



Office of the State Comptroller
PAYROLL BULLETIN

Subject Changes in New York State, City of New York and City of Yonkers Withholding Tax	Bulletin No. P-432
	Date June 20, 1985

New York State, City of New York and City of Yonkers withholding taxes will change effective for Institution payroll checks dated July 3, 1985 and Administration payroll checks dated July 10, 1985.

The changes include:

1. New York State resident and City of Yonkers resident taxes now have separate tables for single taxpayers and for married taxpayers.
2. The deduction allowance table has been changed. The deduction allowance for State and City of Yonkers is now a single amount of \$76.90 for married taxpayers and \$67.30 for single taxpayers. The New York City deduction amount for both married and single taxpayers is \$71.20.
3. The exemption allowance for all three taxes has been changed from \$31.00 to \$33.00.
4. New tax tables have been established reflecting a decrease in tax rates.

Copies of pages from the revised Tax Booklet are attached.

In order for this office to process this change on the required date, the marital status the employee is currently using for Federal tax will be applied for State and City of Yonkers tax. If the employee wishes to claim a different marital status for State and City of Yonkers he or she must complete Form IT-2104.

If an employee completes Form IT-2104 for a different marital status, submit an AC-1040 with code 524 in a "Code" Block and a S or M in the "Amount" Block.

City of New York non-resident and City of Yonkers non-resident tax tables have not been changed.

To obtain the Form IT-2140 and Withholding Tax Tables and Methods-Booklet IT-2100.1 (5/85)-contact the Department of Tax and Finance at (518) 457-5510.

Questions concerning this Bulletin should be directed to the Planning Office at (518) 474-1246.

Attachments

NEW YORK STATE, CITY OF NEW YORK and CITY OF YONKERS

SPECIAL TABLES FOR DEDUCTION AND EXEMPTION ALLOWANCES

Applicable to Method II

for New York State, see pages 15 - 16

for City of New York, see page 26

for the City of Yonkers, see pages 42 - 43

TABLE A Deduction Allowance Table

NEW YORK STATE AND CITY OF YONKERS						
Payroll Period						
	Weekly	Biweekly	Semimonthly	Monthly	Daily	Annual
Single	\$33.65	\$67.30	\$72.90	\$145.85	\$6.70	\$1750.00
Married	38.45	76.90	83.35	166.70	7.70	2000.00

NEW YORK CITY						
Payroll Period						
	Weekly	Biweekly	Semimonthly	Monthly	Daily	Annual
Single or Married	\$35.60	\$71.20	\$77.10	\$154.20	\$7.10	\$1850.00

TABLE B Exemption Allowance Table

Based on a full year exemption of \$850

Payroll Period	Amount of one exemption
Weekly	\$ 16.50
Biweekly	33.00
Semimonthly	35.50
Monthly	71.00
Quarterly	212.50
Semiannual	425.00
Annual	850.00
Daily or miscellaneous	3.25

TABLE C Adjustment For Difference Between Federal and State Exemption Allowances

For employers who elected to use the Federal exemption amounts in computing wages after exemptions, the following adjustments corrects for the difference between Federal exemption of \$1,040 and the State or City exemption of \$850, according to the particular payroll period.

Multiply the amount below for 1 exemption by the number of exemptions claimed. The product is to be added to the wages after exemptions computed with the Federal exemption, to correct for the lower State or City exemption allowances.

Payroll Period	Adjustment for each Federal exemption
Weekly	\$ 3.75
Biweekly	7.50
Semimonthly	8.00
Monthly	16.00
Quarterly	47.50
Semiannual	95.00
Annual	190.00
Daily or miscellaneous	.75

Multiply the amount to the left (for 1 exemption) by the number of exemptions. Add the product to the Federally computed wages after exemptions.

NEW YORK STATE SINGLE

EXACT CALCULATION METHOD

Method II

This method is based upon applying a given percentage to the portion of the wages (after deductions and exemptions) which falls within a wage bracket and adding to this product the given accumulated tax for all lower tax brackets. After subtracting the amount of deductions (from Table A) and the amount of exemptions (from Table B) on page 14 one of the following tables is used, depending on the applicable payroll period.

TABLE II A - WEEKLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 19	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	19	58	.38	"	3%	" "	19
3	58	96	1.55	"	4%	" "	58
4	96	135	3.07	"	5%	" "	96
5	135	173	5.02	"	6%	" "	135
6	173	212	7.30	"	7%	" "	173
7	212	250	10.04	"	8%	" "	212
8	250	288	13.08	"	9%	" "	250
9	288	and up	16.50	"	9.5%	" "	288

TABLE II B - BIWEEKLY PAYROLL

1	\$ 0	\$ 38	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	38	115	.76	"	3%	" "	38
3	115	192	3.07	"	4%	" "	115
4	192	269	6.14	"	5%	" "	192
5	269	346	9.99	"	6%	" "	269
6	346	423	14.61	"	7%	" "	346
7	423	500	19.99	"	8%	" "	423
8	500	577	26.15	"	9%	" "	500
9	577	and up	33.08	"	9.5%	" "	577

TABLE II C - SEMIMONTHLY PAYROLL

1	\$ 0	\$ 42	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	42	125	.84	"	3%	" "	42
3	125	208	3.33	"	4%	" "	125
4	208	292	6.65	"	5%	" "	208
5	292	375	10.85	"	6%	" "	292
6	375	458	15.83	"	7%	" "	375
7	458	542	21.64	"	8%	" "	458
8	542	625	28.36	"	9%	" "	542
9	625	and up	35.83	"	9.5%	" "	625

TABLE II D - MONTHLY PAYROLL

1	\$ 0	\$ 83	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	83	250	1.66	"	3%	" "	83
3	250	417	6.67	"	4%	" "	250
4	417	583	13.35	"	5%	" "	417
5	583	750	21.65	"	6%	" "	583
6	750	917	31.67	"	7%	" "	750
7	917	1083	43.36	"	8%	" "	917
8	1083	1250	56.64	"	9%	" "	1083
9	1250	and up	71.67	"	9.5%	" "	1250

TABLE II E - DAILY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$4.00	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	4.00	11.50	.08	"	3%	" "	4.00
3	11.50	19.00	.31	"	4%	" "	11.50
4	19.00	27.00	.61	"	5%	" "	19.00
5	27.00	34.50	1.00	"	6%	" "	27.00
6	34.50	42.50	1.45	"	7%	" "	34.50
7	42.50	50.00	2.02	"	8%	" "	42.50
8	50.00	57.50	2.62	"	9%	" "	50.00
9	57.50	and up	3.29	"	9.5%	" "	57.50

ANNUAL TAX RATE SCHEDULE

Line No.	If ANNUAL WAGES (after deductions and exemptions)		The ANNUALIZED TAX is the SUM of:				
	At Least	But less than	This Amount	PLUS	This Percent	OF	Excess of Taxable Portion of Annualized Pay over this Amount
1	\$ 0	\$1,000	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	1,000	3,000	20.00	"	3%	" "	1,000
3	3,000	5,000	80.00	"	4%	" "	3,000
4	5,000	7,000	160.00	"	5%	" "	5,000
5	7,000	9,000	260.00	"	6%	" "	7,000
6	9,000	11,000	380.00	"	7%	" "	9,000
7	11,000	13,000	520.00	"	8%	" "	11,000
8	13,000	15,000	680.00	"	9%	" "	13,000
9	15,000	and up	860.00	"	9.5%	" "	15,000

- The steps in computing the amount of tax to be withheld are as follows:
- Step (1) Determine the amount of deduction allowance (from Table A, on page 14).
 - (2) Multiply the amount of one exemption (from Table B, on page 14) by the number of exemptions claimed.
 - (3) Add the amount of deductions obtained in Step (1) to the amount of exemptions obtained in Step (2).
 - (4) Subtract the amount of deductions and exemptions obtained in Step (3) from the employee's gross wages.
 - (5) Using the proper table in the Table II series (depending on the particular payroll period), find the applicable line on which the wages after deductions and exemptions in Step (4) are located in columns 1 and 2.
 - (6) Subtract the amount in column 5 of this line from the amount of wages after deductions and exemptions in Step (4).
 - (7) Multiply the remainder obtained in Step (6) by the percentage in column 4 of this line.
 - (8) Add the product in Step (7) to the amount in column 3 of the applicable line. This is the New York State tax to be withheld for the particular payroll period.

EXAMPLE 1: (Weekly payroll)

Weekly gross pay of \$200, Single, with 3 exemptions claimed:

- (1) Deduction allowance (from Table A, page 14) = \$33.65
- (2) \$16.50 (from Table B, page 14) x 3 = \$49.50
- (3) \$33.65 + \$49.50 = \$83.15
- (4) \$200.00 - \$83.15 = \$116.85
- (5) Line 4 of Table II A is applicable. (\$116.85 is between \$96 and \$135)
- (6) \$116.85 - \$96 = \$20.85
- (7) \$20.85 x 5% (.05) = \$1.04
- (8) \$1.04 + \$3.07 = \$4.11 (State Tax to be withheld)

EXAMPLE 2: (Semimonthly payroll)

Semimonthly gross pay of \$300, Single, with 1 exemption claimed:

- (1) Deduction allowance (from Table A, page 14) = \$72.90
- (2) \$35.50 (from Table B, page 14) x 1 = \$35.50
- (3) \$72.90 + \$35.50 = \$108.40
- (4) \$300.00 - \$108.40 = \$191.60
- (5) Line 3 of Table II C is applicable (\$191.60 is between \$125 and \$208)
- (6) \$191.60 - \$125 = \$66.60
- (7) \$66.60 x 4% (.04) = \$2.66
- (8) \$2.66 + \$3.33 = \$5.99 (State Tax to be withheld)

Method II

NEW YORK STATE MARRIED

EXACT CALCULATION METHOD

method is based upon applying a given percentage to the portion of wages (after deductions and exemptions) which falls within a wage bracket and adding to this product the given accumulated tax for all lower tax brackets. After subtracting the amount of deductions (from Table A) and the amount of exemptions (from Table B) on page 14 one of the following tables is used, depending on the applicable payroll period.

TABLE II A - WEEKLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 38	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	38	96	.77	"	3%	" "	38
3	96	115	2.50	"	4%	" "	96
4	115	135	3.27	"	5%	" "	115
5	135	173	4.23	"	6%	" "	135
6	173	212	6.54	"	7%	" "	173
7	212	250	9.23	"	8%	" "	212
8	250	288	12.31	"	9%	" "	250
9	288	and up	15.77	"	9.5%	" "	288

TABLE II B - BIWEEKLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 77	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	77	192	1.54	"	3%	" "	77
3	192	231	5.00	"	4%	" "	192
4	231	269	6.54	"	5%	" "	231
5	269	346	8.46	"	6%	" "	269
6	346	423	13.08	"	7%	" "	346
7	423	500	18.46	"	8%	" "	423
8	500	577	24.62	"	9%	" "	500
9	577	and up	31.54	"	9.5%	" "	577

TABLE II C - SEMIMONTHLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 83	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	83	208	1.67	"	3%	" "	83
3	208	250	5.42	"	4%	" "	208
4	250	292	7.08	"	5%	" "	250
5	292	375	9.17	"	6%	" "	292
6	375	458	14.17	"	7%	" "	375
7	458	542	20.00	"	8%	" "	458
8	542	625	26.67	"	9%	" "	542
9	625	and up	34.17	"	9.5%	" "	625

TABLE II D - MONTHLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 167	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	167	417	3.33	"	3%	" "	167
3	417	500	10.83	"	4%	" "	417
4	500	583	14.17	"	5%	" "	500
5	583	750	18.33	"	6%	" "	583
6	750	917	28.33	"	7%	" "	750
7	917	1,083	40.00	"	8%	" "	917
8	1,083	1,250	53.33	"	9%	" "	1,083
9	1,250	and up	68.33	"	9.5%	" "	1,250

TABLE II E - DAILY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	\$ 0	\$ 7.50	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	7.50	19.00	.15	"	3%	" "	7.50
3	19.00	23.00	.50	"	4%	" "	19.00
4	23.00	27.00	.65	"	5%	" "	23.00
5	27.00	34.50	.85	"	6%	" "	27.00
6	34.50	42.50	1.31	"	7%	" "	34.50
7	42.50	50.00	1.85	"	8%	" "	42.50
8	50.00	57.50	2.46	"	9%	" "	50.00
9	57.50	and up	3.15	"	9.5%	" "	57.50

ANNUAL TAX RATE SCHEDULE

Line No.	If ANNUAL WAGES (after deductions and exemptions)		The ANNUALIZED TAX is the SUM of:				
	At Least	But less than	This Amount	PLUS	This Percent	OF	Excess of Taxable Portion of Annualized Pay over this Amount
1	\$ 0	\$2,000	\$.00	PLUS	2%	EXCESS OVER	\$ 0
2	2,000	5,000	40.00	"	3%	" "	2,000
3	5,000	6,000	130.00	"	4%	" "	5,000
4	6,000	7,000	170.00	"	5%	" "	6,000
5	7,000	9,000	220.00	"	6%	" "	7,000
6	9,000	11,000	340.00	"	7%	" "	9,000
7	11,000	13,000	480.00	"	8%	" "	11,000
8	13,000	15,000	640.00	"	9%	" "	13,000
9	15,000	and up	820.00	"	9.5%	" "	15,000

- The steps in computing the amount of tax to be withheld are as follows:
- (1) Determine the amount of deduction allowance (from Table A, on page 14).
 - (2) Multiply the amount of one exemption (from Table B, on page 14) by the number of exemptions claimed.
 - (3) Add the amount of deductions obtained in Step (1) to the amount of exemptions obtained in Step (2).
 - (4) Subtract the amount of deductions and exemptions obtained in Step (3) from the employee's gross wages.
 - (5) Using the proper table in the Table II series (depending on the particular payroll period), find the applicable line on which the wages after deductions and exemptions in Step (4) are located in columns 1 and 2.
 - (6) Subtract the amount in column 5 of this line from the amount of wages after deductions and exemptions in Step (4).
 - (7) Multiply the remainder obtained in Step (6) by the percentage in column 4 of this line.
 - (8) Add the product in Step (7) to the amount in column 3 of the applicable line. This is the New York State tax to be withheld for the particular payroll period.

EXAMPLE 1: (Weekly payroll)

- Weekly gross pay of \$400, married with 2 exemptions claimed
- (1) Deduction allowance (from Table A, page 14) = \$38.45
 - (2) \$16.50 (from Table B, page 14) x 2 = \$33.00
 - (3) \$38.45 + \$33.00 = \$71.45
 - (4) \$400 - \$71.45 = \$328.55
 - (5) Line 9 of Table II A is applicable (\$328.55 is over \$288)
 - (6) \$328.55 - \$288 = \$40.55
 - (7) \$40.55 x 9.5% (.095) = \$3.85
 - (8) \$3.85 + \$15.77 = \$19.62 (New York State tax to be withheld)

EXAMPLE 2: (Monthly Payroll)

- Monthly gross pay of \$1100, married with 1 exemption claimed
- (1) Deduction allowance (from Table A, page 14) = \$166.70
 - (2) \$71.00 (from Table B, page 14) x 1 = \$71.00
 - (3) \$166.70 + \$71.00 = \$237.70
 - (4) \$1100 - \$237.70 = \$862.30
 - (5) Line 6 of Table II D is applicable (\$862.30 is between \$750 and \$917)
 - (6) \$862.30 - \$750 = \$112.30
 - (7) \$112.30 x 7% (.07) = \$7.86
 - (8) \$7.86 + \$28.33 = \$36.19 (New York State Tax to be withheld)

Method II

CITY OF NY – RESIDENT TAX EXACT CALCULATION METHOD

This method is based upon applying a given percentage to the portion of wages (after deductions and exemptions) which falls within a wage bracket and adding to this product the given accumulated tax for all lower tax brackets. After subtracting the amount of deductions (from Table A) and the amount of exemptions (from Table B) on page 14 one of the following tables is used, depending on the applicable payroll period.

TABLE II A – WEEKLY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	0	19	.00	PLUS	0.9	EXCESS OVER	0
2	19	58	.17	"	1.4	" "	19
3	58	96	.72	"	1.8	" "	58
4	96	135	1.40	"	2.0	" "	96
5	135	173	2.18	"	2.3	" "	135
6	173	212	3.06	"	2.5	" "	173
7	212	250	4.03	"	2.7	" "	212
8	250	288	5.06	"	2.9	" "	250
9	288	327	6.16	"	3.1	" "	288
10	327	365	7.37	"	3.3	" "	327
11	365	404	8.62	"	3.5	" "	365
12	404	442	9.99	"	3.8	" "	404
13	442	481	11.43	"	4.0	" "	442
14	481	and up	12.99	"	4.3	" "	481

TABLE II B – BIWEEKLY PAYROLL

1	0	38	.00	PLUS	0.9	EXCESS OVER	0
2	38	115	.34	"	1.4	" "	38
3	115	192	1.42	"	1.8	" "	115
4	192	269	2.80	"	2.0	" "	192
5	269	346	4.34	"	2.3	" "	269
6	346	423	6.11	"	2.5	" "	346
7	423	500	8.04	"	2.7	" "	423
8	500	577	10.12	"	2.9	" "	500
9	577	654	12.35	"	3.1	" "	577
10	654	731	14.74	"	3.3	" "	654
11	731	808	17.28	"	3.5	" "	731
12	808	885	19.97	"	3.8	" "	808
13	885	962	22.90	"	4.0	" "	885
14	962	and up	25.98	"	4.3	" "	962

TABLE II C – SEMIMONTHLY PAYROLL

1	0	42	.00	PLUS	0.9	EXCESS OVER	0
2	42	125	.38	"	1.4	" "	42
3	125	208	1.54	"	1.8	" "	125
4	208	292	3.04	"	2.0	" "	208
5	292	375	4.72	"	2.3	" "	292
6	375	458	6.63	"	2.5	" "	375
7	458	542	8.70	"	2.7	" "	458
8	542	625	10.97	"	2.9	" "	542
9	625	708	13.38	"	3.1	" "	625
10	708	792	15.96	"	3.3	" "	708
11	792	875	18.72	"	3.5	" "	792
12	875	958	21.63	"	3.8	" "	875
13	958	1042	24.78	"	4.0	" "	958
14	1042	and up	28.14	"	4.3	" "	1042

TABLE II D – MONTHLY PAYROLL

1	0	83	.00	PLUS	0.9	EXCESS OVER	0
2	83	250	.75	"	1.4	" "	83
3	250	417	3.08	"	1.8	" "	250
4	417	583	6.09	"	2.0	" "	417
5	583	750	9.41	"	2.3	" "	583
6	750	917	13.25	"	2.5	" "	750
7	917	1083	17.43	"	2.7	" "	917
8	1083	1250	21.91	"	2.9	" "	1083
9	1250	1417	26.75	"	3.1	" "	1250
10	1417	1583	31.93	"	3.3	" "	1417
11	1583	1750	37.41	"	3.5	" "	1583
12	1750	1917	43.25	"	3.8	" "	1750
13	1917	2083	49.60	"	4.0	" "	1917
14	2083	and up	56.24	"	4.3	" "	2083

TABLE II E – DAILY PAYROLL

Line No.	If Wages are (after deductions and exemptions)		The AMOUNT to be WITHHELD is the SUM of:				
	At Least	But less than	This Amount (tax-lower brackets)	PLUS	This Percent	OF	Excess of Wages (after deductions and exemptions) over this amount
1	0	4.00	.00	PLUS	0.9	EXCESS OVER	0
2	4.00	11.50	.04	"	1.4	" "	4.00
3	11.50	19.00	.14	"	1.8	" "	11.50
4	19.00	27.00	.28	"	2.0	" "	19.00
5	27.00	34.50	.44	"	2.3	" "	27.00
6	34.50	42.50	.61	"	2.5	" "	34.50
7	42.50	50.00	.81	"	2.7	" "	42.50
8	50.00	57.50	1.01	"	2.9	" "	50.00
9	57.50	65.50	1.23	"	3.1	" "	57.50
10	65.50	73.00	1.48	"	3.3	" "	65.50
11	73.00	81.00	1.72	"	3.5	" "	73.00
12	81.00	88.50	2.00	"	3.8	" "	81.00
13	88.50	96.00	2.29	"	4.0	" "	88.50
14	96.00	and up	2.59	"	4.3	" "	96.00

ANNUAL TAX RATE SCHEDULE

Line No.	If Annual Wages (after deductions and exemptions)		The ANNUALIZED TAX is the SUM of:				
	At Least	But less than	This Amount	PLUS	This Percent	OF	Excess of Taxable Portion of Annualized Pay over this Amount
1	0	1,000	.00	PLUS	0.9	EXCESS OVER	0
2	1,000	3,000	9.00	"	1.4	" "	1,000
3	3,000	5,000	37.00	"	1.8	" "	3,000
4	5,000	7,000	73.00	"	2.0	" "	5,000
5	7,000	9,000	113.00	"	2.3	" "	7,000
6	9,000	11,000	159.00	"	2.5	" "	9,000
7	11,000	13,000	209.00	"	2.7	" "	11,000
8	13,000	15,000	263.00	"	2.9	" "	13,000
9	15,000	17,000	321.00	"	3.1	" "	15,000
10	17,000	19,000	383.00	"	3.3	" "	17,000
11	19,000	21,000	449.00	"	3.5	" "	19,000
12	21,000	23,000	519.00	"	3.8	" "	21,000
13	23,000	25,000	595.00	"	4.0	" "	23,000
14	25,000	and up	675.00	"	4.3	" "	25,000

- The steps in computing the amount of tax to be withheld are as follows:
- Determine the amount of applicable deductions (from Table A, on page 14).
 - Multiply the amount of one exemption (from Table B, on page 14) by the number of exemptions claimed.
 - Add the amount of deductions obtained in Step (1) to the amount of exemptions obtained in Step (2).
 - Subtract the amount of deductions and exemptions obtained in Step (3) from the employee's gross wages.
 - Using the proper table in the Table II series (depending on the particular payroll period), find the applicable line on which the wages after deductions and exemptions in Step (4) are located in columns 1 and 2.
 - Subtract the amount in column 5 of this line from the amount of wages after deductions and exemptions in Step (4).
 - Multiply the remainder obtained in Step (6) by the percentage in column 4 of this line.
 - Add the product in Step (7) to the amount in column 3 of the applicable line. This is the tax to be withheld for the particular payroll period.

EXAMPLE 1: (Weekly payroll)

- Weekly gross pay of \$200 with 3 exemptions claimed:
- Deduction allowance (from Table A, page 14) = \$35.60
 - \$16.50 (from Table B, page 14) x 3 = \$49.50
 - \$35.60 + \$49.50 = \$85.10
 - \$200.00 - \$85.10 = \$114.90
 - Line 4 of Table II A is applicable (\$114.90 is between \$96 and \$135 on Table II A)
 - \$114.90 - \$96 = \$18.90
 - \$18.90 x 2% (.02) = \$.38
 - \$.38 + \$1.40 = \$1.78 (Tax to be withheld)

EXAMPLE 2: (Semimonthly payroll)

- Semimonthly gross pay of \$300 with 1 exemption claimed:
- Deduction allowance (from Table A, page 14) = \$77.10
 - \$35.50 (from Table B, page 14) x 1 = \$35.50
 - \$77.10 + \$35.50 = \$112.60
 - \$300.00 - \$112.60 = \$187.40
 - Line 3 of Table II C is applicable (\$187.40 is between \$125 and \$208 on Table II C)
 - \$187.40 - \$125 = \$62.40
 - \$62.40 x 1.8% (.018) = \$1.12
 - \$1.12 + \$1.54 = \$2.66 (Tax to be withheld)