



Department of Revenue

Iowa Withholding Formula For Wages Paid Beginning January 1, 2025

NEW for 2025: The Iowa withholding formula and the IA W-4 have been revised for tax year 2025 to accommodate changes to individual income tax required under Iowa [Senate File 2442](#). Enacted in May, 2024, this law establishes a 3.80 percent flat tax rate on Iowa individual income beginning January 1, 2025. In addition, beginning in 2025, the deduction amount in Step 1 is determined based on the taxpayer's marital status as reported on the IA W-4 rather than the allowances amount reported on the IA W-4.

Because of changes reflected on the 2025 IA W-4 form, employees should be encouraged to file an updated Iowa W-4 using the 2025 IA W-4 form. However, employers may continue to compute withholding based on the information from the employee's most recently furnished Form W-4. To do so, employers must make certain additional calculations for those employees whose IA W-4 on file dates to 2023 or earlier. For employees whose IA W-4 on file dates to 2023 or earlier, please see Steps 1B and 3B.

How to Calculate Withholding

To determine how much to withhold for Iowa individual income tax for wages paid beginning January 1, 2025, use the four-step formula provided below. Alternatively, you may use the withholding tables provided at <https://revenue.iowa.gov/taxes/tax-guidance/withholding-tax/iowa-withholding-tax-information>.

Step 1. Determine T1. $T1 = G - D$

(G: Gross taxable wages for the pay period; D: Deduction for the pay period)

To determine T1, identify the gross taxable wages for the pay period and subtract the appropriate deduction amount. Use Step 1A for employees who have filed a 2024 or 2025 IA W-4. Use Step 1B for employees whose IA W-4 on file is from 2023 or earlier.

Certain payments made by the employer into employee retirement plans or for employee health insurance are not considered taxable wages and are not included in the calculations of withholding tax.

1A. For employees who have filed a 2024 or 2025 IA W-4

Identify the gross taxable wages for the pay period and subtract the appropriate deduction amount shown below based on the "marital status" reported by the employee on the 2024 or 2025 IA W-4. ***Note that the deduction amount in this calculation step is not the same as the federal standard deduction amount.***

Deduction Amounts by Pay Period (Denoted as D) for 2024 or 2025 IA W-4:

Payroll Period	Marital Status Reported on 2024 or 2025 IA W-4		
	(A) *	(B)**	(C) ***
	Other, or Married Filing Jointly with Spouse Having Earned Income	Head of Household	Married Filing Jointly with Spouse Having No Earned Income, or Qualified Surviving Spouse
Daily	\$46.15	\$69.42	\$92.50
Weekly	\$230.77	\$347.12	\$462.50
Biweekly	\$461.54	\$694.23	\$925.00
Semimonthly	\$500.00	\$752.08	\$1,002.08
Monthly	\$1,000.00	\$1,504.17	\$2,004.17
Annually	\$12,000.00	\$18,050.00	\$24,050.00

* Use the amount from column (A) if the employee meets any one of the following conditions:

- the employee has checked “Other” as marital status on the 2024 or 2025 IA W-4.
- the employee has checked "Married filing jointly or qualified surviving spouse", and has checked "Yes" for "If married filing jointly, does your spouse also have earned income?" in the marital status section on the 2024 or 2025 IA W-4.
- the employee’s marital status is missing.

** Use the amount from column (B) if the employee has checked “Head of Household” as their marital status on the 2024 or 2025 IA W-4.

*** Use the amount from column (C) if the employee has checked "Married filing jointly or qualified surviving spouse", and has checked "No" (or left blank) for "If married filing jointly, does your spouse also have earned income?" in marital status section on the 2024 or 2025 IA W-4.

1B. For employees whose most recent IA W-4 on file is from 2023 or earlier

For employees whose most recent IA W-4 on file is from 2023 or earlier, use the following table for the deduction amount:

Deduction Amounts by Pay Period (Denoted as D) for 2023 or earlier IA W-4:

Payroll Period	Marital Status Reported on 2023 IA W-4 or earlier IA W-4	
	(A)	(B)
	Single (or married but legally separated)	Married
Daily	\$46.15	\$92.50
Weekly	\$230.77	\$462.50
Biweekly	\$461.54	\$925.00
Semimonthly	\$500.00	\$1,002.08
Monthly	\$1,000.00	\$2,004.17
Annually	\$12,000.00	\$24,050.00

Use the amount from column (A) if the employee has checked "Single (or married but legally separated)" as their marital status on the 2023 or earlier IA W-4, or if the employee's marital status is missing. Use the amount from column (B) if the employee has checked "Married" as the marital status on the 2023 or earlier IA W-4.

Step 2. Determine T2. $T2 = T1 \times 3.80\%$ (or 0.038)

Multiply T1 by the withholding tax rate **3.80%** or 0.038. The rate is denoted as R in the example calculations.

Step 3. Determine T3. $T3 = T2 - (W / P)$

(W: Total allowance amount on the IA W-4; P: Number of pay periods per year)

Divide the total allowance amount by the number of pay periods per year.

The number of pay periods per year are provided below.

Number of Pay Periods Per Year (Denoted as P)

Payroll Period	Number of Pay Periods Per Year
Daily	260
Weekly	52
Biweekly	26
Semimonthly	24
Monthly	12
Annually	1

3A. For employees who have filed a 2024 or 2025 IA W-4

Divide the total allowance amount reported on the employee's 2024 or 2025 IA W-4 (W) by the number of pay periods per year (P). Subtract this amount from T2.

3B. For employees whose IA W-4 on file is from 2023 or earlier

For employees whose IA W-4 on file is from 2023 or earlier, determine the total allowance amount (W) by multiplying the number of allowances claimed by the employee on the IA W-4 by \$40. For example, if an employee claims 6 total allowances, the employer should use \$240 (i.e., 6 x \$40) as the total allowance amount. Divide this total allowance amount (W) by the number of pay periods per year (P). Subtract this amount from T2.

Step 4. Determine T4, or Withholding Amount per Pay Period. $T4 = T3 + A$

(A: Additional withholding requested per pay period on the IA W-4)

To determine Iowa withholding for the pay period, add the additional amount of withholding requested for each pay period on the employee's IA W-4 to T3.

Pay period not provided: If your employee has a pay frequency other than those provided above, first multiply the wages for each pay period by the number of pay periods in a calendar year to determine annual wages. Then, go through the calculations of steps 1-3 using the annual pay period to get T3. To calculate withholding for each pay period, divide this amount by the

number of pay periods in the year. Add the additional withholding amount requested per period. For example, for a quarterly pay period, use the annual payroll formulas to get T3 and divide this amount by 4, then add any additional withholding per pay period to get Iowa withholding on each paycheck. For a semiannual pay period, use the annual payroll formulas to get T3 and divide this amount by 2, then add any additional withholding per pay period to get Iowa withholding on each paycheck.

Examples:

Ten examples are provided below for using the formula to come up with Iowa withholding amounts for 2025.

Example 1: Biweekly wages of \$2,100.00, with “Other” marital status on the 2025 IA W-4 (Total withholding allowance \$40 claimed, no additional amount requested)

T1 = G - D	T1 =	\$2,100.00	-	\$461.54	=	\$1,638.46
				Rate		
T2 = T1 x R	T2 =	\$1,638.46	x	3.80%	=	\$62.26
T3 = T2 - W / P	T3 =	\$62.26	-	\$40.00	/ 26 =	\$60.72
T4 = T3 + A	T4 =	\$60.72	+	\$0.00	=	\$60.72
					Iowa tax to be withheld =	\$60.72

Example 2: Biweekly wages of \$2,100.00, with “Married jointly and spouse having no earned income, or Qualifying surviving spouse” marital status on 2025 IA W-4 (Total withholding allowance \$80 claimed, no additional amount requested)

T1 = G - D	T1 =	\$2,100.00	-	\$925.00	=	\$1,175.00
				Rate		
T2 = T1 x R	T2 =	\$1,175.00	x	3.80%	=	\$44.65
T3 = T2 - W / P	T3 =	\$44.65	-	\$80.00	/ 26 =	\$41.57
T4 = T3 + A	T4 =	\$41.57	+	\$0.00	=	\$41.57
					Iowa tax to be withheld =	\$41.57

Example 3: Biweekly wages of \$2,100.00, with “Head of Household” marital status on 2025 IA W-4 (Total withholding allowance \$160 claimed, no additional amount requested)

T1 = G - D	T1 =	\$2,100.00	-	\$694.23	=	\$1,405.77
				Rate		
T2 = T1 x R	T2 =	\$1,405.77	x	3.80%	=	\$53.42
T3 = T2 - W / P	T3 =	\$53.42	-	\$160.00	/ 26 =	\$47.27
T4 = T3 + A	T4 =	\$47.27	+	\$0.00	=	\$47.27
					Iowa tax to be withheld =	\$47.27

**Example 4: Monthly wages of \$5,000.00, with “Other” marital status on 2025 IA W-4
(Total withholding allowances \$40 claimed, no additional amount requested)**

T1 = G - D	T1 =	\$5,000.00	-	\$1,000.00	=	\$4,000.00
T2 = T1 x R	T2 =	\$4,000.00	x	Rate 3.80%	=	\$152.00
T3 = T2 - W / P	T3 =	\$152.00	-	\$40.00 / 12	=	\$148.67
T4 = T3 + A	T4 =	\$148.67	+	\$0.00	=	\$148.67
Iowa tax to be withheld =						\$148.67

**Example 5: Monthly wages of \$5,000.00, with “Married jointly and spouse having no earned income, or Qualifying surviving spouse” marital status on 2025 IA W-4
(Total withholding allowance \$80 claimed, no additional amount requested)**

T1 = G - D	T1 =	\$5,000.00	-	\$2,004.17	=	\$2,995.83
T2 = T1 x R	T2 =	\$2,995.83	x	Rate 3.80%	=	\$113.84
T3 = T2 - W / P	T3 =	\$113.84	-	\$80.00 / 12	=	\$107.17
T4 = T3 + A	T4 =	\$107.17	+	\$0.00	=	\$107.17
Iowa tax to be withheld =						\$107.17

**Example 6: Monthly wages of \$5,000.00, with “Head of Household” marital status on 2025 IA W-4
(Total withholding allowance \$160 claimed, no additional amount requested)**

T1 = G - D	T1 =	\$5,000.00	-	\$1,504.17	=	\$3,495.83
T2 = T1 x R	T2 =	\$3,495.83	x	Rate 3.80%	=	\$132.84
T3 = T2 - W / P	T3 =	\$132.84	-	\$160.00 / 12	=	\$119.51
T4 = T3 + A	T4 =	\$119.51	+	\$0.00	=	\$119.51
Iowa tax to be withheld =						\$119.51

**Example 7: Biweekly wages of \$2,100.00, with “Single” marital status, where the employee’s most recent IA W-4 on file is from 2023 or earlier
(Total of 1 withholding allowance claimed on the 2023 or earlier IA W-4, no additional amount requested)**

T1 = G - D	T1 =	\$2,100.00	-	\$461.54	=	\$1,638.46
				<u>Rate</u>		
T2 = T1 x R	T2 =	\$1,638.46	x	3.80%	=	\$62.26
T3 = T2 - W / P	T3 =	\$62.26	-	1 * \$40 / 26	=	\$60.72
T4 = T3 + A	T4 =	\$60.72	+	\$0.00	=	\$60.72
Iowa tax to be withheld =						\$60.72

**Example 8: Biweekly wages of \$2,100.00, with “Married” marital status, where the employee’s most recent IA W-4 on file is from 2023 or earlier
(Total of 2 withholding allowances claimed on 2023 IA W-4, no additional amount requested)**

T1 = G - D	T1 =	\$2,100.00	-	\$925.00	=	\$1,175.00
				<u>Rate</u>		
T2 = T1 x R	T2 =	\$1,175.00	x	3.80%	=	\$44.65
T3 = T2 - W / P	T3 =	\$44.65	-	2 * \$40 / 26	=	\$41.57
T4 = T3 + A	T4 =	\$41.57	+	\$0.00	=	\$41.57
Iowa tax to be withheld =						\$41.57

**Example 9: Monthly wages of \$5,000.00, with “Single” marital status, where the employee’s most recent IA W-4 on file is from 2023 or earlier
(Total of 1 withholding allowance claimed on 2023 IA W-4, no additional amount requested)**

T1 = G - D	T1 =	\$5,000.00	-	\$1,000.00	=	\$4,000.00
				<u>Rate</u>		
T2 = T1 x R	T2 =	\$4,000.00	x	3.80%	=	\$152.00
T3 = T2 - W / P	T3 =	\$152.00	-	1 * \$40 / 12	=	\$148.67
T4 = T3 + A	T4 =	\$148.67	+	\$0.00	=	\$148.67
Iowa tax to be withheld =						\$148.67

**Example 10: Monthly wages of \$5,000.00, with “Married” marital status, where the employee’s most recent IA W-4 on file is from 2023 or earlier
(Total of 2 withholding allowances claimed on 2023 IA W-4, no additional amount requested)**

T1 = G - D	T1 =	\$5,000.00	-	\$2,004.17	=	\$2,995.83
				<u>Rate</u>		
T2 = T1 x R	T2 =	\$2,995.83	x	3.80%	=	\$113.84
T3 = T2 - W / P	T3 =	\$113.84	-	2 * \$40 / 12	=	\$107.17
T4 = T3 + A	T4 =	\$107.17	+	\$0.00	=	\$107.17
Iowa tax to be withheld =						\$107.17