Montana Employer and Information Agent Guide

with Montana Withholding Tax Tables

Revised October 2022

Contents

What's new?

As of January 1, 2023 the withholding tax tables have been adjusted for inflation.

Beginning with Tax Year 2023, we will no longer mail Withholding Tax Vouchers (Form MW-1). Visit our website at MTRevenue.gov to download a copy. You may also pay online using the TransAction Portal (TAP) at https://tap.dor.mt.gov/.

Introduction

Employers and information agents can use this guide to prepare their Montana Forms MW-3, W-2, and 1099. The guide includes information about Montana filing requirements and instructions for filing the returns with us, including how to file using the TransAction Portal (TAP).

Employers

Employers' Withholding Responsibilities in Montana

Employers are required by law to deduct taxes from wages paid to employees for services performed in Montana, with very limited exceptions. This withholding is part of the employee's wages, but instead of paying the employee the withheld portion, the employer sends it to the Department of Revenue as wage withholding tax. In addition, they must make wage withholding payments and file the applicable Montana forms.

The wages withheld by the employer belong to the employee until paid to the state. Employees trust that their employer sends this amount to Montana on their behalf; as such, it is considered a trust tax. The individual business owner or corporate officer is liable for deducting and paying the wage withholding to Montana. Failure to withhold or pay an employee's wage withholding can result in penalties and interest.

Some employers may not have a physical presence in Montana, but have employees working remotely in Montana, and thus may have wage withholding, filing, and payment requirements even if the employee is considered a nonresident. A nonresident employee working in Montana generally has a filing requirement because Montana source income includes the wages, salary, tips, and other compensation for services performed in the state.

Employers subject to Montana wage withholding requirements must register with the Montana Department of Revenue and file all Montana Forms W-2 and MW-3 annually. Wage withholding payments are due based on the employer's payment schedule.

Payroll Withholding Guidelines

Determine How Much to Withhold

The amount of tax withheld from an employee's pay depends on three factors:

1. the length of the payroll period
2. the employee's gross pay
3. the number of withholding allowances and/or exemptions claimed on the employee's Montana Form MW-4

Wage withholding tax tables can be found at the end of this guide.

Determine Withholding Allowances and Exemptions

Employees report their number of allowances and/or exemptions on Montana Employee's Withholding Allowance and Exemption Certificate (Form MW-4). Allowances are certain deductions employees may take in the calculation of their wage withholding. Allowances include an employee's filing status, number of dependents, and itemized deductions. Exemptions are those services and compensation that are excluded from wage withholding by law.

New employees must complete a Form MW-4 when they are hired. Current employees only need to update their Form MW-4 if their tax situation changes, such as getting married, divorced, or having a child. If an employee submits a Form MW-4 claiming an exemption, the employer must file it through TAP by the last day of the payroll period in which the form was received.

Employees that qualify for an exemption of Montana withholding requirements must submit a Form MW-4 to their employer to request their exemption. Employers must submit new or updated Forms MW-4 through TAP by the last day of the payroll period of when the form was submitted to the employer.

If a Form MW-4 is false or unsubstantiated, we will deny or adjust it and notify both the employer and the employee of the adjustment to the withholding allowances.

Exempt Wages

Employees that qualify under the following exemptions, are not subject to wage withholding:.

- **Spouse of U.S. Armed Forces Service Member** – On November 11, 2009, the Military Spouses Residency Relief Act was signed into law. The Act exempts wages paid to the spouse of a U.S. armed forces service member from state income tax if the spouse is a nonresident of the state in which the wages are earned and is present in the state solely to be with the service member who is stationed in the state. To claim the exemption, the service member's spouse must complete Section 2 of Form MW-4 and give it to the employer on or before January 31 of each year.
- **North Dakota Residents Reciprocity** – Subject to an agreement between Montana and North Dakota, North Dakota residents are not taxed on wages earned in Montana. You are not required to withhold Montana income tax in this case.
- **Interstate Transportation** – Employees of motor or rail carriers are subject to the jurisdiction of the Interstate Commerce Commission and to income tax withholding only in their state of residency. Montana resident transportation workers must pay income tax to Montana on all wages.
- **Native Americans** – Wages paid to enrolled members of a Native American tribe are not subject to withholding if they reside on the reservation governed by their tribe and the wages are earned on that reservation. Employees must complete Section 2 of Form MW-4 and give it to the employer, attesting that they reside on their reservation. When wages come from both reservation and non-reservation sources, only the wages from reservation sources are exempt from withholding, and only if employees meet all criteria. When employees do not reside on their reservation for an entire pay period, only wages earned while they reside on the reservation are exempt from taxation, and only if they meet all criteria.

Withholding from Pensions, Annuities, Deferred Compensations, and IRAs

Employee contributions to qualifying annuity contracts such as "tax sheltered" annuity plans for teachers, public employees deferred compensation, or other similar plans, as defined by the Internal Revenue Code (I.R.C.), are exempt from withholding requirements to the extent that the contributions are not included in their adjusted gross income for federal income tax purposes. Contributions made to individual retirement accounts under I.R.C. 3401(a)(12), while considered compensation to the employee, are not subject to Montana withholding if it is reasonably expected that the employee will be able to deduct such amounts as retirement savings account contributions.

A payer is required to withhold on pension payments if the recipient requests withholding. Withholding from pensions can be requested on Form MW-4. The individual must specify a flat dollar amount on Line H of the form (ARM 42.17.103). More information about withholding on pension payments may be found in the Information Agent section of this guide.

Withholding from Nonresidents and Nonresident Aliens

Compensation to a nonresident or nonresident alien is subject to Montana income tax withholding in all cases unless the compensation is specifically exempted under Montana law. Compensation that may be excluded from federal withholding or Federal Adjusted Gross Income under a U.S. tax treaty is subject to Montana income tax withholding. The determination of whether a nonresident alien qualifies for tax treaty exclusion is not made until the Montana individual income tax return is filed by the nonresident alien.

Foreign Agricultural workers with H-2A visas are exempt from state income tax withholding.

Employment and Payment Exemptions

Certain types of employment and payments can be exempt from wage withholding. The Montana Withholding Exemptions Chart is a guide to show which types of employment and payments are subject to Montana tax withholding. This chart is not all inclusive.

Montana Withholding Exemptions Chart

This list is not inclusive. Please contact the department regarding questions or situations not addressed below or in this guide.

	Classes of Employment	
1	A dependent of the sole proprietor for whom the sole proprietor may claim an exemption under the Internal Revenue Code	Subject
2	Spouse or dependent child of sole proprietor	Subject
3	Corporate officers	Subject
4	Agricultural labor	Not Subject
5	Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority	Not Subject
6	Service performed by a duly ordained, commissioned, or licensed minister of a church in a ministerial duty or by a member of a religious order in the exercise of duties required by the order	Not Subject
7	Other church employees	Subject
8	Services of an individual under the age of 18 delivering or distributing newspapers to a point for subsequent delivery or distributions	Not Subject
9	The sale of newspapers or magazines to ultimate consumers where the newspapers or magazines are sold wholesale to the seller at a fixed price and seller keeps the excess	Not Subject
10	Freelance correspondents, provided the person is compensated solely by the story/picture	Not Subject
11	Real estate brokers who are independent contractors	Not Subject
12	Securities and insurance salespeople (non-statutory)	Subject
13	Direct sellers engaged in the sale of consumer products, primarily in the customer's home	Not Subject
14	Cosmetologists and barbers who are independent contractors	Not Subject
15	Services as an elected public official	Subject
16	Services performed at a school, college, or university by a currently enrolled student or the spouse of such a student	Subject
17	Nonresident interstate employees of railroad, trucking, air, and water interstate carriers	Not Subject
18	Resident interstate employees of railroad, trucking, air, and water interstate carriers	Subject
19	Service performed by an individual who is enrolled at a nonprofit or public educational institution	Subject
20	Deceased worker – The deceased worker's final check is not subject to withholding but is subject to individual income tax. Normally, the last check is made out to the decedent rather than to the estate and the wages are included on the W-2. On occasion, the final check is issued to the estate and then entered on a 1099 to the estate.	Not Subject
21	Companionship services – An employee in domestic service employment to provide companionship services, as defined in 29 CFR 552.6, or respite care for individuals who, because of age or infirmity, are unable to care for themselves as provided under Section 213(a)(15) of the Fair Labor Standards Act. 29 U.S.C. 213, when the person providing the service is employed directly by a family member or an individual who is a legal guardian.	Subject
22	Officials at school amateur athletic events	Subject
23	Montana Officials Association members who are assigned to school amateur athletic events	Not Subject
24	Services performed for a hospital by a patient of that hospital	Not Subject
25	Services performed in Montana in the employ of any other state or the United States government	Subject
26	Services by a citizen or resident of the United States for a foreign government or an international organization	Not Subject
27	Active duty as a member of the regular armed forces of the United States, as defined in 10 U.S.C. 101 (33)	Not Subject
28	National Guard training as provided in 5 U.S.C. 5517(d)	Subject
29	Person performing services in return for aid or sustenance only, payment in kind	Subject
30	Employer payment for, or a contribution toward, the cost of any employee benefit group plan or program including but not limited to life or hospitalization insurance for the employee or dependents	Not Subject
	Type of Payments	
1	Payments in any medium other than cash	Subject
2	Payments in the form of lodging or meals, and the services are performed by the employee at the request of and for the convenience of the employer	Not Subject
3	Tips for services rendered at a place licensed to provide food, beverage, or lodging in accordance with Section 3402(k) of the Internal Revenue Code of 1954	Not Subject
4	Allocated tips	Not Subject
5	All other tips	Subject

Supplemental Wages

Supplemental wages, such as commissions, bonuses, or overtime pay, are subject to withholding based on the total of the regular and supplemental wages. If supplemental wages are paid separately (for example, a holiday bonus), you can choose to withhold the tax by using one of the following ways:

- the total of the supplemental wage and the regular wage for the current payroll period
- the total of the supplemental wage and the regular wage for the last preceding payroll period that falls within the same calendar year
- a flat 6 percent of the supplemental wage.

Media Credit Loan-out Withholding

Production companies approved to claim the Media Credit must pay loan-out withholding for any compensation paid to a loan-out company. A loan-out company is a personal service company contracted with and retained by a production company to provide individual personnel who are not employees of the production company (including actors, directors, producers, writers, production designers, production managers, costume designers, directors of photography, editors, casting directors, first assistant directors, second unit directors, stunt coordinators, and similar personnel) for performance of services used directly in a qualified production activity. Compensation is considered payments by the production company to the loan-out company for personal services (15-31-1003(3), MCA).

Production companies must pay loan-out withholding at a rate of 6.9% of compensation paid and file a reconciliation form with us by January 31. The reconciliation form is completed on the TransAction Portal (TAP) at https://tap.dor.mt.gov. The production company must register for a Media Credit Withholding account to file the reconciliation form and provide a Loan-Out Withholding Certificate (Form LOWCERT) to a loan-out company to report loan-out withholding paid on behalf of the company. The loan-out company must provide the employee a copy of the Form LOWCERT by February 28.

The production company does not need to file Form LOWCERT with us, but should keep a copy on record to provide to us if requested. The employee of the loan-out company reports the withholding amount on Form 2, Refundable Credits and Other Payments Schedule, line 4.

Information Agents
Reporting requirements

> *Important:* Do not file a Form MW-3 if the Form 1099 does not report withholding.

Information agents distribute interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable annual or periodical gains, profits, and income to individuals, trusts, estates, and pass-through entities.

Information agents must file the applicable Form 1099 with Montana if they make a distribution to a Montana resident or Montana business in the amounts below. If the information agent paid withholding on behalf of the payee, the Forms 1099 must be filed along with a Form MW-3. These forms are due by January 31 of each year.

Form	Title	Amount
1042-S	Foreign Person's U.S. Source Income Subject to Withholding	$600
1099-A	Acquisition or Abandonment of Secured Property	Federal requirements
1099-B	Proceeds From Broker and Barter Exchange Transactions	$600
1099-C	Cancellation of Debt	$600
1099-CAP	Changes in Corporate Control and Capital Structure	$600
1099-DIV	Dividends and Distributions	$10
1099-G	Certain Government Payments	$600
1099-INT	Interest Income	$10
1099-K	Merchant Card and Third Party Network Payments	$600
1099-LTC	Long-Term Care and Accelerated Death Benefits	$600
1099-MISC	Miscellaneous Income	$600
1099-NEC	Nonemployee Compensation	$600
1099-OID	Original Issue Discount	$10
1099-PATR	Taxable Distributions from Cooperatives	$10
1099-Q	Payments from Qualified Education Programs	$600
1099-QA	Distributions from ABLE Accounts	$600
1099-R	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc.	$600
1099-S	Proceeds from Real Estate Transactions	Federal requirements
1099-SA	Distributions from an HSA, Archer MSA, or Medicare Advantage MSA	$600
1098-T	Tuition Statement	$600
W-2G	Certain Gambling Winnings	$600

Information agents can withhold Montana income tax for a recipient of a distribution from a deferred compensation plan, individual retirement plan, or commercial annuity when requested by a payee. The payee must complete and submit a Form MW-4 to the information agent to report the amount of desired withholding. If an information agent withholds Montana income tax on behalf of a recipient of retirement distributions, the agent must file the Montana Annual W-2 1099 Withholding Tax Reconciliation (Form MW-3) to report an annual reconciliation of all withholding paid during the year.

Mineral Royalty Payments and Withholding

Remitters making mineral royalty payments from a property in Montana to a royalty owner must withhold tax if the royalty payment is more than $166 in the current period or more than $2,000 if paid annually. Remitters must file a Montana Annual Mineral Royalty Withholding Tax Reconciliation. For more information, please review the Mineral Royalty Withholding Tax Guide and 15-30-2536 through 15-30-2547, MCA.

Montana Withholding Payments
Payment Schedule and Lookback Period

Withholding payments are due based on the total amount withheld during the lookback period. The lookback period is the 12-month period from July 1 of the preceding year to June 30 of the current year. For new businesses, payments are due monthly until the initial lookback period is completed.

We complete a review of an employer's lookback period to determine if the reporting and payment schedule will change for the next calendar year. If the payment schedule will change in the following year, we will notify the employer by November 1 of the current year about the new reporting and payment requirements.

Employers that did not have employees or make distributions for the entire duration of the lookback period follow the Withholding Payments Schedule unless notified by us.

Withholding Payments Schedule

Amount Withheld during Lookback Period	Payment Schedule	Filing Schedule
$12,000 or more	Accelerated - pay per federal schedule	MW-3 and W-2s are due January 31 for all Payment Schedules
$1,200-11,999	Monthly - pay on the 15th of the following month	
$1,199 or less	Annual - pay on January 31 of the following year	
Not Required	Payments are not required	

Making Payments

Employers may send payments more frequently than defined by the payment schedule.

Paying online is the quickest and most convenient way to ensure a payment is recorded quickly and accurately. Payment options are:

Online	Online	Mail Check
Transaction Portal https://tap.dor.mt.gov	ACH Credit MTRevenue.gov	Send MW-1 payment voucher and check as instructed on the form
Pay with an e-check (free) or with a credit/debit card (small fee) by logging into the withholding account or without logging in from the home page.	Transfer funds from your financial institution to the Department of Revenue. See our website for more information.	To ensure proper credit to your account, you must include the Account ID and payment period on the voucher.

Annual Filing Requirements
Filing Forms MW-3, W-2, and 1099

Employers and information agents reporting withholding must file a complete Montana Annual W-2 1099 Withholding Tax Reconciliation (Form MW-3) with us by January 31. Employers must include all Forms W-2 for each employee along with the Form MW-3, regardless of whether any tax was withheld. Information agents must file Forms 1099 along with the Form MW-3 if withholding was paid on behalf of the payee. Information agents that issue both Forms 1099 and W-2 must file a combined Form MW-3.

If you discover an error on your Form MW-3, you must amend your form, remit any tax due, and file corrected W-2s and/or 1099s for each affected recipient.

Forms 1099 issued to a Montana resident or business without withholding are due by January 31. A Form MW-3 is not required with Forms 1099 that do not report withholding.

> *Important:* The department does not accept:
>
> - Federal Form W-3 in place of the Form MW-3
> - Forms 1099 or W-2 with truncated SSNs or FEINs
> - Forms MW-3 filed with Forms 1099 that do not report withholding

Penalties

Penalties and interest are assessed if you do not file or pay on time.

Late Payment Penalty

Late payment penalty is assessed at 1.5 percent per month on the unpaid tax, not to exceed 15 percent of the tax due, if tax is not paid by the due date on the payment schedule.

Interest

Interest on tax not paid by the due date, as established on the payment schedule is assessed at the rate of 9.25 percent per year and accrues at 0.02534 percent daily on the unpaid tax.

Late Filing Penalty

Forms W-2 not filed by January 31, are subject to a penalty of $5 per Form W-2 with a minimum penalty of $50.

Failure to Withhold or Pay and Other Penalties

If an employer fails to deduct and withhold the tax from wages as required under 15-30-2502, MCA, and thereafter the income tax against which the withholdings may be credited is paid, the amount required to be deducted and withheld shall not be collected from the employer. However, such payment does not relieve the employer from liability for penalties, interest, or other additions to the tax because of such failure to deduct and withhold. The employer will not be relieved from their liability for payment of the amounts required to be withheld unless they can show that the income tax against which the required withholdings may be credited has been paid.

Failing to pay amounts withheld within the time provided is considered an illegal conversion of trust monies. The owners of the business are personally liable for the tax due even if the business is a corporation. The taxes are not dischargeable in the case of a bankruptcy, either by the business or individual that is liable for the tax.

If it is established that you knowingly or purposely intended to evade tax or any other lawful requirements, an additional penalty of 15% of the tax due for each month or fraction of a month, not to exceed 75% of the tax due, may be assessed (15-1-216, MCA).

Recordkeeping

You must keep your payroll records for five years from the date wages were paid. These records must be available for review by us so that we may ensure you are complying with Montana tax law.

The following documentation is required for an audit:

- beginning and ending date of each pay period
- total wages paid during each pay period
- method of payment
- employees' names, SSNs, and wages for each pay period
- employees' Forms W-4 for all payroll periods
- Forms MW-3, W-2, and 1099

For a complete explanation of the records to keep, refer to ARM 42.17.203.

Manage Your TAP Account

You may register for a business account electronically through TAP or by using the Montana Department of Revenue Business Registration (Form GenReg). In TAP, you can file returns electronically as well as manage tax account details.

The following information is required to register for a TAP account:

- **Federal Employer Identification Number** as used to report to the Internal Revenue Service.
- **Date** employees started working in Montana
- **Legal business name** as associated with the identification number and as reported to the Internal Revenue Service.
- **Assumed business name, trade name, or DBA**. This is the name used before the public.
- **Legal business address**. This must be the physical street address of the legal business headquarters.
- **Current mailing address**. This may be a post office box or other address. This is the address where the department will send all correspondence.
- **Contact name and phone number**. This is the individual that will act as the entity's representative.

Access and Manage Your TAP Account

Once we have approved your registration, you will receive an Account ID. Include this ID on all correspondence, payments, and returns sent to us and is used to sign up for a TAP account. In TAP, you can view and print returns, make and view payments, view balances, view letters, manage login access, and add or edit name and address information. You can also manage your account by mailing or faxing your changes to us.

Change a Business Name

You can change your legal business name through TAP, or by faxing or mailing a written request to us. The request must include the Account ID, FEIN, current legal business name, new legal business name, contact name, and phone number.

Change a Business Address

Mailing or location addresses can be changed through TAP, or by fax or mail. In the request, include the Account ID, FEIN, current legal business name, contact name, and phone number.

Close a Withholding Account

If you sell or close your business, change its entity type, or discontinue paying Montana wages and do not anticipate paying Montana wages within the next 12 months, fax or mail a written request to close your withholding account. Include your Account ID, FEIN, business name, contact name, phone number, reason for closure, and date of the last payroll.

Employers must make a final payment and file final Forms MW-3 and W-2 within 30 days of ceasing to be an employer or paying payroll.

File a Power of Attorney

A Power of Attorney form is necessary in instances when a tax preparer, or any other nonowner that is not otherwise listed as a contact on the account, needs access to or needs to discuss with us any information regarding your withholding account. File a Power of Attorney using Montana Form POA or on TAP. The department will also accept a federal Form 2848 if it includes authorization for an employer's Montana tax return.

Grant Third Party Online Access

Third-party online access can be granted to an accountant, bookkeeper, tax preparer, or other professional conducting business on behalf of their client (the tax account holder) using TAP. With applicable validation, third parties can request access to the customer's tax account and receive immediate pay access without the customer granting access. The tax account holder can grant different levels of access to their account. This access remains in effect until the tax account holder removes or changes permission. If someone requests access to your account, you, as the tax account holder, will receive an email stating who requested access. If you choose not to grant access, no action is required. See our website at MTRevenue.gov for further assistance.

Register for a Withholding Account

Businesses withholding on a Montana taxpayer must register for a Withholding account.

When completing the business registration, choose "Withholding" as the tax type.

> *Important:* Do not register for a withholding account if you are an information agent that does not pay withholding on behalf of a payee

Register for a File Processing Account

A File Processing Account allows taxpayers to upload their W-2, 1099, or MW-3 files.

> *TIP:* Information agents that do not withhold on recipients only have to register a File Processing Account

Add a File Process Account to an Existing TAP Account

1. Log into the existing TAP Account.
2. On the "Summary" page, select "More…"
3. Under "Registration Options," select "Register to Upload W2, 1099, or Withholding Files."
4. Follow the onscreen prompts to register your account.

If an employer does not have a TAP login, they can register for a File Processing account.

1. From the TAP homepage, under "Businesses," select "View More Options."
2. Select "Register to Upload a W-2, 1099, or Withholding File."
3. Follow the onscreen prompts to register the File Processing account.

Filing Options

The most accurate and efficient way to file Forms MW-3, W-2, and 1099 is electronically through TAP. TAP offers two options for filing: TAP Single Entry and File Upload.

TAP Single Entry

TAP Single Entry may be used by employers and information agents that have an established withholding tax account.

1. Log into your TAP and select the withholding account.
2. Select "File Return" to file the Form MW-3. Your return will be pre-populated from records we have on file, including payments. Complete the deposit period end dates on column A of the return and update other information if needed.
3. After the Form MW-3 is complete, enter the Forms W-2 and/or 1099.

File Upload

The TAP File Processing account is for businesses or an entity's representative who would like to upload MW-3, W-2, or 1099 files. To use this feature, the business or entity representative must establish a TAP Login and File Processing account.

Log into TAP, and follow the steps provided with the File Processing account to upload files. Forms W- 2, 1099, or withholding files must be in the standard EFW2 or Pub 1220 file format. **Images and PDFs are not accepted. Use TAP Single Entry to enter data from PDFs.**

Approved Payroll Software

You may use an approved third-party software vendor to file Forms MW-3, W-2 and 1099. Visit MTRevenue.gov for a list of approved software products.

Mail

Send paper forms to:

Montana Department of Revenue
PO Box 5835
Helena, MT 59604-5835

Questions? Call us at (406) 444-6900, or Montana Relay at 711 for the hearing impaired.
Email questions to MTDORWithholding@mt.gov.

Monthly Withholding Table

Gross Wages Paid		Number of Exemptions										
At Least	But Less Than	0	1	2	3	4	5	6	7	8	9	10
		AMOUNT TO BE WITHHELD										
0	50	0	0	0	0	0	0	0	0	0	0	0
50	100	1	0	0	0	0	0	0	0	0	0	0
100	200	3	0	0	0	0	0	0	0	0	0	0
200	300	5	1	0	0	0	0	0	0	0	0	0
300	400	6	3	0	0	0	0	0	0	0	0	0
400	500	8	5	2	0	0	0	0	0	0	0	0
500	600	10	7	4	1	0	0	0	0	0	0	0
600	700	12	9	5	2	0	0	0	0	0	0	0
700	800	16	10	7	4	1	0	0	0	0	0	0
800	900	21	13	9	6	3	0	0	0	0	0	0
900	1,000	25	18	11	8	5	2	0	0	0	0	0
1,000	1,100	30	22	14	10	6	3	0	0	0	0	0
1,100	1,200	34	26	19	11	8	5	2	0	0	0	0
1,200	1,300	38	31	23	16	10	7	4	1	0	0	0
1,300	1,400	43	35	28	20	12	9	6	3	0	0	0
1,400	1,500	49	40	32	24	17	11	7	4	1	0	0
1,500	1,600	55	44	36	29	21	14	9	6	3	0	0
1,600	1,700	61	50	41	33	26	18	11	8	5	2	0
1,700	1,800	67	56	46	38	30	22	15	10	7	3	0
1,800	1,900	73	62	52	42	34	27	19	12	8	5	2
1,900	2,000	79	68	58	48	39	31	24	16	10	7	4
2,000	2,100	85	74	64	54	43	36	28	20	13	9	6
2,100	2,200	91	80	70	60	49	40	32	25	17	11	8
2,200	2,300	97	86	76	66	55	45	37	29	22	14	9
2,300	2,400	103	92	82	72	61	51	41	34	26	18	11
2,400	2,500	109	98	88	78	67	57	46	38	30	23	15
2,500	2,750	119	109	98	88	78	67	57	46	38	30	23
2,750	3,000	134	124	113	103	93	82	72	61	51	41	34
3,000	3,250	149	139	128	118	108	97	87	76	66	56	45
3,250	3,500	164	154	143	133	123	112	102	91	81	71	60
3,500	3,750	179	169	158	148	138	127	117	106	96	86	75
3,750	4,000	194	184	173	163	153	142	132	121	111	101	90
4,000	4,250	209	199	188	178	168	157	147	136	126	116	105
4,250	4,500	224	214	203	193	183	172	162	151	141	131	120
4,500	4,750	239	229	218	208	198	187	177	166	156	146	135
4,750	5,000	254	244	233	223	213	202	192	181	171	161	150
5,000	5,250	269	259	248	238	228	217	207	196	186	176	165
5,250	5,500	284	274	263	253	243	232	222	211	201	191	180
5,500	5,750	299	289	278	268	258	247	237	226	216	206	195
5,750	6,000	314	304	293	283	273	262	252	241	231	221	210
6,000	6,250	329	319	308	298	288	277	267	256	246	236	225
6,250	6,500	344	334	323	313	303	292	282	271	261	251	240
6,500	6,750	359	349	338	328	318	307	297	286	276	266	255
6,750	7,000	374	364	353	343	333	322	312	301	291	281	270
7,000	7,250	389	379	368	358	348	337	327	316	306	296	285
7,250	7,500	404	394	383	373	363	352	342	331	321	311	300
7,500	7,750	419	409	398	388	378	367	357	346	336	326	315
7,750	8,000	434	424	413	403	393	382	372	361	351	341	330
8,000	8,250	449	439	428	418	408	397	387	376	366	356	345
8,250	8,500	464	454	443	433	423	412	402	391	381	371	360
8,500	8,750	479	469	458	448	438	427	417	406	396	386	375
8,750	9,000	494	484	473	463	453	442	432	421	411	401	390
9,000	9,250	509	499	488	478	468	457	447	436	426	416	405
9,250	9,500	524	514	503	493	483	472	462	451	441	431	420
9,500	9,750	539	529	518	508	498	487	477	466	456	446	435
9,750	10,000	554	544	533	523	513	502	492	481	471	461	450
10,000	10,250	569	559	548	538	528	517	507	496	486	476	465
10,250	10,500	584	574	563	553	543	532	522	511	501	491	480
10,500	10,750	599	589	578	568	558	547	537	526	516	506	495
10,750	11,000	614	604	593	583	573	562	552	541	531	521	510
		6.6% of the amount over 11,000 plus….										
11,000	or more	622	611	601	591	580	570	559	549	539	528	518

Semi-Monthly Withholding Table

Gross Wages Paid		Number of Exemptions										
At Least	But Less Than	0	1	2	3	4	5	6	7	8	9	10
		AMOUNT TO BE WITHHELD										
0	50	0	0	0	0	0	0	0	0	0	0	0
50	100	1	0	0	0	0	0	0	0	0	0	0
100	150	2	1	0	0	0	0	0	0	0	0	0
150	200	3	2	0	0	0	0	0	0	0	0	0
200	250	4	3	1	0	0	0	0	0	0	0	0
250	300	5	3	2	0	0	0	0	0	0	0	0
300	350	6	4	3	1	0	0	0	0	0	0	0
350	400	8	5	4	2	1	0	0	0	0	0	0
400	450	10	7	5	3	1	0	0	0	0	0	0
450	500	13	9	5	4	2	1	0	0	0	0	0
500	600	16	12	8	5	4	2	1	0	0	0	0
600	700	20	17	13	9	6	4	2	1	0	0	0
700	800	26	21	17	13	10	6	4	3	1	0	0
800	900	32	27	22	18	14	10	6	4	3	1	0
900	1,000	38	33	28	22	18	15	11	7	5	3	2
1,000	1,100	44	39	34	28	23	19	15	11	8	5	3
1,100	1,200	50	45	40	34	29	24	20	16	12	8	5
1,200	1,300	56	51	46	40	35	30	25	20	16	13	9
1,300	1,400	62	57	52	46	41	36	31	26	21	17	13
1,400	1,500	68	63	58	52	47	42	37	32	27	21	18
1,500	1,600	74	69	64	58	53	48	43	38	33	27	22
1,600	1,700	80	75	70	64	59	54	49	44	39	33	28
1,700	1,800	86	81	76	70	65	60	55	50	45	39	34
1,800	1,900	92	87	82	76	71	66	61	56	51	45	40
1,900	2,000	98	93	88	82	77	72	67	62	57	51	46
2,000	2,100	104	99	94	88	83	78	73	68	63	57	52
2,100	2,200	110	105	100	94	89	84	79	74	69	63	58
2,200	2,300	116	111	106	100	95	90	85	80	75	69	64
2,300	2,400	122	117	112	106	101	96	91	86	81	75	70
2,400	2,500	128	123	118	112	107	102	97	92	87	81	76
2,500	2,600	134	129	124	118	113	108	103	98	93	87	82
2,600	2,700	140	135	130	124	119	114	109	104	99	93	88
2,700	2,800	146	141	136	130	125	120	115	110	105	99	94
2,800	2,900	152	147	142	136	131	126	121	116	111	105	100
2,900	3,000	158	153	148	142	137	132	127	122	117	111	106
3,000	3,100	164	159	154	148	143	138	133	128	123	117	112
3,100	3,200	170	165	160	154	149	144	139	134	129	123	118
3,200	3,300	176	171	166	160	155	150	145	140	135	129	124
3,300	3,400	182	177	172	166	161	156	151	146	141	135	130
3,400	3,500	188	183	178	172	167	162	157	152	147	141	136
3,500	3,600	194	189	184	178	173	168	163	158	153	147	142
3,600	3,700	200	195	190	184	179	174	169	164	159	153	148
3,700	3,800	206	201	196	190	185	180	175	170	165	159	154
3,800	3,900	212	207	202	196	191	186	181	176	171	165	160
3,900	4,000	218	213	208	202	197	192	187	182	177	171	166
4,000	4,100	224	219	214	208	203	198	193	188	183	177	172
4,100	4,200	230	225	220	214	209	204	199	194	189	183	178
4,200	4,300	236	231	226	220	215	210	205	200	195	189	184
4,300	4,400	242	237	232	226	221	216	211	206	201	195	190
4,400	4,500	248	243	238	232	227	222	217	212	207	201	196
4,500	4,600	254	249	244	238	233	228	223	218	213	207	202
4,600	4,700	260	255	250	244	239	234	229	224	219	213	208
4,700	4,800	266	261	256	250	245	240	235	230	225	219	214
4,800	4,900	272	267	262	256	251	246	241	236	231	225	220
4,900	5,000	278	273	268	262	257	252	247	242	237	231	226
5,000	5,100	284	279	274	268	263	258	253	248	243	237	232
5,100	5,200	290	285	280	274	269	264	259	254	249	243	238
5,200	5,300	296	291	286	280	275	270	265	260	255	249	244
5,300	5,400	302	297	292	286	281	276	271	266	261	255	250
5,400	5,500	308	303	298	292	287	282	277	272	267	261	256
		6.6% of the amount over 5,500 plus….										
5,500	or more	311	306	301	295	290	285	280	275	270	264	259

Bi-Weekly Withholding Table

Gross Wages Paid		Number of Exemptions										
At Least	But Less Than	0	1	2	3	4	5	6	7	8	9	10
		AMOUNT TO BE WITHHELD										
0	20	0	0	0	0	0	0	0	0	0	0	0
20	30	0	0	0	0	0	0	0	0	0	0	0
30	40	1	0	0	0	0	0	0	0	0	0	0
40	50	1	0	0	0	0	0	0	0	0	0	0
50	60	1	0	0	0	0	0	0	0	0	0	0
60	70	1	0	0	0	0	0	0	0	0	0	0
70	80	1	0	0	0	0	0	0	0	0	0	0
80	90	2	0	0	0	0	0	0	0	0	0	0
90	100	2	0	0	0	0	0	0	0	0	0	0
100	125	2	1	0	0	0	0	0	0	0	0	0
125	150	2	1	0	0	0	0	0	0	0	0	0
150	175	3	1	0	0	0	0	0	0	0	0	0
175	200	3	2	0	0	0	0	0	0	0	0	0
200	225	4	2	1	0	0	0	0	0	0	0	0
225	250	4	3	1	0	0	0	0	0	0	0	0
250	300	5	4	2	1	0	0	0	0	0	0	0
300	400	8	5	3	2	1	0	0	0	0	0	0
400	500	12	9	5	4	2	1	0	0	0	0	0
500	600	17	13	10	6	4	3	1	0	0	0	0
600	700	21	17	14	10	7	5	3	2	0	0	0
700	800	27	23	18	15	11	8	5	3	2	1	0
800	900	33	29	24	19	16	12	9	5	4	2	1
900	1,000	39	35	30	25	20	17	13	10	6	4	3
1,000	1,100	45	41	36	31	26	21	17	14	10	7	5
1,100	1,200	51	47	42	37	32	27	23	18	15	11	8
1,200	1,300	57	53	48	43	38	33	29	24	19	16	12
1,300	1,400	63	59	54	49	44	39	35	30	25	20	17
1,400	1,500	69	65	60	55	50	45	41	36	31	26	21
1,500	1,600	75	71	66	61	56	51	47	42	37	32	27
1,600	1,700	81	77	72	67	62	57	53	48	43	38	33
1,700	1,800	87	83	78	73	68	63	59	54	49	44	39
1,800	1,900	93	89	84	79	74	69	65	60	55	50	45
1,900	2,000	99	95	90	85	80	75	71	66	61	56	51
2,000	2,100	105	101	96	91	86	81	77	72	67	62	57
2,100	2,200	111	107	102	97	92	87	83	78	73	68	63
2,200	2,300	117	113	108	103	98	93	89	84	79	74	69
2,300	2,400	123	119	114	109	104	99	95	90	85	80	75
2,400	2,500	129	125	120	115	110	105	101	96	91	86	81
2,500	2,600	135	131	126	121	116	111	107	102	97	92	87
2,600	2,700	141	137	132	127	122	117	113	108	103	98	93
2,700	2,800	147	143	138	133	128	123	119	114	109	104	99
2,800	2,900	153	149	144	139	134	129	125	120	115	110	105
2,900	3,000	159	155	150	145	140	135	131	126	121	116	111
3,000	3,100	165	161	156	151	146	141	137	132	127	122	117
3,100	3,200	171	167	162	157	152	147	143	138	133	128	123
3,200	3,300	177	173	168	163	158	153	149	144	139	134	129
3,300	3,400	183	179	174	169	164	159	155	150	145	140	135
3,400	3,500	189	185	180	175	170	165	161	156	151	146	141
3,500	3,600	195	191	186	181	176	171	167	162	157	152	147
3,600	3,700	201	197	192	187	182	177	173	168	163	158	153
3,700	3,800	207	203	198	193	188	183	179	174	169	164	159
3,800	3,900	213	209	204	199	194	189	185	180	175	170	165
3,900	4,000	219	215	210	205	200	195	191	186	181	176	171
4,000	4,100	225	221	216	211	206	201	197	192	187	182	177
4,100	4,200	231	227	222	217	212	207	203	198	193	188	183
4,200	4,300	237	233	228	223	218	213	209	204	199	194	189
4,300	4,400	243	239	234	229	224	219	215	210	205	200	195
4,400	4,500	249	245	240	235	230	225	221	216	211	206	201
4,500	4,600	255	251	246	241	236	231	227	222	217	212	207
4,600	4,700	261	257	252	247	242	237	233	228	223	218	213
		6.6% of the amount over 4,700 plus….										
4,700	or more	264	260	255	250	245	240	236	231	226	221	216

Weekly Withholding Table

Gross Wages Paid		Number of Exemptions										
At Least	But Less Than	0	1	2	3	4	5	6	7	8	9	10
		AMOUNT TO BE WITHHELD										
0	10	0	0	0	0	0	0	0	0	0	0	0
10	15	0	0	0	0	0	0	0	0	0	0	0
15	20	0	0	0	0	0	0	0	0	0	0	0
20	25	0	0	0	0	0	0	0	0	0	0	0
25	30	0	0	0	0	0	0	0	0	0	0	0
30	35	1	0	0	0	0	0	0	0	0	0	0
35	40	1	0	0	0	0	0	0	0	0	0	0
40	45	1	0	0	0	0	0	0	0	0	0	0
45	50	1	0	0	0	0	0	0	0	0	0	0
50	55	1	0	0	0	0	0	0	0	0	0	0
55	60	1	0	0	0	0	0	0	0	0	0	0
60	65	1	0	0	0	0	0	0	0	0	0	0
65	70	1	0	0	0	0	0	0	0	0	0	0
70	75	1	1	0	0	0	0	0	0	0	0	0
75	80	1	1	0	0	0	0	0	0	0	0	0
80	85	1	1	0	0	0	0	0	0	0	0	0
85	90	2	1	0	0	0	0	0	0	0	0	0
90	95	2	1	0	0	0	0	0	0	0	0	0
95	100	2	1	0	0	0	0	0	0	0	0	0
100	110	2	1	0	0	0	0	0	0	0	0	0
110	120	2	1	1	0	0	0	0	0	0	0	0
120	130	2	2	1	0	0	0	0	0	0	0	0
130	140	2	2	1	0	0	0	0	0	0	0	0
140	150	3	2	1	0	0	0	0	0	0	0	0
150	160	3	2	1	1	0	0	0	0	0	0	0
160	170	3	2	2	1	0	0	0	0	0	0	0
170	180	4	2	2	1	0	0	0	0	0	0	0
180	195	4	3	2	1	0	0	0	0	0	0	0
195	210	5	3	2	1	1	0	0	0	0	0	0
210	225	6	4	2	2	1	0	0	0	0	0	0
225	240	6	5	3	2	1	1	0	0	0	0	0
240	255	7	5	4	2	2	1	0	0	0	0	0
255	270	8	6	4	3	2	1	0	0	0	0	0
270	285	8	7	5	3	2	1	1	0	0	0	0
285	300	9	7	6	4	2	2	1	0	0	0	0
300	320	10	8	6	5	3	2	1	1	0	0	0
320	340	11	9	7	5	4	2	2	1	0	0	0
340	360	12	10	8	6	5	3	2	1	1	0	0
360	380	13	11	9	7	5	4	2	2	1	0	0
380	400	15	12	10	8	6	5	3	2	1	1	0
400	500	18	16	13	11	9	7	5	4	2	2	1
500	600	24	22	19	17	15	12	10	8	6	5	3
600	700	30	28	25	23	21	18	16	13	11	9	7
700	800	36	34	31	29	27	24	22	19	17	15	12
800	900	42	40	37	35	33	30	28	25	23	21	18
900	1,000	48	46	43	41	39	36	34	31	29	27	24
1,000	1,100	54	52	49	47	45	42	40	37	35	33	30
1,100	1,200	60	58	55	53	51	48	46	43	41	39	36
1,200	1,300	66	64	61	59	57	54	52	49	47	45	42
1,300	1,400	72	70	67	65	63	60	58	55	53	51	48
1,400	1,500	78	76	73	71	69	66	64	61	59	57	54
1,500	1,600	84	82	79	77	75	72	70	67	65	63	60
1,600	1,700	90	88	85	83	81	78	76	73	71	69	66
1,700	1,800	96	94	91	89	87	84	82	79	77	75	72
1,800	1,900	102	100	97	95	93	90	88	85	83	81	78
1,900	2,000	108	106	103	101	99	96	94	91	89	87	84
2,000	2,100	114	112	109	107	105	102	100	97	95	93	90
2,100	2,200	120	118	115	113	111	108	106	103	101	99	96
2,200	2,300	126	124	121	119	117	114	112	109	107	105	102
2,300	2,400	132	130	127	125	123	120	118	115	113	111	108
		6.6% of the amount over 2,400 plus….										
2,400	or more	135	133	130	128	126	123	121	118	116	114	111

Daily Withholding Table

Gross Wages Paid		Number of Exemptions										
At Least	But Less Than	0	1	2	3	4	5	6	7	8	9	10
		AMOUNT TO BE WITHHELD										
0	5	0	0	0	0	0	0	0	0	0	0	0
5	10	0	0	0	0	0	0	0	0	0	0	0
10	15	0	0	0	0	0	0	0	0	0	0	0
15	20	0	0	0	0	0	0	0	0	0	0	0
20	25	0	0	0	0	0	0	0	0	0	0	0
25	30	1	0	0	0	0	0	0	0	0	0	0
30	35	1	1	0	0	0	0	0	0	0	0	0
35	40	1	1	1	0	0	0	0	0	0	0	0
40	45	1	1	1	1	0	0	0	0	0	0	0
45	50	2	1	1	1	0	0	0	0	0	0	0
50	55	2	2	1	1	1	0	0	0	0	0	0
55	60	2	2	1	1	1	1	0	0	0	0	0
60	65	2	2	2	1	1	1	1	0	0	0	0
65	70	3	2	2	2	1	1	1	1	0	0	0
70	75	3	3	2	2	2	1	1	1	1	0	0
75	80	3	3	3	2	2	2	1	1	1	0	0
80	85	4	3	3	3	2	2	2	1	1	1	0
85	90	4	4	3	3	3	2	2	1	1	1	1
90	95	4	4	4	3	3	2	2	2	1	1	1
95	100	5	4	4	4	3	3	2	2	2	1	1
100	105	5	5	4	4	3	3	3	2	2	2	1
105	110	5	5	4	4	4	3	3	3	2	2	2
110	115	5	5	5	4	4	4	3	3	3	2	2
115	120	6	5	5	5	4	4	4	3	3	3	2
120	125	6	6	5	5	5	4	4	4	3	3	2
125	130	6	6	6	5	5	5	4	4	4	3	3
130	135	7	6	6	6	5	5	5	4	4	3	3
135	140	7	7	6	6	6	5	5	4	4	4	3
140	145	7	7	7	6	6	5	5	5	4	4	4
145	150	8	7	7	7	6	6	5	5	5	4	4
150	155	8	8	7	7	6	6	6	5	5	5	4
155	160	8	8	7	7	7	6	6	6	5	5	5
160	165	8	8	8	7	7	7	6	6	6	5	5
165	170	9	8	8	8	7	7	7	6	6	6	5
170	175	9	9	8	8	8	7	7	7	6	6	5
175	180	9	9	9	8	8	8	7	7	7	6	6
180	185	10	9	9	9	8	8	8	7	7	6	6
185	190	10	10	9	9	9	8	8	7	7	7	6
190	195	10	10	10	9	9	8	8	8	7	7	7
195	200	11	10	10	10	9	9	8	8	8	7	7
200	205	11	11	10	10	9	9	9	8	8	8	7
205	210	11	11	10	10	10	9	9	9	8	8	8
210	215	11	11	11	10	10	10	9	9	9	8	8
215	220	12	11	11	11	10	10	10	9	9	9	8
220	225	12	12	11	11	11	10	10	10	9	9	8
225	230	12	12	12	11	11	11	10	10	10	9	9
230	235	13	12	12	12	11	11	11	10	10	9	9
235	240	13	13	12	12	12	11	11	10	10	10	9
240	245	13	13	13	12	12	11	11	11	10	10	10
245	250	14	13	13	13	12	12	11	11	11	10	10
250	255	14	14	13	13	12	12	12	11	11	11	10
255	260	14	14	13	13	13	12	12	12	11	11	11
260	265	14	14	14	13	13	13	12	12	12	11	11
265	270	15	14	14	14	13	13	13	12	12	12	11
270	280	15	15	15	14	14	13	13	13	12	12	12
280	290	16	15	15	15	14	14	14	13	13	13	12
290	300	16	16	16	15	15	15	14	14	14	13	13
300	310	17	17	16	16	16	15	15	15	14	14	13
310	320	18	17	17	17	16	16	15	15	15	14	14
320	330	18	18	18	17	17	16	16	16	15	15	15
		6.6% of the amount over 330 plus….										
330	or more	19	18	18	17	17	17	16	16	16	15	15

Montana Withholding Tax Formula for Computerized Payroll Systems

This formula will duplicate the results found in the tables immediately preceding this section. There may be insignificant variances due to rounding. If you have any problems in applying these formulas to your payroll, please call (406) 444-6900.

Definitions:

G = Gross Earnings for the payroll period
N = Number of withholding allowances claimed

T = Net taxable earnings for the payroll period
W = Withholding tax for the payroll period

Exemption value (for the annual table): $2,070
Standard Deduction amount: $0

Important: All amounts to be withheld must be rounded to the nearest dollar.

Note: There is a two-step calculation involved in this formula.

Step 1: The net taxable earnings "T" must be computed. Net taxable earnings is based on the level of gross earnings and the number of withholding allowances claimed.

Step 2: The actual tax to be withheld "W" is calculated. The actual tax withheld is calculated by using the schedule provided.

Monthly Payroll Period

Step 1: Calculate Taxable earnings "T" $T = G - (\$173 \times N)$
Step 2: Calculate Withholding Tax "W" $W = A + (B \times (T - C))$

Net Taxable Earnings, T   **ROUND ALL RESULTS TO NEAREST DOLLAR**

At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$636	$0	plus	1.80%	of the taxable earnings	$0
$636	$1,363	$11	plus	4.40%	of the net taxable earnings over	$636
$1,363	$10,899	$43	plus	6.00%	of the net taxable earnings over	$1,363
$10,899	and over	$616	plus	6.60%	of the net taxable earnings over	$10,899

Semi-Monthly Payroll Period

Step 1: Calculate Taxable earnings "T" $T = G - (\$86 \times N)$
Step 2: Calculate Withholding Tax "W" $W = A + (B \times (T - C))$

Net Taxable Earnings, T   **ROUND ALL RESULTS TO NEAREST DOLLAR**

At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$318	$0	plus	1.80%	of the taxable earnings	$0
$318	$681	$5	plus	4.40%	of the net taxable earnings over	$318
$681	$5,450	$20	plus	6.00%	of the net taxable earnings over	$681
$5,450	and over	$282	plus	6.60%	of the net taxable earnings over	$5,450

Bi-Weekly Payroll Period

Step 1: Calculate Taxable earnings "T" $T = G - (\$80 \times N)$
Step 2: Calculate Withholding Tax "W" $W = A + (B \times (T - C))$

Net Taxable Earnings, T   **ROUND ALL RESULTS TO NEAREST DOLLAR**

At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$293	$0	plus	1.8%	of the taxable earnings	$0
$293	$629	$5	plus	4.4%	of the net taxable earnings over	$293
$629	$5,030	$20	plus	6.0%	of the net taxable earnings over	$629
$5,030	and over	$284	plus	6.6%	of the net taxable earnings over	$5,030

Weekly Payroll Period

Step 1: Calculate Taxable earnings "T"   T = G - ($40 x N)

Step 2: Calculate Withholding Tax "W"   W = A + (B x (T - C))

Net Taxable Earnings, T					ROUND ALL RESULTS TO NEAREST DOLLAR	
At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$147	$0	plus	1.80%	of the taxable earnings	$0
$147	$314	$3	plus	4.40%	of the net taxable earnings over	$147
$314	$2,515	$10	plus	6.00%	of the net taxable earnings over	$314
$2,515	and over	$142	plus	6.60%	of the net taxable earnings over	$2,515

Daily Payroll Period

Step 1: Calculate Taxable earnings "T"   T = G - ($6 x N)

Step 2: Calculate Withholding Tax "W"   W = A + (B x (T - C))

Net Taxable Earnings, T					ROUND ALL RESULTS TO NEAREST DOLLAR	
At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$21	$0	plus	1.80%	of the taxable earnings	$0
$21	$45	$0	plus	4.40%	of the net taxable earnings over	$21
$45	$358	$1	plus	6.00%	of the net taxable earnings over	$45
$358	and over	$20	plus	6.60%	of the net taxable earnings over	$358

Annual Payroll Period

Step 1: Calculate Taxable earnings "T"   T = G - ($2,070 x N)

Step 2: Calculate Withholding Tax "W"   W = A + (B x (T - C))

Net Taxable Earnings, T					ROUND ALL RESULTS TO NEAREST DOLLAR	
At least…	Less than	A	Plus	B	Times the amount which T exceeds	C
$0	$7,630	$0	plus	1.80%	of the taxable earnings	$0
$7,630	$16,350	$137	plus	4.40%	of the net taxable earnings over	$7,630
$16,350	$130,790	$521	plus	6.00%	of the net taxable earnings over	$16,350
$130,790	and over	$7,387	plus	6.60%	of the net taxable earnings over	$130,790

Example 1: An employee earns $550 during a semi-monthly payroll period and claims five withholding allowances.

Step 1: T = $550 - ($86 x 5) = $120

Step 2: W = $0 + (0.018 x ($120 - $0)) = $2 Rounded to the nearest dollar

Example 2: An employee claiming two exemptions earns $2,950 during a bi-weekly payroll period.

Step 1: T = $2,950 - ($80 x 2) = $2,790

Step 2: W = $20 + (0.060 x ($2,790 - $629)) = $150 Rounded to the nearest dollar

Example 3: An employee claiming one exemption earns $135 during a weekly payroll period.

Step 1: T = $135 - ($37 x 1) = $98

Step 2: W = $0 + (0.018 x ($98 - $0)) = $2 Rounded to the nearest dollar