less 9.588% of wages in excess of \$470

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$128 . . .	20.40% of wages
\$128	\$235 . . .	\$26
\$235	. . . . .	\$26 less 9.588% of wages in excess of \$235

Table 4. MONTHLY Payroll Period

(a) SINGLE or MARRIED Without Spouse Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$513 . . .	20.40% of wages
\$513	\$940 . . .	\$105
\$940	. . . . .	\$105 less 9.588% of wages in excess of \$940

(b) MARRIED With Both Spouses Filing Certificate

If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—	
\$0	\$256 . . .	20.40% of wages
\$256	\$470 . . .	\$52
\$470	. . . . .	\$52 less 9.588% of wages in excess of \$470