MICHAEL J. BAKALIS

COMPTROLLER
STATE OF ILLINOIS

May 31, 1977

<u>P A Y R O L L   B U L L E T I N</u>
(3-77)

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

SUBJECT: Withholding Tax Tables

Attached are new withholding tax tables which will become effective with the June 1-15, 1977 payroll period. These tables will remain in effect until December 31, 1978.

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 payroll period. The amount of one withholding exemption is:

Semi-monthly	$31.30
Monthly	$62.50
Bi-weekly	$28.80

(2)   Subtract this total from the gross wages and round off the result to the nearest dollar.

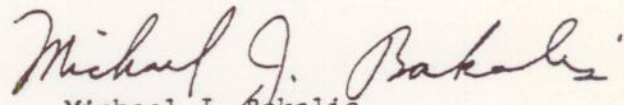(3)   Determine the amount to be withheld from the applicable withholding tax table.

Example:

(a)   Gross pay semi-monthly $387.00
Exemptions (married with
5 exemptions) 31.30 x 5   <u>156.50</u>

(b)   Taxable earnings 387.00 -
156.50 rounded to the
nearest dollar. $231.00

(c)   Tax on 231.00 from "semi-
monthly married" table $ 15.12

The new federal withholding tax will be computed on the pre-lists
furnished by this office for the June 1-15, 1977 pay period. The
computation will be based on the marital status and exemptions shown
on the payroll voucher. If an employee has a flat percentage withheld
or has additional withholding, it will be the responsibility of the
payroll officer to make the appropriate change. Tape submitting agencies
should calculate federal taxes on payrolls from the attached tax tables
for pay periods beginning June 1, 1977.

If you have any questions concerning this matter, please contact Dan Steven
or Cheryl Shride at (217) 782-4758.

Sincerely yours,

Michael J. Bakalis
Comptroller

In the event that these tax tables need to be viewed, contact the Comptroller's Payroll Office.