



DEPARTMENT OF TAXATION

**BOOKLET A
EMPLOYER'S TAX GUIDE**

for the withholding, payment and reporting of Hawaii State income tax withheld

NOTE: Periodic withholding tax returns (Form HW-14) may be electronically filed (e-filed) through the State's Internet portal. For more information, go to www.ehawaii.gov/efile.

**Appendix
HAWAII INCOME TAX WITHHOLDING RATES, METHODS, AND TAX TABLES
Effective January 1, 2007, and thereafter**

Reprint of Tax Information Release No. 95-4, issued November 21, 1995

RE: Employee Withholding Certificates

This Tax Information Release reiterates the requirements relating to Form HW-4, Employee's Withholding Allowance and Status Certificate.

Section 235-61, Hawaii Revised Statutes (HRS), provides that on or before the date of the commencement of employment with an employer, the employee shall furnish to the employer a completed and signed certificate (Form HW-4) showing the total number of withholding allowances being claimed. The number of withholding allowances, based on the personal exemption(s) and the standard deduction allowance or itemized deductions the employee claims, shall not exceed the total number to which the employee is entitled to claim on the basis of the existing facts. An employee may choose to claim fewer, but not more, withholding allowances than the employee is entitled to claim.

There is no provision in Hawaii's Income Tax Law for an employee to claim an exempt status for State income tax withholding notwithstanding the employee's residency status. If an employee submits a Form HW-4 claiming to be exempt from State income tax withholding, the employer is to take the following action:

1. Advise the employee that the Income Tax Law does not provide an exempt status for Hawaii income tax withholding and that a Form HW-4 claiming exemption from withholding is not valid and that a copy of the invalid Form HW-4 will be sent to the Department of Taxation.
2. Advise the employee that State income taxes will be withheld from the employee's salary or wages on the basis of a single filing status with no withholding allowances.
3. Advise the employee that he or she may be subject to the criminal penalties enacted by Act 92, Session Laws of Hawaii (SLH) 1995, for the failure to make or supply a valid Form HW-4 as required or for submitting a false and fraudulent Form HW-4.

Act 92, SLH 1995, provides that a person shall be guilty of a misdemeanor and, upon conviction, be fined up to \$25,000 or imprisoned for up to one year, or both, for wilfully failing to make a report, supply information required by law, or supply the information at the time required by law.

Act 92, SLH 1995, also provides that a person shall be guilty of a class C felony and, upon conviction, be subject to a fine of up to \$100,000 or imprisoned for not more than three years, or both, for willfully making a false and fraudulent statement under a tax law. Any person who wilfully aids or assists in, procures, counsels or advises the preparation or presentation of a false or fraudulent affidavit or other document, regardless or whether the falsity or fraud is with or without the knowledge or

consent of the person required to present the document, may be subject to a fine of \$100,000 or imprisoned for not more than three years, or both.

4. A copy of this Tax Information Release may be provided to the employee.
5. Send a copy of the employee's invalid Form HW-4 claiming exemption from income tax withholding to the Tax Assessor in the Taxation District in which the employer is located.
6. If an employee is claiming on Form HW-4 more than 10 exemptions or the number of exemptions claimed is not warranted under the circumstances and it appears to be a means of having no income tax withheld from wages or salary, the employer is to send a copy of the employee's HW-4 to the Tax Assessor in the Taxation District in which the employer is located.

It also has come to our attention that certain employees are improperly claiming to be non-employees. Generally, an employee is an individual under any contract for hire, express or implied, oral or written, in which the employer has the power or right to control and direct the employee in the material details of how the work is to be performed. An employee includes a person working for a salary or wages, and an officer of a corporation. Under Internal Revenue Code Section 3401, relating to definitions for Federal income tax withholding, which Hawaii follows, the term "employee" also includes an officer, employee, or elected official of the United States, a state or any political subdivision, or any agency or instrumentality thereof.

Employers of individuals claiming non-employee status shall advise the individual whether he or she is classified as an employee for Hawaii income tax withholding purposes and, if appropriate, the employer shall follow the procedures outlined above in numbers 2 and 3.



RAY K. KAMIKAWA
Director of Taxation

HRS Sections explained: HRS Sections 235-61, 231-34, 231-35.

Hawaii Administrative Rule (HAR) explained: HAR 18-235-61-09.

Reprint of Tax Information Release No. 2004-1, issued December 7, 2004
RE: Act 113, Session Laws of Hawaii 2004, Relating to Income Tax Withholding

On June 10, 2004, the Governor signed H.B. No. 2511, S.D. 1, C.D. 1, into law as Act 113. Act 113 amended Hawaii's Income Tax Law to conform the state withholding tax remittance due date for employers with an annual state withholding tax liability that exceeds \$40,000, to the semi-weekly remittance due date required under federal employment tax provisions. Section 231-9.9, Hawaii Revised Statutes (HRS), was also amended to require the use of electronic funds transfers (EFT) for semiweekly depositors. The Act became effective upon approval and applies to payroll periods beginning on or after December 31, 2004.

Determination of Tax Remittance Frequency

Act 113 does not change the remittance frequency for employers whose annual state withholding tax liability is:

- Quarterly: less than \$5,000 per year, who may continue to remit and file quarterly; or
- Monthly: \$4,000 or less per year, who may continue to remit and file by the 15th day of the following calendar month.

If an employer's annual state withholding tax liability exceeds \$40,000, the new semiweekly payment dates shall apply as follows:

- Wednesday: if taxes are withheld from wages paid the immediately preceding Wednesday, Thursday, or Friday; or
- Friday: if taxes are withheld from wages paid the immediately preceding Saturday, Sunday, Monday, or Tuesday.

The Department of Taxation (Department) will require employers who had withholding tax liabilities in excess of \$40,000 in the 2004 tax year to remit taxes on a semiweekly basis for the 2005 tax year. The Department will not be conforming to the federal four quarter lookback period under Treas. Reg. § 31.6302-1(b)(4), which determines the status of an employer as a semiweekly depositor by aggregating the amounts of taxes reported on the employer's prior four quarterly returns.

Administrative Exemption from Required Electronic Filing

With respect to the required payment by EFT, the Department is committed to ensuring close conformity with the federal tax law and to limit the burden on taxpayers in complying with Act 113. Thus, the Department will not require an employer whose withholding liability exceeds \$40,000 (and is, therefore, subject to the new remittance requirements under Act 113) to pay by EFT if such employer is not required to also remit their federal employment taxes electronically via the Electronic Federal Tax Payment System (EFTPS).

Payments that are not made by EFT must be attached to a completed Form VP-1 Tax Payment Voucher.

To avoid penalties that may apply to the failure to file by EFT, employers must provide the Department with some evidence to indicate that they do not pay their federal employment taxes by the EFTPS (thus showing that they are not required by the Internal Revenue Service to pay by EFTPS). Evidence that will be accepted by the Department as sufficient proof of payment by other than electronic means shall include a copy of a cancelled check for payment of federal employment taxes within the calendar year for which the exemption is being asserted.

Please note that under § 231-9.9, HRS, and the accompanying administrative rules, taxpayers whose liability for any tax type is

more than \$100,000 in any one taxable year shall be required to participate in the EFT program upon notification by the department that the taxpayer is required to participate. A taxpayer who is required to participate shall participate for a minimum of one year. Electronic payment shall be required to any taxpayer meeting the \$100,000 threshold, notwithstanding the administrative exemption from EFT requirements in Act 113 described in this Tax Information Release.

Adoption of the Federal Three-Day Banking Rule

To further conform with the federal remittance dates to ease compliance for taxpayers, the Department will adhere to the "Three-Day Banking Rule", which allows semiweekly depositors three banking days to make the deposit. See Example (2)(ii) of § 31.6302-1(d), Treas. Reg. In general, if a deposit is required to be made on a day that is not a banking day, the deposit is deemed timely if it is made by the close of the next banking day. Saturdays and Sundays along with federal and state bank holidays are treated as nonbanking days.

As applied specifically to semiweekly depositors, if any of the three weekdays after the end of a semiweekly period is a banking holiday, the employer will have one additional banking day to make the deposit. For example, if a semiweekly depositor accumulates taxes for payments made on Friday and the following Monday is not a banking day, the deposit that is normally due on Wednesday may be made on Thursday (to allow a total of three banking days to make the deposit).

Filing Requirements

Periodic withholding tax returns (Form HW-14) will continue to be filed monthly or quarterly, as applicable. All periodic withholding returns will be due on the 15th day of the month following the close of the tax period, including returns filed by employers withholding more than \$100,000 in Hawaii income tax per year.

On a quarterly basis, Federal Form 941, Schedule B, reflecting Hawaii income tax withheld from employees' wages, must be completed by semiweekly depositors and attached to the Form HW-14 submitted for the last month of the quarter. An employer filing monthly withholding tax returns, for example, will attach a completed Form 941, Schedule B, to returns filed for months of March, June, September, and December.

Current forms and other tax information are available at the Department's website at: www.state.hi.us/tax. If you know which tax form or publication you need, please call the Department's request line at 808-587-7572, or toll-free from the neighbor islands and continental U.S. at 1-800-222-7572. This service is available 24 hours a day, 7 days a week.



KURT KAWAFUCHI
Director of Taxation

HRS Sections Explained: HRS sections 231-9.9 and 235-62.

TABLE OF CONTENTS

	Page
Tax Information Release No. 95-4, RE: Employee Withholding Certificates, dated November 21, 1995	2
Tax Information Release No. 2004-1, RE: Act 113, Session Laws of Hawaii 2004, Relating to Income Tax Withholding	3
Section 1 Directory of Phone Numbers and Addresses	5
2 When to File Returns	5
3 Determination of Tax Remittance Frequency	6
4 Where to File.	7
5 Employer’s Duties	7
6 Employer’s Hawaii Tax Identification Number	7
7 Information for New Employers	8
8 Who is an Employer	8
9 Who is an Employee	8
10 What is Subject to Withholding.	8
11 What is Not Subject to Withholding	10
12 Employee’s Withholding Allowance and Status Certificate, Form HW-4	12
13 Employee’s Statement to Employer Concerning Nonresidence in the State of Hawaii, Form HW-6	14
14 Payroll Period	14
15 Figuring Withholding	15
16 Filing the Withholding Tax Return, Form HW-14	15
17 Employer’s Annual Return and Reconciliation of Hawaii Income Tax Withheld from Wages, Form HW-3	17
18 Statement of Hawaii Income Tax Withheld and Wages Paid, Form HW-2	18
19 Recordkeeping Requirements	19
20 Employers are Liable for Withheld Taxes	19
21 Employers are Subject to Civil Penalties (Additions to Taxes) for Noncompliance with the Law	19
22 Employers are Subject to Criminal Penalties	19
23 Employees are Subject to Criminal Penalties	20
24 List of Tax Forms	20
Appendix — Hawaii Income Tax Withholding Rates Effective January 1, 2007, and thereafter	21
Part 1 Annualized Income Tax Withholding.	22
Part 2 Alternative Method of Computing Tax to be Withheld Unless the Annualized Method or Withholding Tables are Used	23
Part 3 Tax Tables for Income Tax Withholding	28

**FOR FURTHER INFORMATION, SEE THE
HAWAII REVISED STATUTES AND
THE RELATED HAWAII ADMINISTRATIVE RULES OR
CONTACT THE DEPARTMENT'S TAXPAYER SERVICES BRANCH**

***ALL CHAPTERS AND SECTION REFERENCES NOTED
“SECTION ___ HRS.” REFER TO THE HAWAII REVISED STATUTES.
ALL OTHER SECTION REFERENCES ARE TO SECTIONS
CONTAINED IN THIS BOOKLET***

Section 1. — DIRECTORY OF PHONE NUMBERS AND ADDRESSES: The following directory contains the mailing address for filing Hawaii withholding returns and applications only. The mailing addresses for filing information returns (federal Forms 1099) can be found in the “Instructions for Form N-196”.

Mailing Address:
Hawaii Department of Taxation
P. O. Box 3827
Honolulu, HI 96812-3827

**Oahu District Office
(Honolulu City & County)**
Office Location: 830 Punchbowl Street
Taxpayer Services Branch
Honolulu, Oahu

**Maui District Office
(Maui & Kalawao Counties)**
Office Location: State Office Building
54 S. High Street, #208
Wailuku, Maui

**Hawaii District Office
(Hawaii County)**
Office Location: State Office Building
75 Aupuni Street, #101
Hilo, Hawaii

**Kauai District Office
(Kauai County)**
Office Location: State Office Building
3060 Eiwa Street, #105
Lihue, Kauai

NEED MORE INFORMATION? If you have a state tax problem, have a question, or need assistance, contact our Taxpayer Services Branch at (808) 587-4242 or toll-free 1-800-222-3229.

JUST NEED A TAX FORM? Ask for your form and how to obtain the State Tax CD-ROM order form by mail or fax by dialing (808) 587-7572 or toll-free 1-800-222-7572.

INTERNET ADDRESS? Tax information and tax forms also are available on the Internet at:

www.hawaii.gov/tax

NEED SPECIAL ASSISTANCE? The Department has Telephone for the Hearing Impaired. You may contact our Taxpayer Services Branch at:

Regular: (808) 587-1418
Toll-Free: 1-800-887-8974

We want to help, and one phone call saves time, money, and trouble for everyone.

Section 2. — WHEN TO FILE RETURNS: The following is a list of important dates during the year that you should take note of. When the due date for any document required by Hawaii law falls on a Saturday, Sunday, or legal holiday, the remittance or document is not due until the next succeeding day which is not a Saturday, Sunday, or legal holiday.

By January 31:

- Give each employee copies B and C of Form HW-2, "Statement of Hawaii Income Tax Withheld and Wages Paid" (federal form W-2 may be used).

By February 28 (or February 29 in a leap year):

- File Copies 1 and 2 of Form HW-3, "Employer's Annual Return and Reconciliation of Hawaii Income Tax Withheld from Wages", along with Copy A of Forms HW-2.
- Give the recipients the applicable federal Form 1099. Refer to the Instructions for Form N-196, not included in this booklet.
- File the **State** transmittal Form N-196 along with applicable federal Form 1099. Refer to the Instructions for Form N-196, not included in this booklet.

By the 15th day of the month following the close of your filing period:

- File Form HW-14, "(Monthly or Quarterly) Withholding Tax Return", for the preceding monthly or quarterly period for which taxes have been withheld.
- For those that pay their withholding tax liability semiweekly, file federal Schedule B (Form 941) (using Hawaii dates and amounts) and attach the quarterly schedule of payments to the March, June, September, and December monthly Form HW-14.

When Employment Ends:

- Give each employee copies B and C of Form HW-2 (federal form W-2 may be used). See Section 18, "Statement of Hawaii Income Tax Withheld and Wages Paid, Form HW-2".

When the Employer's Obligation to Withhold Taxes Is Terminated Other Than Temporarily:

- File Copies 1 and 2 of Form HW-3 along with Copy A of Forms HW-2 at the same time you file the final Form HW-14.

Section 3. — DETERMINATION OF TAX REMITTANCE FREQUENCY: Your annual State withholding tax liability determines when you remit the taxes to the State.

If your annual State withholding tax liability is less than \$5,000:

- Remit taxes quarterly, i.e., by the 15th day of the month following the close of the preceding quarterly period.

If your annual State withholding tax liability is \$5,000 - \$40,000:

- Remit taxes monthly, i.e., by the 15th day of the month following the close of the preceding monthly period.

If your annual State withholding tax liability exceeds \$40,000:

- Remit taxes semiweekly as follows:

Wednesday: if taxes are withheld from wages paid the immediately preceding Wednesday, Thursday, or Friday;
or

Friday: if taxes are withheld from wages paid the immediately preceding Saturday, Sunday, Monday, or Tuesday.

- The Department will adhere to the federal "Three-Day Banking Rule", which allows semiweekly depositors three banking days to make the deposit.
- The Department will not be conforming to the federal four quarter lookback period under Treas. Reg. section 31.6302-1(b)(4), which determines the status of an employer as a semiweekly depositor by aggregating the amounts of taxes reported on the employer's prior four quarterly returns.
- See Tax Information Release No. 2004-01, RE: Act 113, Session Laws of Hawaii 2004, Relating to Income Tax Withholding, on page 3 for more information.

Note: If depositing taxes on the same date for different filing periods (i.e., if taxes withheld from wages paid in 2 different months must be deposited on the same day), you must make 2 separate deposits and properly apply the deposits to the appropriate filing periods.

Example: Employer pays employees daily. Income tax withheld from wages paid to employees on Wednesday, Thursday, and Friday must be deposited on the following Wednesday. If the Wednesday and Thursday payroll dates fall on the last 2 days of June and the Friday payroll date falls on the first day of July, then 2 deposits must be made on the following Wednesday. One deposit is made for the Wednesday and Thursday payroll dates that fell in June and the

payment designated to the June filing period. A separate deposit is made for the Friday payroll date that fell in July and the payment designated to the July filing period.

ELECTRONIC FUNDS TRANSFER (EFT) — Sections 231-9.9 and 235-62(a), HRS, requires those taxpayers whose State withholding tax liability exceeds \$40,000 to pay the tax by EFT on a semiweekly basis.

Note: Administratively, the Department will not require an employer whose withholding liability exceeds \$40,000 to pay by EFT if such employer is not required to also remit their federal employment taxes electronically via the Electronic Federal Tax Payment System (EFTPS). Semiweekly payments that are not made by EFT must be attached to a completed Form VP-1, Tax Payment Voucher. To avoid penalties that may apply to the failure to file by EFT, employers must provide the Department with some evidence to indicate that they do not pay their federal employment taxes by the EFTPS (thus showing that they are not required by the Internal Revenue Service to pay by EFTPS). See Tax Information Release No. 2004-01 on page 3 for more information.

Please note that under Section 231-9.9, HRS, and the accompanying administrative rules, taxpayers whose liability for any tax is more than \$100,000 in any one taxable year shall be required to participate in the EFT program upon notification by the Department that the taxpayer is required to participate. Electronic payment shall be required by any taxpayer meeting the \$100,000 threshold, notwithstanding the administrative exemption from EFT requirements noted above. Any taxpayer who does not meet the criterion may still voluntarily pay by EFT. For more information on paying taxes by EFT, see Tax Information Release Nos. 95-6 and 99-1. **IMPORTANT!** A penalty of 2 percent of the tax due will be assessed if a taxpayer who is required to make payments by EFT fails to do so. If an EFT payment is dishonored, a \$15 service fee will be assessed.

Section 4. WHERE TO FILE: All applications, returns, payments and statements are to be filed with the Hawaii Department of Taxation, P. O. Box 3827, Honolulu, HI 96812-3827.

Section 5. — EMPLOYER'S DUTIES: The following is a general list of employer's responsibilities regarding Hawaii withholding taxes. For further information, you should refer to the sections of this booklet as indicated in the following paragraphs:

- (a) New Employers — Refer to Section 7.
- (b) Identification Number — Apply for a Hawaii Tax I.D. No. if you do not already have one. See Section 6.
- (c) Form HW-4 — Obtain a Form HW-4, "Employee's Withholding Allowance and Status Certificate", from each employee. Instruct each employee to file a new certificate with you depending on certain events. See section 12 for situations in which the employee must furnish you with a new certificate.
- (d) Withholding Tax — Determine whether withholding is required. See section 10. If withholding is required, compute the amount of withholding. See Section 15.
- (e) Form HW-14 — File Form HW-14 along with the remittance, if any. See Sections 3, 4, and 16.
- (f) Form HW-3 — File Form HW-3 by the last day of February following the close of the calendar year, or when your obligation to withhold taxes is terminated permanently. See Sections 3 and 17.
- (g) Form HW-2 — Give each employee copies B and C of Form HW-2 (federal form W-2 may be used), by January 31 following the close of the calendar year, or when your employee has terminated employment. See Sections 3 and 18.
- (h) Terminating an Employee — Furnish the employee with copies B and C of Form HW-2. See Sections 3 and 18.
- (i) Going Out of Business or Permanently Ceasing to Pay Wages — File a Final Return for Forms HW-14 and HW-3. See Sections 3, 4, 16, and 17. File Form GEW-TA-RV-1, "Notification of Cancellation". Furnish each employee with copies B and C of Form HW-2. See Section 18.
- (j) Change of Address or Change of Business Name — File Form ITPS-COA, to change your address or Form GEW-TA-RV-5 to change the business name. Do **not** file Form GEW-TA-RV-5 for a change of ownership. Instead, the former business owner must file Form GEW-TA-RV-1, "Notification of Cancellation" to cancel the Hawaii Tax I.D. No. The new business owner must apply for a new Hawaii Tax I.D. No.
- (k) Recordkeeping — Keep full, complete, regular, and accurate accounts pertaining to withholding taxes available for inspection by the Department. See Section 19.

Section 6. — EMPLOYER'S HAWAII TAX IDENTIFICATION NUMBER: Each employer must apply for, and will be assigned, a Hawaii Tax I.D. No. This number must be used on all returns, statements, and applications and in all correspondence with the Department. Do not confuse your Hawaii Tax I.D. No. with your Federal Employer Identification Number.

You may apply for a Hawaii Tax I.D. No. and an Unemployment Insurance Account Number by completing application Form BB-1 and filing it with the Department. See Section 4.

You may have only one Hawaii Tax I.D. No., unless the Director of Taxation assigns a further number to a unit of your business or for services not in the course of your trade or business.

If you acquired your business from another person, do not use the number assigned to your predecessor. Instead, you must apply for a new Hawaii Tax I.D. No.

Section 7. — INFORMATION FOR NEW EMPLOYERS: The following is a general list of registration requirements for new employers. It is intended to be a guide rather than an exclusive list of all registration requirements.

- (a) Obtain a Hawaii Tax I.D. No. (refer to Section 6) and an Unemployment Insurance Account Number. You may use Form BB-1, State of Hawaii Basic Business Application, for this purpose.
- (b) Obtain a Federal Employer Identification Number.
- (c) Contact the Hawaii Department of Labor and Industrial Relations for information regarding unemployment insurance, workman’s compensation, temporary disability insurance and prepaid health care.

Section 8. — WHO IS AN EMPLOYER: Under Hawaii Law, an employer is defined as, “(A) the person or government for whom an individual performs or performed any service, of whatever nature, as the employee of such person or government, and (B) the person having control of the payment of the wages if the employer, as heretofore defined, does not have control thereof, and (C) any person subject to the jurisdiction of the State and paying wages on behalf of an employer, as heretofore defined, if the employer is not subject to the jurisdiction of the State”.

An employer may be an individual, corporation, partnership, trust, estate, joint stock company, national bank, insurance company, business trust, association, syndicate, group, pool, joint venture, or other unincorporated organization.

The term employer includes the State of Hawaii, each political subdivision of the State, and agencies of the State or a political subdivision. The term employer includes not only individuals and organizations engaged in trade or business, but organizations exempt from income tax, such as religious, educational, charitable, and social organizations and societies.

The term employer does not include any government that is not subject to the laws of the State except as, and to the extent that, it consents to the application of the Hawaii withholding law.

Section 9. — WHO IS AN EMPLOYEE: An employee is an individual who performs services and the relationship with the person for whom the individual performs such services is the legal relationship of employer and employee. Common law rules apply. Generally, an employee is subject to the will and control of the employer, both as to what shall be done and how it shall be done. The employer usually has the right to discharge the employee, furnishes the tools, and the place of work. An employee may be employed on a full or part-time basis. If the employer-employee relationship exists, it is immaterial that an employee is designated by the parties as a partner, coadventurer, agent, or independent contractor, or that the compensation is called fees, charges, commissions, etc. In determining whether the employer-employee relationship exists in a particular case, all the facts and circumstances must be taken into consideration.

Employees include managers, superintendents, and others exercising supervisory functions, as well as officers of a corporation, except directors in their capacity as such. Officers and elected officials are considered employees by express provision of the statute (section 235-61(a)(2), HRS).

Generally, an individual may not be considered an employee if the individual (a) has been and will continue to be free from control or direction over the performance of the business or services undertaken by such individual, and (b) the business or services are performed outside of all the places of business of the potential employer, and (c) the individual is customarily engaged in an independently established trade, occupation, or business of the same nature undertaken for, with, or at the order of the potential employer.

In general, individuals who are in business for themselves are not employees. These are physicians, lawyers, contractors, public stenographers and others carrying on an independent trade, business, or profession offering their services to the public.

Insurance agents and solicitors may or may not be employees, depending upon the facts and circumstances.

Section 10. — WHAT IS SUBJECT TO WITHHOLDING: Note, this section should be read in conjunction with Section 11. An employer making payment of wages to employees must deduct and withhold from such wages, an amount of tax as provided by the Hawaii withholding law.

Under section 235-61(a)(1), HRS, wages are defined as “wages, (a) commissions, fees, salaries, bonuses, and every and all other kinds of remuneration for, or compensation attributable to, services performed by an employee for the employee’s employer, including the cash value of all remuneration paid in any medium other than cash and the cost-of-living allowances and other payments included in gross income by section 235-7(b), HRS, but excluding income excluded from gross income by section 235-7, HRS, or other provisions of this chapter”. Wages may include wages paid to children of a sole proprietor.

The following guidelines are applicable for determining what wages are subject to withholding.

Withholding is required on:

- (a) Wages for services performed **in** the State. However, withholding is not required on such wages if all the following conditions are met:
- The employee establishes that the employee is a nonresident in the manner explained in Section 13,
 - The employee is performing services in the State for an aggregate of not more than 60 days during the calendar year,
 - The employee is paid for the employee's services in the State from an office outside the State,
 - The employee's regular place of employment (where the employee regularly performs services for the employer) is outside the State, **and**
 - The employer does not reasonably expect the employee to perform services in the State an aggregate of more than 60 days during the calendar year.

If all of the above conditions are met, except for the 60-day requirement, and if the Director of Taxation finds that the withholding requirement is unduly onerous or impracticable of enforcement, the Director may grant permission to an employer for exception from the withholding requirement.

Note that employers and employees who are exempt from the withholding provisions, may not be exempt from the Hawaii Income Tax Law.

(b) Wages for services performed **outside** the State if:

- The services are performed by an employee whose regular place of employment for services for the employer, is in the State, **or**
- The wages are paid out of an office in the State, or the field office of an employer whose head office is in the State.

Withholding is not required on the wages in paragraph (b) if the employee can show in the manner explained in Section 13, that he or she is a nonresident.

Where an employee distributes products or provides services and receives compensation consisting of the difference between the selling price to the customers for the products or services and the price the employee pays the employer, this amount constitutes “wages” and is subject to withholding. However, the amount identified for expenses, shown by a statement submitted by the employee (which may include the fair rental value of a truck owned or rented by the employee and used in performing the services), may be excluded from wages subject to withholding as provided by Section 11, paragraph (q) of this booklet.

Generally, where wages are paid in property rather than money, the employer should make necessary arrangements to insure that the required amount of withholding tax is paid to the Department. However, certain noncash remuneration is not subject to withholding. Refer to Section 11, paragraphs (p) and (r) of this booklet.

Withholding is required from certain wages not subject to federal withholding such as wages for agricultural labor and domestic service. (But see Section 11, paragraph (n) of this booklet.)

Vacation allowances and back pay, including retroactive wage increases (but not amounts paid as liquidated damages), are subject to the withholding and taxed as ordinary wages.

Withholding is required on wages earned by nonresident employees of a construction industry contractor performing work in Hawaii. The term “qualifying nonresident employee” does not include these employees. Although an employee can show in the manner explained in Section 13, that he or she is a nonresident, the employer must withhold income taxes on wages paid to nonresident employees of construction industry contractors when the work is performed for a construction project located in Hawaii beginning September 20, 1999 and thereafter.

Voluntary withholding agreements may also be entered into between an employee and an employer or third party, such as an insurance company, to withhold State income taxes from an employee’s sick pay. The same procedure prescribed for federal withholding may be followed. See also Section 11, paragraph (o) for voluntary agreements between certain crew members and employers.

The following examples illustrate when withholding is or is not required:

- Employee, a resident of Oregon, is engaged to teach in Hawaii for one summer. Though Employee is a nonresident, withholding is required on Employee’s wages.
- Employee, a resident of Hawaii, is sent to the mainland for special training. Withholding is required on Employee’s wages.

- Employee, a resident of Hawaii, is a promotional sales representative for a mainland manufacturer. He or she has a home in Honolulu and covers all of the islands. From time to time he or she goes to the mainland to attend sales conferences. Withholding is required on Employee's wages.
- Employee, a resident of California, is brought to the State by a firm having a contract to make a survey for a local company. The work commences in February and is not completed until June. During this time, Employee makes a trip back to the mainland for consultations. Withholding is required on wages for the period of service in the State, but is not required on the wages for the period Employee is outside the State, if there is compliance with Section 13 of this booklet.
- Employee, a resident of Washington, is hired on the mainland by a company having a construction contract for work on a Pacific island that is not part of the State of Hawaii. All of Employee's services are performed on that island. Withholding is not required on Employee's wages, if there is compliance with Section 13 of this booklet. On the other hand, withholding is required on the wages of employees who are Hawaii residents or do not make the required showing of nonresidence.
- Employee, a resident of Nevada, is hired on the mainland by a construction industry contractor to work in Hawaii on a federal contract. All of Employee's services are performed in Hawaii during a period that is less than 60 days in the aggregate for the calendar year. Withholding is required on **any** employee of a construction industry contractor engaged in contracting work in Hawaii regardless of the employee's state of residency or how long the employee is in Hawaii.

Section 11. — WHAT IS NOT SUBJECT TO WITHHOLDING: Certain remuneration for or compensation attributable to services is not subject to withholding because the remuneration is income excluded from gross income by section 235-7, HRS, or other provisions of the Income Tax Law. The Department has set forth the following cash or noncash payments which are not subject to withholding:

- (a) **Retirement system benefits.** Rights, benefits and other income under the State retirement system, exempted by section 88-91, HRS, and comparable rights, benefits and other income under any other public retirement system.
- (b) **Pensions.** Compensation received in the form of a pension for past services.
- (c) **Social Security and tier 1 railroad retirement benefits.**
- (d) **Employees' trusts and annuity plans.** Payments to, or on behalf of, an employee or the employee's beneficiary, from or to a trust which, are exempt from tax at the time of such payment, unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust; or payments to, or on behalf of an employee or beneficiary, under or to an annuity plan (i.e., one which at the time of such payment is a plan described in section 403(a) of the Internal Revenue Code and payments to, or on behalf of, an employee or beneficiary, under or to a bond purchase plan, which at the time of each payment, is a qualified bond purchase plan described in section 405(a) of the Internal Revenue Code). Such payments must be included in the income tax returns of these individuals, unless they are excluded by paragraph (b) or other provisions of the law.
- (e) **Persons affected with leprosy.** Compensation paid to a patient affected with Hansen's Disease employed by the State in any hospital, settlement, or place for the treatment of Hansen's Disease.
- (f) **Meals and lodging furnished for employer's convenience.** The value of any meals or lodging furnished by the employer on the business premises or at the place of employment, and for the employer's convenience. In the case of lodging, the employee must be required to accept such lodging on the premises as a condition of the employee's employment.
- (g) **Deceased employees.** The amounts paid to the estate of a deceased employee, or to beneficiaries of a deceased employee, for death benefits, or for wages of an employee who dies before the date for payment of the wages. However, the payments (except the excludable amount of death benefits) must be included in the income tax return of the estate or beneficiary who acquires the right to receive the amounts by reason of the employee's death, unless the payments are wages includable in a taxable period of the deceased.
- (h) **Blind, deaf or totally disabled persons.** Amounts paid to a person who has been certified as blind, deaf or totally disabled on a form prescribed by the Department. This paragraph applies to the first payroll period ending, or first payment of wages made without regard to a payroll period, on or after the date when the certificate is furnished to the employer, and also applies to all periods and payments thereafter unless re-examination is required by the certificate. If re-examination is required by the certificate, and: (1) the date of the required re-examination is prior to the calendar year involved, withholding is required; (2) the date of the required re-examination is within the calendar year involved, after June 30 and on or before December 31 of that year, or is after that year, withholding is not required for the period up to and including December 31 of that year; (3) the date of the required re-examination is within the calendar year involved and on or before June 30 of that year, withholding is not required until the July 1 status

determination date, but is required thereafter. Although withholding is not required from the wages of a blind, deaf or totally disabled person if the above required conditions are met, the employer must furnish to the employee and the Department a Form HW-2 showing the total wages and other required information. The wages of a blind, deaf or totally disabled person also must be included in the "Total Wages" on Forms HW-14 and HW-3. The employee must include the wages in their income tax return.

- (i) **Fees of public officials.** Fees, paid by persons other than the government or a government agency, to public officials for the performance of their duties, such as those paid to notaries and sheriffs. However, the recipients must include these fees in their income tax return.
- (j) **Jurors, witnesses, certain public officials.** Per diem amounts, mileage or fees paid to jurors and witnesses, or to public officials (such as election officials) rendering a temporary and nonrecurring service or who serve not more than once a year. Such amounts are includable in the income tax return of the recipient.
- (k) **Newspaper carriers under 18.** Remuneration for services performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution. Though not subject to withholding, the remuneration must be included in the income tax return of the recipient.
- (l) **Sale of newspapers and magazines, certain services.** Remuneration for services performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the individual's compensation is based on the retention of the excess of the fixed price at which the newspapers are sold over the amount at which the newspapers or magazines are charged to the individual, whether or not the individual is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back. Though not subject to withholding, such remuneration must be included in the income tax return of the recipient.
- (m) **Tips or gratuities.** Tips or gratuities paid directly to an employee by a customer and not accounted for to the employer. However, the tips or gratuities must be included in the income tax return of the recipient.
- (n) **Casual services, not in trade or business.** Cash remuneration for services not in the course of the employer's trade or business, including domestic services, performed in any calendar quarter by an employee for an employer. Though not subject to withholding, such remuneration must be included in the income tax return of the recipient.

However, the remuneration is subject to withholding if:

- 1) the cash remuneration paid for such service is \$50 or more per calendar quarter, and
- 2) the service is performed by an individual who is regularly employed by such employer to perform such service.

For purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during the calendar quarter only if:

- 1) on each of some twenty-four days during the quarter, such individual performs for such employer, for some portion of the day, service not in the course of the employer's trade or business, or
- 2) the individual was regularly employed (as determined under clause (1) of this paragraph) by the employer in the performance of services during the preceding calendar quarter.

- (o) **Certain crew members.** Remuneration for services performed as an officer or member of the crew aboard a vessel engaged in foreign, interstate, intercoastal, coastwide or noncontiguous trade and remuneration for services performed as an officer or member of the crew of an airplane traveling between points in the State and points outside the State. However, taxes may be withheld from the wages of a seaman, who is employed in the coastwide trade between ports in the State, if the withholding is pursuant to a voluntary agreement between the seaman and his employer. Though not subject to withholding, officers and crew members who are residents of the State must include their entire wages in their income tax returns. Nonresidents must include their wages for services performed in the State in their income tax returns.
- (p) **Noncash remuneration, not in trade or business.** Remuneration for services not in the course of the employer's trade or business, including domestic services, to the extent paid in any medium other than cash. Unless covered by paragraph (f), the fair market value of remuneration must be shown on Form HW-2 as a separate item, or on separate information return, federal Form 1099-MISC, and such value must be included in the income tax return of the recipient.
- (q) **Expense allowances, etc.** Amounts paid specifically, either as advances or reimbursements, for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer. The traveling and other reimbursed expenses, in order to be excluded from withholding, must be identified either by making a separate payment or by specifically indicating the separate amounts where ordinary wages and

expense allowances are combined in a single payment. However, the employer is required to show the amount of such advances or reimbursements on Form HW-2 as a separate item, unless the employer requires an accounting by the employee showing that the amount does not exceed the ordinary and necessary expenses incurred in the business of the employer.

- (r) **Noncash remuneration, retail salesperson.** Noncash remuneration for services performed by a retail salesperson, where the services are ordinarily performed for commissions in cash. However, the employer is required to show this remuneration on Form HW-2 as a separate item. The recipient must include commission income on their income tax return.
- (s) **Remuneration for services performed as an employee by a duly ordained, commissioned, or licensed minister of a church in the exercise of the employee's ministry or by a member of a religious order in the exercise of duties required by the order.** Although not subject to withholding, remuneration subject to this paragraph shall be reported on the income tax return as income of the recipient. For purposes of this paragraph, the term religious order is defined in federal Revenue Procedure 91-20, 1991-1 CB 524.
- (t) **Other provisions.** Hawaii Law does not require withholding on:
 - Income excluded from gross income by section 235-7, HRS, or other provisions of chapter 235, HRS.
 - Income not subject to taxation by the State under the Constitution and laws of the United States.
 - Except as otherwise expressly provided, payments made by the United States or this State, under an Act of Congress or a law of this State, which by express provisions or administrative regulation or interpretation are exempt from both the normal and surtaxes of the United States, even though not so exempted by the Internal Revenue Code itself.
 - Any income expressly exempted or excluded from the measure of the tax imposed by chapter 235, HRS, by any other law of the State, it being the intent of chapter 235, HRS, not to repeal or supersede any such express exemption or exclusion.
 - Any person who claims that payments, not excluded from withholding by paragraphs (a) to (s) above, are excluded by the statutory provisions in paragraph (t) above, should present the facts to the Department and request a ruling. The request for ruling should be addressed to:

Department of Taxation
Technical Section
P. O. Box 259
Honolulu, Hawaii 96809-0259

Compensation which is not subject to withholding, but includable in gross income, must be reported on Form HW-2.

Section 12. — EMPLOYEE'S WITHHOLDING ALLOWANCE AND STATUS CERTIFICATE, FORM HW-4:

Employee Must Furnish You With a Form HW-4 —

On or before commencing employment, the employee must furnish you with a completed and signed Form HW-4. The certificate must show the number of withholding allowances the employee claims, which must not exceed the number to which the employee is entitled on the basis of the existing facts. An employee may choose to claim fewer, but not more, allowances than the employee is entitled to claim. Form HW-4 must show whether the employee is married and entitled to file a joint Hawaii income tax return. An employee is not considered married if the employee is legally separated from their spouse under a decree of divorce or separate maintenance, or meets the requirements of Internal Revenue Code section 7703(b) relating to "Certain Married Individuals Living Apart". If you believe that an employee has claimed excess allowances for their situation (generally more than 10) or has misstated their marital status, you should send a copy of the Form HW-4 for that employee to Tax Assessor in the district tax office where you file your withholding tax returns. See Tax Information Release No. 95-4 on page 2 for more information.

If an employee does not furnish you with a Form HW-4, you are required to withhold tax as if the employee was single and had claimed no withholding allowance.

You may use commercially printed forms substantially the same as the Form HW-4. You may **not** use federal Form W-4.

How Many Withholding Allowances May an Employee Claim?

An employee is entitled to the following withholding allowances:

- (a) An allowance if no one can claim the employee as a dependent.

- (b) An allowance if the employee is single and has only one job or, if married, has only one job and the employee's spouse does not work.
- (c) An allowance for the employee's spouse if no one can claim the spouse as a dependent and the spouse is not claiming a withholding allowance on a Form HW-4.
- (d) An allowance for age if the employee is at least 65 years old and no one else can claim the employee as a dependent. The employee may also claim an additional allowance if the spouse is at least 65 years old, no one can claim the spouse as a dependent, and the spouse is not claiming an allowance for himself or herself on a Form HW-4.
- (e) An allowance for each dependent for which the taxpayer may claim an exemption on the federal income tax return.
- (f) An additional allowance if the employee has at least \$250 of estimated tax credits.
- (g) Additional allowances for estimated itemized deductions as determined on the Deductions Worksheet provided with Form HW-4.
- (h) An additional allowance if the employee is filing as head of household for that taxable year.

When Is A New Form HW-4 Recommended or Required?

Instruct each employee that the employee either **should** or **must** furnish you with a new certificate (Form HW-4) showing their present marital status, and number of withholding allowances. The allowances claimed must not exceed the number of allowances to which the employee is entitled on the basis of the existing facts.

The employee **should** furnish you with a new certificate at the earliest possible date, if there is a change in the employee's marital status and now entitled to file a joint Hawaii income tax return or the number of allowances to which the employee is entitled is greater than the number of allowances claimed by the employee on the certificate in effect.

The employee **must** furnish you with a new certificate **within 10 days**, if there is a change in the employee's marital status and the employee is no longer entitled to file a joint Hawaii income tax return, or the number of allowances to which the employee is entitled is less than the number of allowances claimed by the employee on the certificate in effect. Situations in which the employee must file a new certificate within 10 days include:

- (a) When the employee becomes divorced or legally separated.
- (b) When the wife or husband, for whom the employee has claimed an allowance, claims an allowance on a separate certificate.
- (c) When the employee finds that a dependent for whom an allowance was claimed no longer qualifies as a dependent.

The employee **must** furnish you with a new certificate **on or before December 1** of the year in which the change occurs when the amount of tax to be withheld is not affected until the next calendar year. If the change occurs in December, a new certificate must be furnished to you **within 10 days** of the change. Situations in which the employee must file a new certificate by December 1 (or within 10 days of a change in December) include:

- (a) When the employee's spouse has died.
- (b) When the employee's dependent has died.

When Does a Form HW-4 Take Effect?

The certificate furnished by the employee is effective as of the first payroll period ending on or after the date on which such certificate is furnished. If the wages are paid without regard to a payroll period, the certificate is effective as of the first payment of wages on or after the date on which it is furnished. The certificate remains in effect until the employee furnishes you with a new certificate. Refer to Section 12, under "When is a New Form HW-4 Recommended or Required?"

Note that, by rule, nonresident employees of contractors are excluded from qualifying for an income tax withholding exemption provided under this section.

When a certificate is furnished to take the place of an existing certificate, it is effective as of the first payment of wages made on or after the status determination date (January 1 or July 1) which occurs at least 30 days from the date on which it is furnished. You may elect to make the certificate effective with respect to any payment of wages made on or after the date on which the certificate is furnished.

For example, if a new certificate is furnished on April 29 or April 30 and the payroll is monthly, payment of wages being made on the last day of the month, such certificate is effective as of the month of July, but the employer may, at his election, make it effective as of the month of May or June.

In certain cases a new certificate does not take effect until the next calendar year. Examples are: death of spouse (unless an additional allowance on account of age has been claimed for the spouse and the age of 65 was not attained prior to death); death of a dependent.

Section 13. — EMPLOYEE’S STATEMENT TO EMPLOYER CONCERNING NONRESIDENCE IN THE STATE OF HAWAII, FORM HW-6: Under Hawaii Law, a nonresident is defined as, “every individual other than a resident”. A resident is defined as, “(1) every individual domiciled in the State, and (2) every other individual whether domiciled in the State or not, who resides in the State. To reside in the State means to be in the State for other than a temporary or transitory purpose. Every individual who is in the State more than two hundred days of the taxable year in the aggregate shall be presumed to be a resident of the State. This presumption may be overcome by evidence satisfactory to the Department that the individual maintains a permanent place of abode outside the State and is in the State for a temporary or transitory purpose. No person shall be deemed to have gained or lost a residence simply because of his or her presence in compliance with military or naval orders of the United States, or while engaged in aviation or navigation or while a student at any institution of learning.”

In order for an employee to make a showing of nonresidence as required by Section 10, the employee must furnish you with a statement in the form prescribed by the Department (Form HW-6), signed by the employee under the penalties set forth in section 231-36, HRS. If the withholding is not required on an employee's wages under item (a) of Section 10, you must file Form HW-7, "Exemption From Withholding on Nonresident Employee's Wages", along with the original Form HW-6 with the Department. Keep a copy of your employee's Form HW-6 for your records. If withholding is not required on an employee's wages under item (b) of Section 10, you do not have to file Form HW-7 with the Department. Withholding is not required on your employee's wages. Keep your employee's Form HW-6 for your records.

If an employee files a Form HW-6 with you, you should treat the form as effective (employee as having shown that he or she is a nonresident) as of the first payroll period ending (or first payment of wages made without regard to a payroll period) on or after the date that you file Form HW-7 and Form HW-6 with the Department if withholding is not required on an employee's wages under item (a) of Section 10, or on or after the date that an employee files a Form HW-6 with you if withholding is not required on an employee's wages under item (b) of Section 10.

You should no longer treat Form HW-6 as effective if you are notified by the Department that the employee’s residence status is being investigated. A copy of this notice will be sent by the Department to the employee. Both you and the employee will be notified of the Department’s decision. If the Department notifies you after the investigation that the employee is a nonresident, you should thereafter treat the Form HW-6 as effective.

A notice to you from the Department should be effective as of the first payment of wages made on or after the first day of the calendar month which commences at least 30 days after the notice is given. At your option, notice may be made effective at an earlier date.

An employee who, having furnished Form HW-6, thereafter becomes a resident of the State, must notify you within ten days, that the employee has become a resident of the State. You must inform the Department of the change, and cease to give effect to the employee’s previous Form HW-6 commencing with the first payment of wages made on or after the first day of the calendar month which commences at least 30 days after the notice is given. You may cease to give effect to the HW-6 statement at any earlier time after being notified by the employee.

Section 14. — PAYROLL PERIOD: The following paragraphs discuss payroll periods and how to compute withholding for these payroll periods.

- (a) A “payroll period” is the period of service for which you ordinarily make a payment of wages to an employee. A “miscellaneous payroll period” is a payroll period other than a daily, weekly, biweekly (or other multiple of a week), semimonthly, monthly, quarterly, semiannual, or annual payroll period.
- (b) If the employee has a daily payroll period, withholding is based on the daily wage. Use the “Daily Payroll Period” table or the “Daily or Miscellaneous Payroll Period” formula method in Part 2 of the Appendix. In some cases the weekly basis may be used, as discussed in paragraph (d) of this section.
- (c) If the employee has a miscellaneous payroll period, or has no payroll period, unless paragraph (d) of this section applies, you must use the following method to figure withholding:

Determine the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (for example, commissions paid on completion of a sale), then count the number of days from the date of payment back to the latest of these three events: (1) the last payment of wages made during the same calendar year, (2) the date employment commenced if during the same calendar year, or (3) January 1 of the same calendar year. After the number of days is determined, divide the wages by the number of days to determine the average wage per day. Compute the withholding on the average wage per day, using the “Daily Payroll Period” table, or the “Daily or Miscellaneous Payroll Period” formula method in Part 2 the Appendix.

- (d) In cases where an employee is paid for a period of less than one week and signs a statement (under penalties set forth in section 231-36, HRS) that the employee does not work for wages subject to withholding for any other employer during the same calendar week, then the employer is permitted to compute the withholding on the basis of a weekly instead of a daily or miscellaneous payroll period. If the employee later begins work for wages subject to withholding for another employer, the employee must, within ten days, notify the employer to whom the employee gave the written statement and, thereafter, the employer must compute the withholding based upon the “Daily or Miscellaneous Payroll Period” table.
- (e) If supplemental wages, such as bonuses, commissions, or overtime pay, are paid at the same time as regular wages, the amount of tax to be withheld shall be determined as if the aggregate of the supplemental and regular wages were a single wage payment for the regular payroll period. If supplemental wages are paid at a different time, the employer may determine the amount of tax to be withheld by aggregating the supplemental wages either with the regular wages for the current payroll period or with the regular wages for the last preceding payroll period within the same calendar year. If supplemental wages are paid to an employee during a calendar year for a period which involves two or more consecutive payroll periods for which other wages also are paid during the same calendar year, at the election of the employer, the amount of tax to be withheld on the supplemental wages may be computed as follows:
 - (1) Determine the average wage for each of the payroll periods by dividing the sum of the supplemental wages and other wages paid for the payroll periods by the number of payroll periods.
 - (2) Determine the withholding for each payroll period as if the amount of the average wage constituted the wages paid for such payroll period.
 - (3) From the sum of the taxes computed on the basis of the average wage per payroll period subtract the sum of the taxes previously withheld or to be withheld from the wages, other than supplemental wages, for such payroll periods. The remainder, if any, constitutes the amount of tax to be withheld upon the supplemental wages by this method.

Section 15. — FIGURING WITHHOLDING: You should figure withholding on the basis of the employee’s Form HW-4 in effect (see Section 12), the payroll period (see Section 14) and the appropriate withholding tax table or formula method in the Appendix.

The withholding tax tables are contained in part 3 of the Appendix, while the formula method is explained in Parts 1 and 2 of the Appendix. Whether you use the tax tables or the formula method, you should arrive at substantially the same amount of tax to be withheld. If an employee claims more than 10 allowances, however, the formula method will provide a more accurate determination of the amount to withhold than the amount obtained from the tax tables.

If you use the tax tables, be sure to select the correct table according to the employee’s marital status as indicated on Form HW-4, block 3. Next, determine the amount of tax to be withheld by reading down a column of wage brackets, and then across to the column headed by the number of withholding allowances claimed by the employee on their Form HW-4.

If you choose to use the formula method, you may use the annualized method described in part 1 of the Appendix or the alternative method described in part 2 of the Appendix. The annualized method allows you to determine the tax to be withheld on the basis of annualized wages. Employers with more than one payroll period may find the annualized method to be helpful for conserving computer memory capacity, since only the annual rates, wage brackets, and allowances need to be stored.

The following rules apply whether you use Part 1, 2, or 3 of the Appendix to determine the tax to be withheld:

- (a) You are not required to withhold tax of less than \$.10 from a single wage payment.
- (b) You must treat an employee who qualifies as a “Head of Household”, as “Single” for withholding tax purposes.
- (c) If you and the employee agree in writing to withhold an amount more than, but not less than, the amount required by law, the additional amount of withholding is required by law to be deducted and withheld.
- (d) If the payroll period is a multiple of one week other than biweekly, compute the required withholding for the average wage for one week (or for a biweekly period) and multiply by the number of weeks (or biweekly periods) in the payroll period. If the payroll period is a quarterly, semiannual or annual period, compute the required withholding for the average wage for one month and multiply by the number of months in the payroll period.

Section 16. — FILING THE WITHHOLDING TAX RETURN, FORM HW-14:

What to Report —

The “Total Wages Paid” figure should include all wages paid during the period which are subject to withholding, and wages paid to blind, deaf, or totally disabled persons even though excludable from withholding. Refer to Section 11, paragraph (h). The “Total Taxes Withheld” figure should represent the amount of tax withheld from the wages paid during the period.

If no wages were paid and no tax withheld, or if you temporarily cease to pay wages, as in the case of a seasonal business, you must continue to file Form HW-14. Enter the word “None” in the blocks requiring figures for the “Total Wages Paid”, “Total Taxes Withheld” and the “Amount of Payment”.

If you go out of business, or permanently cease to pay wages, you should write the words “Final Return” on the face of Form HW-14. Refer to Section 5, paragraph (i) for other instructions. Complete Form GEW-TA-RV-1 to cancel the withholding account.

When To File —

Refer to Sections 2 and 3 on when you must file Form HW-14 and pay over the taxes withheld to the Hawaii Department of Taxation.

If you have been permitted to file returns and make payments on a quarterly basis, and become delinquent in either filing returns or making payments, the Department may at anytime revoke the permission to file on a quarterly basis. Instead, you may be required to file returns and make payments by the fifteenth day of the calendar month after the close of the month in which the liability arose and for which the taxes have been withheld and for each month thereafter.

If you have been permitted to file returns and make payments on a quarterly basis, but by a change of circumstances the liability to pay over the taxes withheld exceeds \$5,000 per year, you must file returns and make payments on a monthly basis.

Whenever you make a change from quarterly filing to monthly filing, or vice versa, you must notify the Department of your intention in writing.

Upon application by an employer, the Director may, if good cause is shown, extend the time for making payment and filing Form HW-14 (note, this does not apply to those making semiweekly payments). The extension may not be more than two months. Application for the extension must be filed at least ten days before the regular due date. The extension may be requested by submitting a letter stating the reason for the request.

Where To File —

You must file Form HW-14 and pay over the taxes withheld to the Hawaii Department of Taxation. Refer to Section 4 for more information.

How To File —

You should have received a Hawaii Withholding Tax Return booklet containing a set of Form HW-14 monthly or quarterly withholding tax returns. You must compare your name and Hawaii Tax I.D. No. assigned to you against all the preprinted forms in the tax return booklet for printing errors. If there are any irregularities in your printed name or identification number, you must notify the Department immediately so that they may be corrected. If you have been regularly filing your withholding tax returns, your name should be preprinted on the forms in the booklet. However, if you recently applied for a Hawaii Tax I.D. No., or were issued a replacement booklet, your name will not be preprinted on the forms in the booklet. You should then write your name and Hawaii Tax I.D. No. on all the forms.

If you are filing on a monthly basis, use the booklet Form HW-14 for the month in which the withholding tax liability accrued. If you are filing on a quarterly basis, use the booklet Form HW-14 for the quarter in which the withholding tax liability accrued; for example, “Quarter of Jan/Feb/Mar”. Do not combine the reported information for more than one month if filing monthly, or for more than one quarter if filing quarterly.

Check your return to make sure it is correct. Sign and date your return. Attach your check or money order for full payment of the taxes withheld. The check or money order must be payable in U. S. dollars and made payable to the “Hawaii State Tax Collector”. Write "HW", the filing period, and your Hawaii Tax I.D. No. on your check or money order. **DO NOT SEND CASH.**

If you pay your withholding tax liability semiweekly, file federal Schedule B (Form 941) (using Hawaii dates and amounts) and attach the quarterly schedule of payments to the March, June, September, and December monthly Form HW-14. See Department of Taxation Announcement No. 2005-01 for more information.

Electronic Filing (e-file)

Periodic withholding tax returns (Form HW-14) may be electronically filed (e-filed) through the State's Internet portal. For more information, go to www.ehawaii.gov/efile.

Bulk Filing —

The Department allows the bulk filing Form HW-14. For more information on bulk filing, go the Department's website at www.hawaii.gov/tax.

Section 17. — EMPLOYER’S ANNUAL RETURN AND RECONCILIATION OF HAWAII INCOME TAX WITHHELD FROM WAGES, FORM HW-3:

Note: Wherever Form HW-2 is referred to in this booklet, commercially printed forms or the federal Form W-2 may be substituted, provided all the required information is shown on such substitute form. Refer to Section 18 under “What to Report”.

What to Report —

The “Total Wages” figure reported on Form HW-3, line 2, should include COLA (Cost of Living Allowance), sick pay, and wages paid to a blind, deaf, or totally disabled person. The “Total Wages” figure on Form HW-3 should equal the sum of the “Total Wages” reported on the attached copies of Form HW-2, “Statement of Hawaii Income Tax Withheld and Wages Paid”. It will not necessarily equal the sum of the “Total Wages Paid” per the Form HW-14 monthly or quarterly withholding tax returns filed for the same calendar year.

When to File —

You must file by the last day of February following the close of the calendar year, Copies 1 and 2 of Form HW-3 along with Copy A of Forms HW-2 issued for the preceding calendar year.

If you go out of business or permanently cease to pay wages, you must file Form HW-3 with accompanying Forms HW-2 at the same time you file the final Form HW-14.

Complete Form GEW-TA-RV-1 to cancel the withholding account.

Upon application by an employer, the Director may grant an extension of time (not more than two months) for the filing of Form HW-3 with accompanying Forms HW-2. Except in a case of termination of business or the like, application for the extension must be filed on or before the last day of February. File Form HW-26 to request an extension.

Where to File —

You must file Tax Office Copies 1 and 2 of Form HW-3, along with Copy A of Forms HW-2, and any remittance to the Hawaii Department of Taxation. Refer to Section 4 for more information.

How to File —

Check your return to make sure your name, Hawaii Tax I.D. No., and all figures are correct. Sign and date both Tax Office Copies 1 and 2 of Form HW-3. Attach Copy A of Forms HW-2 issued for the calendar year. If remittance is required, attach your check or money order payable in U. S. dollars. Make your check or money order payable to the “Hawaii State Tax Collector”. Write “HW”, the filing period, and your Hawaii Tax I.D. No. on your check or money order. **DO NOT SEND CASH.**

If an employer’s total payroll covers a number of separate units or establishments, the Forms HW-2 may be assembled accordingly.

Where the number of Forms HW-2 is large, they may be forwarded in packages of convenient size. The packages should be identified with the employer’s name and Hawaii withholding identification number. The packages should be consecutively numbered and Form HW-3 placed in package No. 1.

Bulk Filing —

The Department presently does not allow bulk filing of Form HW-3 or Form HW-2.

Amending the Employer’s Return and Reconciliation of Hawaii Income Tax Withheld from Wages —

If you file Form HW-3 and later discover that you made an error, you should file Form HW-23, “Amended Employer’s Annual Return and Reconciliation of Hawaii Income Tax Withheld from Wages” to correct that error. File Form HW-23 within 3 years after the date Form HW-3 was due or 3 years after the date it was filed, whichever is later.

If you are using Form HW-23 to transmit corrected Forms HW-2 or to submit additional Forms HW-2 after you have filed Form HW-3, you must file two copies of Form HW-23 along with Copy A of the corrected Forms HW-2. Refer to section 18 under “Correcting or Reissuing a Form HW-2”.

If you are not required to transmit any Forms HW-2 along with Form HW-23, then file one copy of Form HW-23 to correct an error made on a previously filed Form HW-3.

Section 18. — STATEMENT OF HAWAII INCOME TAX WITHHELD AND WAGES PAID, FORM HW-2:

Note: Wherever Form HW-2 is referred to in this booklet, commercially printed forms or the federal Form W-2 may be substituted, provided all the required information is shown on such substitute form. Refer to this section under “What to Report”.

Who You Must Furnish a Form HW-2 To —

You must furnish copies B and C of Form HW-2 to every employee (a) upon whose wages deduction and withholding is required, (b) whose wages are not subject to withholding because of his or her blindness, deafness or total disability, and (c) to whom wages subject to withholding (or payments under wage continuation plans) have been paid in any period during the calendar year (or time of employment).

What to Report —

Each Form HW-2 must show the employee’s name, address, and social security number, if any, the employer’s name, address and Hawaii Tax I.D. No., the period covered by the statement, the total amount of wages paid to the employee during the period, the amount of income tax deducted and withheld, if any, and such other information as the Director may require. Compensation includable in gross income, but not subject to withholding, must be reported on Form HW-2.

You may use commercially printed forms or the federal Form W-2, provided that all the required information outlined in the immediately preceding paragraph is included on the form. No Form W-2 will be acceptable to the Department of Taxation unless the employer’s Hawaii Tax I.D. No. is clearly shown.

The “Total Wages” figure should include COLA (Cost of Living Allowance), wages paid to a blind, deaf, or totally disabled person, and employer payments of sick pay. If a third-party payor of sick pay has notified you of the amount of sick pay the employee must include in income, report this amount in the “Total Wages” figure. You must either include this amount in income along with the employee’s wages, tips and other compensation, or you may furnish the employee with a separate Form HW-2 for this amount. If you decide to issue a separate Form HW-2, you must indicate on the form that the amount is for third-party sick pay. If the third-party payor notifies you of these payments after you have filed your HW-3, an amendment to Form HW-3 must be prepared and filed on Form HW-23. If the employer and the third-party payor of sick pay have entered into a valid agency agreement, the third-party payor may issue the HW-2’s (and file the HW-3) in the payor’s name. The same procedures prescribed for federal reporting may be followed.

If you are required to furnish an employee with a Form HW-2 for any reason stated in (a), (b), or (c) above under “Who You Must Furnish a Form HW-2 To” and if the employee received noncash remuneration or advances or reimbursements for expenses, the amount must be separately stated on Form HW-2. Refer to Section 11, paragraphs (p), (q), and (r).

Correcting or Reissuing a Form HW-2 —

If it becomes necessary to correct a Form HW-2 after it has been given to an employee, a corrected statement must be issued to the employee. Corrected statements should be clearly marked “Corrected by Employer”. In case a withholding statement is lost or destroyed, a substitute copy clearly marked “Reissued by Employer” should be furnished to the employee. If you are only correcting the employee’s names or social security numbers, you do not have to issue a corrected statement. Advise the employee to make the correction on the original HW-2. Note, however, that if the employee was given a new social security card because of an adjustment to their alien residence status, and that card shows a different name or social security number than those you showed on a Form HW-2, file a corrected statement to correct the name and/or social security number.

If you make corrections to a Form HW-2 before you file Form HW-3, you should submit the Corrected Form HW-2 with Form HW-3. If you make corrections to a Form HW-2 after you file Form HW-3, you should submit the Corrected Form HW-2 with Form HW-23. Refer to Section 17.

When to Furnish and File a Form HW-2 —

You must furnish copies B and C of Form HW-2 and any corrected statements to employees by January 31 of the following calendar year. However, if an employee stops working for you before the end of a calendar year and is not expected to return to work within such calendar year, the statement must be furnished to the employee within thirty days after the date you receive a written request from the employee if such thirty-day period ends before January 31.

Upon application by an employer, the Director may grant an extension of time (not more than two months) for the furnishing of the withholding statements. Except in a case of termination of employment, application for the extension must be filed on or before the last day of February.

You must file by the last day of February following the close of the calendar year, Copies 1 and 2 of Form HW-3 along with Copy A of Forms HW-2 issued for the preceding calendar year. See Section 17 under “When to File”.

Section 19. — RECORDKEEPING REQUIREMENTS: Every employer, who becomes subject to the Hawaii withholding provisions, is required to keep full, complete, regular and accurate records pertaining to withholding taxes available for inspection by the Department. The records should include but not be limited to:

- (a) Each employee's name, current address and social security number.
- (b) The Form HW-4 and Form HW-6 and any attachments, if any, filed by the employee.
- (c) The agreement, if any, between the employer and the employee for withholding additional amounts of tax.
- (d) For each payment of remuneration: the date; the amount (including any sum withheld for any reason); the period of services covered by such payment; the amount of the remuneration which constitute wages subject to withholding; the amount of tax collected with respect to the remuneration, and if collected at a time other than the time such payment was made, the date the tax was collected.
- (e) The fair market value and date of each payment of non-cash remuneration made to an employee for services performed as a retail commission salesperson, in which no income tax is withheld.
- (f) Copies of any statements furnished by the employee, where tips are received by an employee in the course of the employee's occupation, unless the information disclosed by such statements is recorded on another document retained by the employer.
- (g) Records of all remuneration paid to, including tips reported by, employees.
- (h) Copies of withholding tax returns filed.

You should keep all documents and evidence having relevancy to the determination of wages or your liability in respect of wages until the statute of limitations runs out for each tax return. Usually this is three years from the date the tax return was due or was filed, or two years from the date the tax was paid, whichever is later.

Section 20. — EMPLOYERS ARE LIABLE FOR WITHHELD TAXES: All taxes withheld by an employer under the withholding law must be held in trust by the employer for the State and for payment to the Department in the manner and at the time required by law. If an employer fails, neglects, or refuses to deduct and withhold from the wages paid to an employee or to pay over the amount of tax required, the employer will be liable to pay the amount of tax to the State. An employer may recover from an employee any amount which the employer should have withheld but did not withhold from the employee's wages, if the employer has been required to pay and paid the amount to the Department out of the employer's own funds.

In addition to the liability described above, if any employer fails, neglects, or refuses to deduct and withhold from the wages paid to any employee or to pay over the amount of tax required, any person, excluding those who have only ministerial duties, who is under a duty to deduct and withhold or pay over the amount of tax required and who willfully fails to perform such duty, will be liable to the State for the amount of tax. The voluntary or involuntary dissolution of the employer or the withdrawal and surrender of its right to engage in business within the State will not discharge the liability imposed.

Section 21. — EMPLOYERS ARE SUBJECT TO CIVIL PENALTIES (ADDITIONS TO TAXES) FOR NONCOMPLIANCE WITH THE LAW: There will be added to the amount of the tax required to be paid to the State:

- (a) For failure to file a tax return on time, unless you have been granted an extension of time for filing, and unless you show that the failure to file is due to reasonable cause and not due to neglect, 5% of the tax for the first month, with an additional 5% for each additional month or part of a month, not exceeding 25% in the aggregate.
- (b) For failure to pay the tax, if any part of any underpayment is due to negligence or intentional disregard of rules but without intent to defraud, up to 25% of the underpayment as determined by the Director.
- (c) For failure to pay the tax, if any part of any underpayment is due to fraud, up to 50% of the underpayment as determined by the Director.
- (d) For failure to pay the tax after filing a tax return on time, if the tax is not completely paid within 60 days of the due date, up to 20% of the underpayment as determined by the Director.

On both the tax and the additions to tax described above, you must pay interest at the rate of $\frac{2}{3}$ of 1% for each month or part of a month beginning with the first calendar day following the due date for filing the return, or paying the tax, until paid.

Section 22. — EMPLOYERS ARE SUBJECT TO CRIMINAL PENALTIES: Employers are liable for criminal penalties in the following cases:

- (a) Any person required to collect, account for, and pay over any withholding tax, who willfully fails to collect or truthfully account for and pay over such tax, shall, in addition to other penalties provided by law, be guilty of a class C felony, punishable by a fine of not more than \$100,000, imprisonment for not more than three years, probation, or any combination; provided that a corporation shall not be fined more than \$500,000.

- (b) Any person required to furnish a statement to an employee, who willfully furnishes a false or fraudulent statement or who willfully fails to furnish a statement in the manner, at the time, and showing the information required, shall be guilty of a misdemeanor, punishable by a fine of not more than \$25,000, imprisonment for not more than one year, probation, or any combination; provided that a corporation shall be fined not more than \$100,000.
- (c) Any person required to keep full, complete, regular, and accurate books of account, who willfully fails to keep such records, shall be guilty of a misdemeanor, punishable by a fine of not more than \$25,000, imprisonment for not more than one year, probation, or any combination; provided that a corporation shall be fined not more than \$100,000.
- (d) Any person, who makes a false or fraudulent return or false statement in a return, with intent to defraud the State or to evade the payment of any tax or any part thereof or who, in any manner, intentionally deceives or attempts to deceive the Director or the Director's authorized agent in relation to any tax, shall be guilty of a class C felony, punishable by a fine of not more than \$100,000, imprisonment for not more than three years, probation, or any combination; provided that a corporation shall not be fined more than \$500,000.

Section 23. — EMPLOYEES ARE SUBJECT TO CRIMINAL PENALTIES: You should inform your employees of the criminal penalty to which an employee is liable if he or she willfully furnishes a false withholding allowance and status certificate (Form HW-4), or willfully fails to furnish a new certificate when the filing of a new certificate is required. See section 12, for instructions as to when a new certificate must be filed. Such an employee will be guilty of a class C felony, punishable by a fine of not more than \$100,000, imprisonment for not more than three years, probation or any combination.

An employee who furnishes a statement concerning nonresidence (Form HW-6) is subject to a fine of not more than \$100,000, imprisonment for not more than three years, probation, or any combination if by this statement he or she intentionally deceives or attempts to deceive the Director or the Director's authorized agent.

Any individual required to supply information to the individual's employer under the Hawaii withholding tax law, who willfully supplies false or fraudulent information or who willfully fails to supply information which would require an increase in the tax to be withheld, will be fined not more than \$25,000, imprisoned for not more than one year, probation, or any combination.

Section 24. — LIST OF TAX FORMS: The forms which are designed and are to be used in carrying out the provisions of the withholding law, with the exception of the State Basic Business Application, the Tax Payment Voucher, and the Change of Address Form, bear the prefix "GEW-TA-RV" or "HW" as follows:

BB-1	State of Hawaii Basic Business Application
BB-1X	State of Hawaii Basic Business Amended Application
GEW-TA-RV-1	Notification of Cancellation
GEW-TA-RV-5	General Excise/Use, Employer's Withholding, Transient Accommodations and Rental Motor Vehicle & Tour Vehicle Surcharge Application Changes
HW-2	Statement of Hawaii Income Tax Withheld and Wages Paid (See Section 18.)
HW-3	Employer's Annual Return and Reconciliation of Hawaii Income Tax Withheld from Wages (See Section 17.)
HW-4	Employee's Withholding Allowance and Status Certificate (See Section 12.)
HW-6	Employee's Statement to Employer Concerning Nonresidence in the State of Hawaii (See Section 13.)
HW-7	Exemption From Withholding on Nonresident Employee's Wages
HW-14	(Monthly or Quarterly) Withholding Tax Return (See Section 16.)
HW-20	Amended (Monthly or Quarterly) Withholding Tax Return
HW-23	Amended Employer's Annual Return and Reconciliation of Hawaii Income Tax Withheld From Wages (See Section 17.)
HW-26	Application for Extension of Time to File the Employer's Annual Return and Reconciliation of Hawaii Income Tax Withheld from Wages (Form HW-3) (See Section 17.)
ITPS-COA	Change of Address Form
VP-1	Tax Payment Voucher

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

APPENDIX I

**HAWAII INCOME TAX WITHHOLDING RATES,
METHODS, AND TAX TABLES
Effective January 1, 2007, and thereafter**

**PART 1
ANNUALIZED INCOME TAX WITHHOLDING**

**PART 2
ALTERNATIVE METHOD OF COMPUTING TAX TO BE WITHHELD
UNLESS THE ANNUALIZED METHOD OR WITHHOLDING TABLES
ARE USED**

**PART 3
TAX TABLES FOR INCOME TAX WITHHOLDING**

**Employers using the Tax Tables in
Part 3 of this appendix may disregard the
formula methods shown in Part 1 and Part 2.**

PART 1

ANNUALIZED INCOME TAX WITHHOLDING

Annualized Income Tax Withholding: You may determine the tax to be withheld on the basis of annualized wages (using the tax computation method for annual payroll periods), then prorate the tax on the basis of the payroll period actually used. Employers with more than one payroll period (for instance, part-timers paid weekly; full-timers paid semi-monthly) may find this method helpful for conserving computer memory capacity. Only the annual rates below, wage brackets and allowance values need to be stored.

Example: An employee who is single and has only one job, is paid \$375 a week. He claims three withholding allowances (one personal exemption, an allowance since he is single and has only one job, and an allowance for his estimated itemized deductions) on the Employee's Withholding Allowance and Status Certificate (Form HW-4) on file with you.

1. Multiply weekly wage of \$375 x 52 weeks to determine annual wage \$ 19,500.00
2. Subtract withholding allowances (\$1,040 x 3) 3,120.00
3. Amount subject to withholding (line 1 minus line 2) \$ 16,380.00
4. Compute withholding tax on \$16,380 using the WITHHOLDING TAX RATES below for a single person, annual payroll period:

Tax on first \$14,400	\$ 682.00
Tax on remaining \$1,980 at 6.8%	<u>134.64</u>
Annual withholding tax	<u>\$ 816.64</u>
5. Compute Weekly withholding tax (\$816.64 /52 weeks) \$ 15.70

ANNUAL PAYROLL PERIOD

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages (after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>		
\$ 0	\$ 2,400	1.40% of excess over	\$ 0
\$ 2,400	\$ 4,800	\$ 34.00 plus 3.20% of excess over	\$ 2,400
\$ 4,800	\$ 9,600	\$ 110.00 plus 5.50% of excess over	\$ 4,800
\$ 9,600	\$ 14,400	\$ 374.00 plus 6.40% of excess over	\$ 9,600
\$ 14,400	\$ 19,200	\$ 682.00 plus 6.80% of excess over	\$ 14,400
\$ 19,200	\$ 24,000	\$ 1,008.00 plus 7.20% of excess over	\$ 19,200
\$ 24,000	. . . . .	\$ 1,354.00 plus 7.60% of excess over	\$ 24,000

B. MARRIED PERSONS

If the amount of wages (after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>		
\$ 0	\$ 4,800	1.40% of excess over	\$ 0
\$ 4,800	\$ 9,600	\$ 67.00 plus 3.20% of excess over	\$ 4,800
\$ 9,600	\$ 19,200	\$ 221.00 plus 5.50% of excess over	\$ 9,600
\$ 19,200	\$ 28,800	\$ 749.00 plus 6.40% of excess over	\$ 19,200
\$ 28,800	\$ 38,400	\$ 1,363.00 plus 6.80% of excess over	\$ 28,800
\$ 38,400	\$ 48,000	\$ 2,016.00 plus 7.20% of excess over	\$ 38,400
\$ 48,000	. . . . .	\$ 2,707.00 plus 7.60% of excess over	\$ 48,000

PART 2

ALTERNATIVE METHOD OF COMPUTING TAX TO BE WITHHELD, UNLESS THE ANNUALIZED METHOD OR WITHHOLDING TABLES ARE USED.

WEEKLY PAYROLL PERIOD

If the period is weekly, proceed as follows:

- Step 1. Deduct from the total wage for the period an amount for the withholding allowance equal to the number of allowances claimed times \$20.00.
- a. If employee claims no allowance (zero), no deduction is made. The total wage is used in computing the amount of tax to be withheld.
 - b. If employee claims one allowance, deduct \$20.00; if two, deduct \$40.00; if three, deduct \$60.00; and so forth. (If balance is negative, employee's wage is fully exempt).
- Step 2. Use the amount of wages arrived at in Step 1 to apply the rates shown in A & B below. If employee is single — unmarried head of household, A applies; if employee is married, B applies.

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages

(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

Over	But not over		
\$ 0	\$ 46	1.40% of excess over	\$ 0
\$ 46	\$ 92 . . . . .	.64 plus 3.20% of excess over	\$ 46
\$ 92	\$ 185	2.11 plus 5.50% of excess over	\$ 92
\$ 185	\$ 277	7.23 plus 6.40% of excess over	\$ 185
\$ 277	\$ 369	13.12 plus 6.80% of excess over	\$ 277
\$ 369	\$ 462	19.38 plus 7.20% of excess over	\$ 369
\$ 462		26.08 plus 7.60% of excess over	\$ 462

B. MARRIED PERSONS

If the amount of wages

(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

Over	But not over		
\$ 0	\$ 92	1.40% of excess over	\$ 0
\$ 92	\$ 185	1.29 plus 3.20% of excess over	\$ 92
\$ 185	\$ 369	4.27 plus 5.50% of excess over	\$ 185
\$ 369	\$ 554	14.39 plus 6.40% of excess over	\$ 369
\$ 554	\$ 738	26.23 plus 6.80% of excess over	\$ 554
\$ 738	\$ 923	38.74 plus 7.20% of excess over	\$ 738
\$ 923		52.06 plus 7.60% of excess over	\$ 923

BIWEEKLY PAYROLL PERIOD

If the period is biweekly, proceed as follows:

- Step 1. Deduct from the total wage for the period an amount for the withholding allowance equal to the number of allowances claimed times \$40.00.
- a. If employee claims no allowance (zero), no deduction is made. The total wage is used in computing the amount of tax to be withheld.
 - b. If employee claims one allowance, deduct \$40.00; if two, deduct \$80.00; if three, deduct \$120.00; and so forth. (If balance is negative, employee's wage is fully exempt).
- Step 2. Use the amount of wages arrived at in Step 1 to apply the rates shown in A & B below. If employee is single — unmarried head of household, A applies; if employee is married, B applies.

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 92		1.40% of excess over	\$ 0
\$ 92	\$ 185	\$	1.29 plus 3.20% of excess over	\$ 92
\$ 185	\$ 369	\$	4.27 plus 5.50% of excess over	\$ 185
\$ 369	\$ 554	\$	14.39 plus 6.40% of excess over	\$ 369
\$ 554	\$ 738	\$	26.23 plus 6.80% of excess over	\$ 554
\$ 738	\$ 923	\$	38.74 plus 7.20% of excess over	\$ 738
\$ 923		\$	52.06 plus 7.60% of excess over	\$ 923

B. MARRIED PERSONS

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 185		1.40% of excess over	\$ 0
\$ 185	\$ 369	\$	2.59 plus 3.20% of excess over	\$ 185
\$ 369	\$ 738	\$	8.48 plus 5.50% of excess over	\$ 369
\$ 738	\$ 1,108	\$	28.78 plus 6.40% of excess over	\$ 738
\$ 1,108	\$ 1,477	\$	52.46 plus 6.80% of excess over	\$ 1,108
\$ 1,477	\$ 1,846	\$	77.55 plus 7.20% of excess over	\$ 1,477
\$ 1,846		\$	104.12 plus 7.60% of excess over	\$ 1,846

SEMIMONTHLY PAYROLL PERIOD

If the period is semimonthly, proceed as follows:

- Step 1. Deduct from the total wage for the period an amount for the withholding allowance equal to the number of allowances claimed times \$43.35.
- a. If employee claims no allowance (zero), no deduction is made. The total wage is used in computing the amount of tax to be withheld.
 - b. If employee claims one allowance, deduct \$43.35; if two, deduct \$86.70; if three, deduct \$130.05; and so forth. (If balance is negative, employee's wage is fully exempt).
- Step 2. Use the amount of wages arrived at in Step 1 to apply the rates shown in A & B below. If employee is single — unmarried head of household, A applies; if employee is married, B applies.

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 100		1.40% of excess over	\$ 0
\$ 100	\$ 200	\$	1.40 plus 3.20% of excess over	\$ 100
\$ 200	\$ 400	\$	4.60 plus 5.50% of excess over	\$ 200
\$ 400	\$ 600	\$	15.60 plus 6.40% of excess over	\$ 400
\$ 600	\$ 800	\$	28.40 plus 6.80% of excess over	\$ 600
\$ 800	\$ 1,000	\$	42.00 plus 7.20% of excess over	\$ 800
\$ 1,000		\$	56.40 plus 7.60% of excess over	\$ 1,000

B. MARRIED PERSONS

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 200		1.40% of excess over	\$ 0
\$ 200	\$ 400	\$	2.80 plus 3.20% of excess over	\$ 200
\$ 400	\$ 800	\$	9.20 plus 5.50% of excess over	\$ 400
\$ 800	\$ 1,200	\$	31.20 plus 6.40% of excess over	\$ 800
\$ 1,200	\$ 1,600	\$	56.80 plus 6.80% of excess over	\$ 1,200
\$ 1,600	\$ 2,000	\$	84.00 plus 7.20% of excess over	\$ 1,600
\$ 2,000		\$	112.80 plus 7.60% of excess over	\$ 2,000

MONTHLY PAYROLL PERIOD

If the period is monthly, proceed as follows:

- Step 1. Deduct from the total wage for the period an amount for the withholding allowance equal to the number of allowances claimed times \$86.65.
- a. If employee claims no allowance (zero), no deduction is made. The total wage is used in computing the amount of tax to be withheld.
 - b. If employee claims one allowance, deduct \$86.65; if two, deduct \$173.30; if three, deduct \$259.95; and so forth. (If balance is negative, employee's wage is fully exempt).
- Step 2. Use the amount of wages arrived at in Step 1 to apply the rates shown in A & B below. If employee is single — unmarried head of household, A applies; if employee is married, B applies.

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 200		1.40% of excess over	\$ 0
\$ 200	\$ 400	\$ 2.80 plus	3.20% of excess over	\$ 200
\$ 400	\$ 800	\$ 9.20 plus	5.50% of excess over	\$ 400
\$ 800	\$ 1,200	\$ 31.20 plus	6.40% of excess over	\$ 800
\$ 1,200	\$ 1,600	\$ 56.80 plus	6.80% of excess over	\$ 1,200
\$ 1,600	\$ 2,000	\$ 84.00 plus	7.20% of excess over	\$ 1,600
\$ 2,000		\$ 112.80 plus	7.60% of excess over	\$ 2,000

B. MARRIED PERSONS

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 400		1.40% of excess over	\$ 0
\$ 400	\$ 800	\$ 5.60 plus	3.20% of excess over	\$ 400
\$ 800	\$ 1,600	\$ 18.40 plus	5.50% of excess over	\$ 800
\$ 1,600	\$ 2,400	\$ 62.40 plus	6.40% of excess over	\$ 1,600
\$ 2,400	\$ 3,200	\$ 113.60 plus	6.80% of excess over	\$ 2,400
\$ 3,200	\$ 4,000	\$ 168.00 plus	7.20% of excess over	\$ 3,200
\$ 4,000		\$ 225.60 plus	7.60% of excess over	\$ 4,000

DAILY OR MISCELLANEOUS PAYROLL PERIOD

If the period is daily or miscellaneous, or if there is no payroll period (refer to section 13) using the daily wage, or the average wage per day, as instructed, proceed as follows:

- Step 1. Deduct from the total wage for the period an amount for the withholding allowance equal to the number of allowances claimed times \$2.85.
- a. If employee claims no allowance (zero), no deduction is made. The total wage is used in computing the amount of tax to be withheld.
 - b. If employee claims one allowance, deduct \$2.85; if two, deduct \$5.70; if three, deduct \$8.55; and so forth. (If balance is negative, employee's wage is fully exempt).
- Step 2. Use the amount of wages arrived at in Step 1 to apply the rates shown in A & B below. If employee is single — unmarried head of household, A applies; if employee is married, B applies.

A. SINGLE PERSONS — INCLUDING UNMARRIED HEADS OF HOUSEHOLD

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 7		1.40% of excess over	\$ 0
\$ 7	\$ 13	\$.10 plus	3.20% of excess over	\$ 7
\$ 13	\$ 26	\$.29 plus	5.50% of excess over	\$ 13
\$ 26	\$ 39	\$ 1.01 plus	6.40% of excess over	\$ 26
\$ 39	\$ 53	\$ 1.84 plus	6.80% of excess over	\$ 39
\$ 53	\$ 66	\$ 2.79 plus	7.20% of excess over	\$ 53
\$ 66	. . . . .	\$ 3.73 plus	7.60% of excess over	\$ 66

B. MARRIED PERSONS

If the amount of wages
(after subtracting withholding allowances) is:

The amount of income tax to be withheld shall be:

<u>Over</u>	<u>But not over</u>			
\$ 0	\$ 13		1.40% of excess over	\$ 0
\$ 13	\$ 26	\$.18 plus	3.20% of excess over	\$ 13
\$ 26	\$ 53	\$.60 plus	5.50% of excess over	\$ 26
\$ 53	\$ 79	\$ 2.09 plus	6.40% of excess over	\$ 53
\$ 79	\$ 105	\$ 3.75 plus	6.80% of excess over	\$ 79
\$ 105	\$ 132	\$ 5.52 plus	7.20% of excess over	\$ 105
\$ 132	. . . . .	\$ 7.46 plus	7.60% of excess over	\$ 132

**PART 3
TAX TABLES
FOR
INCOME TAX
WITHHOLDING**

**Weekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household**

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
AMOUNT OF INCOME TAX TO BE WITHHELD												
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	1	0	0	0	0	0	0	0	0	0
80	100	2	1	1	0	0	0	0	0	0	0	0
100	120	3	2	1	1	0	0	0	0	0	0	0
120	140	4	3	2	1	1	0	0	0	0	0	0
140	160	5	4	3	2	1	1	0	0	0	0	0
160	180	6	5	4	3	2	1	1	0	0	0	0
180	200	8	6	5	4	3	2	1	1	0	0	0
200	220	9	8	6	5	4	3	2	1	1	0	0
220	240	10	9	8	6	5	4	3	2	1	1	0
240	260	11	10	9	8	6	5	4	3	2	1	1
260	280	13	11	10	9	8	6	5	4	3	2	1
280	300	14	13	11	10	9	8	6	5	4	3	2
300	320	15	14	13	11	10	9	8	6	5	4	3
320	340	17	15	14	13	11	10	9	8	6	5	4
340	360	18	17	15	14	13	11	10	9	8	6	5
360	380	19	18	17	15	14	13	11	10	9	8	6
380	400	21	19	18	17	15	14	13	11	10	9	8
400	420	22	21	19	18	17	15	14	13	11	10	9
420	440	24	22	21	19	18	17	15	14	13	11	10
440	460	25	24	22	21	19	18	17	15	14	13	11
460	480	27	25	24	22	21	19	18	17	15	14	13
480	500	28	27	25	24	22	21	19	18	17	15	14
500	520	30	28	27	25	24	22	21	19	18	17	15
520	540	31	30	28	27	25	24	22	21	19	18	17
540	560	33	31	30	28	27	25	24	22	21	19	18
560	580	34	33	31	30	28	27	25	24	22	21	19
580	600	36	34	33	31	30	28	27	25	24	22	21
7.60% of excess over \$600 plus												
600 & over		37	36	34	33	31	30	28	27	25	24	22

Weekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	1	0	0	0	0	0	0	0	0	0
80	100	1	1	1	0	0	0	0	0	0	0	0
100	120	2	1	1	1	0	0	0	0	0	0	0
120	140	3	2	1	1	1	0	0	0	0	0	0
140	160	3	3	2	1	1	1	0	0	0	0	0
160	180	4	3	3	2	1	1	1	0	0	0	0
180	200	5	4	3	3	2	1	1	1	0	0	0
200	220	6	5	4	3	3	2	1	1	1	0	0
220	240	7	6	5	4	3	3	2	1	1	1	0
240	260	8	7	6	5	4	3	3	2	1	1	1
260	280	9	8	7	6	5	4	3	3	2	1	1
280	300	10	9	8	7	6	5	4	3	3	2	1
300	320	11	10	9	8	7	6	5	4	3	3	2
320	340	12	11	10	9	8	7	6	5	4	3	3
340	360	13	12	11	10	9	8	7	6	5	4	3
360	380	14	13	12	11	10	9	8	7	6	5	4
380	400	16	14	13	12	11	10	9	8	7	6	5
400	420	17	16	14	13	12	11	10	9	8	7	6
420	440	18	17	16	14	13	12	11	10	9	8	7
440	460	20	18	17	16	14	13	12	11	10	9	8
460	480	21	20	18	17	16	14	13	12	11	10	9
480	500	22	21	20	18	17	16	14	13	12	11	10
500	520	23	22	21	20	18	17	16	14	13	12	11
520	540	25	23	22	21	20	18	17	16	14	13	12
540	560	26	25	23	22	21	20	18	17	16	14	13
560	580	27	26	25	23	22	21	20	18	17	16	14
580	600	29	27	26	25	23	22	21	20	18	17	16
600	620	30	29	27	26	25	23	22	21	20	18	17
620	640	31	30	29	27	26	25	23	22	21	20	18
640	660	33	31	30	29	27	26	25	23	22	21	20
660	680	34	33	31	30	29	27	26	25	23	22	21
680	700	35	34	33	31	30	29	27	26	25	23	22
700	720	37	35	34	33	31	30	29	27	26	25	23
720	740	38	37	35	34	33	31	30	29	27	26	25
740	760	40	38	37	35	34	33	31	30	29	27	26
760	780	41	40	38	37	35	34	33	31	30	29	27
780	800	42	41	40	38	37	35	34	33	31	30	29
800	820	44	42	41	40	38	37	35	34	33	31	30
820	840	45	44	42	41	40	38	37	35	34	33	31
840	860	47	45	44	42	41	40	38	37	35	34	33
860	880	48	47	45	44	42	41	40	38	37	35	34
880	900	50	48	47	45	44	42	41	40	38	37	35
900	920	51	50	48	47	45	44	42	41	40	38	37
920	940	53	51	50	48	47	45	44	42	41	40	38
940	960	54	53	51	50	48	47	45	44	42	41	40
960	980	56	54	53	51	50	48	47	45	44	42	41
7.60% of excess over \$980 plus												
980 & over		57	56	54	53	51	50	48	47	45	44	42

Biweekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	1	0	0	0	0	0	0	0	0	0
100	120	2	1	0	0	0	0	0	0	0	0	0
120	140	3	1	1	0	0	0	0	0	0	0	0
140	160	3	2	1	0	0	0	0	0	0	0	0
160	180	4	3	1	1	0	0	0	0	0	0	0
180	200	5	3	2	1	0	0	0	0	0	0	0
200	220	6	4	3	1	1	0	0	0	0	0	0
220	240	7	5	3	2	1	0	0	0	0	0	0
240	260	8	6	4	3	1	1	0	0	0	0	0
260	280	9	7	5	3	2	1	0	0	0	0	0
280	300	10	8	6	4	3	1	1	0	0	0	0
300	320	11	9	7	5	3	2	1	0	0	0	0
320	340	12	10	8	6	4	3	1	1	0	0	0
340	360	13	11	9	7	5	3	2	1	0	0	0
360	380	14	12	10	8	6	4	3	1	1	0	0
380	400	16	13	11	9	7	5	3	2	1	0	0
400	420	17	14	12	10	8	6	4	3	1	1	0
420	440	18	16	13	11	9	7	5	3	2	1	0
440	460	20	17	14	12	10	8	6	4	3	1	1
460	480	21	18	16	13	11	9	7	5	3	2	1
480	500	22	20	17	14	12	10	8	6	4	3	1
500	520	23	21	18	16	13	11	9	7	5	3	2
520	540	25	22	20	17	14	12	10	8	6	4	3
540	560	26	23	21	18	16	13	11	9	7	5	3
560	580	27	25	22	20	17	14	12	10	8	6	4
580	600	29	26	23	21	18	16	13	11	9	7	5
600	620	30	27	25	22	20	17	14	12	10	8	6
620	640	31	29	26	23	21	18	16	13	11	9	7
640	660	33	30	27	25	22	20	17	14	12	10	8
660	680	34	31	29	26	23	21	18	16	13	11	9
680	700	35	33	30	27	25	22	20	17	14	12	10
700	720	37	34	31	29	26	23	21	18	16	13	11
720	740	38	35	33	30	27	25	22	20	17	14	12
740	760	40	37	34	31	29	26	23	21	18	16	13
760	780	41	38	35	33	30	27	25	22	20	17	14
780	800	42	40	37	34	31	29	26	23	21	18	16
800	820	44	41	38	35	33	30	27	25	22	20	17
820	840	45	42	40	37	34	31	29	26	23	21	18
840	860	47	44	41	38	35	33	30	27	25	22	20
860	880	48	45	42	40	37	34	31	29	26	23	21
880	900	50	47	44	41	38	35	33	30	27	25	22
900	920	51	48	45	42	40	37	34	31	29	26	23
920	940	53	50	47	44	41	38	35	33	30	27	25
940	960	54	51	48	45	42	40	37	34	31	29	26
960	980	56	53	50	47	44	41	38	35	33	30	27
980	1,000	57	54	51	48	45	42	40	37	34	31	29
1,000	1,020	59	56	53	50	47	44	41	38	35	33	30

Biweekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	60	57	54	51	48	45	42	40	37	34	31
1,040	1,060	62	59	56	53	50	47	44	41	38	35	33
1,060	1,080	63	60	57	54	51	48	45	42	40	37	34
1,080	1,100	65	62	59	56	53	50	47	44	41	38	35
1,100	1,120	66	63	60	57	54	51	48	45	42	40	37
1,120	1,140	68	65	62	59	56	53	50	47	44	41	38
1,140	1,160	69	66	63	60	57	54	51	48	45	42	40
1,160	1,180	71	68	65	62	59	56	53	50	47	44	41
1,180	1,200	72	69	66	63	60	57	54	51	48	45	42
7.60% of excess over \$1,200 plus												
1,200 & over		74	71	68	65	62	59	56	53	50	47	44

Biweekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	1	0	0	0	0	0	0	0	0	0
100	120	2	1	0	0	0	0	0	0	0	0	0
120	140	2	1	1	0	0	0	0	0	0	0	0
140	160	2	2	1	0	0	0	0	0	0	0	0
160	180	2	2	1	1	0	0	0	0	0	0	0
180	200	3	2	2	1	0	0	0	0	0	0	0
200	220	3	2	2	1	1	0	0	0	0	0	0
220	240	4	3	2	2	1	0	0	0	0	0	0
240	260	5	3	2	2	1	1	0	0	0	0	0
260	280	5	4	3	2	2	1	0	0	0	0	0
280	300	6	5	3	2	2	1	1	0	0	0	0
300	320	7	5	4	3	2	2	1	0	0	0	0
320	340	7	6	5	3	2	2	1	1	0	0	0
340	360	8	7	5	4	3	2	2	1	0	0	0
360	380	9	7	6	5	3	2	2	1	1	0	0
380	400	10	8	7	5	4	3	2	2	1	0	0
400	420	11	9	7	6	5	3	2	2	1	1	0
420	440	12	10	8	7	5	4	3	2	2	1	0
440	460	13	11	9	7	6	5	3	2	2	1	1
460	480	14	12	10	8	7	5	4	3	2	2	1
480	500	15	13	11	9	7	6	5	3	2	2	1
500	520	16	14	12	10	8	7	5	4	3	2	2
520	540	17	15	13	11	9	7	6	5	3	2	2
540	560	18	16	14	12	10	8	7	5	4	3	2
560	580	20	17	15	13	11	9	7	6	5	3	2
580	600	21	18	16	14	12	10	8	7	5	4	3
600	620	22	20	17	15	13	11	9	7	6	5	3
620	640	23	21	18	16	14	12	10	8	7	5	4
640	660	24	22	20	17	15	13	11	9	7	6	5
660	680	25	23	21	18	16	14	12	10	8	7	5
680	700	26	24	22	20	17	15	13	11	9	7	6
700	720	27	25	23	21	18	16	14	12	10	8	7
720	740	28	26	24	22	20	17	15	13	11	9	7
740	760	30	27	25	23	21	18	16	14	12	10	8
760	780	31	28	26	24	22	20	17	15	13	11	9
780	800	32	30	27	25	23	21	18	16	14	12	10
800	820	33	31	28	26	24	22	20	17	15	13	11
820	840	35	32	30	27	25	23	21	18	16	14	12
840	860	36	33	31	28	26	24	22	20	17	15	13
860	880	37	35	32	30	27	25	23	21	18	16	14
880	900	39	36	33	31	28	26	24	22	20	17	15
900	920	40	37	35	32	30	27	25	23	21	18	16
920	940	41	39	36	33	31	28	26	24	22	20	17
940	960	42	40	37	35	32	30	27	25	23	21	18
960	980	44	41	39	36	33	31	28	26	24	22	20
980	1,000	45	42	40	37	35	32	30	27	25	23	21
1,000	1,020	46	44	41	39	36	33	31	28	26	24	22

Biweekly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	47	45	42	40	37	35	32	30	27	25	23
1,040	1,060	49	46	44	41	39	36	33	31	28	26	24
1,060	1,080	50	47	45	42	40	37	35	32	30	27	25
1,080	1,100	51	49	46	44	41	39	36	33	31	28	26
1,100	1,120	53	50	47	45	42	40	37	35	32	30	27
1,120	1,140	54	51	49	46	44	41	39	36	33	31	28
1,140	1,160	55	53	50	47	45	42	40	37	35	32	30
1,160	1,180	57	54	51	49	46	44	41	39	36	33	31
1,180	1,200	58	55	53	50	47	45	42	40	37	35	32
1,200	1,220	59	57	54	51	49	46	44	41	39	36	33
1,220	1,240	61	58	55	53	50	47	45	42	40	37	35
1,240	1,260	62	59	57	54	51	49	46	44	41	39	36
1,260	1,280	63	61	58	55	53	50	47	45	42	40	37
1,280	1,300	65	62	59	57	54	51	49	46	44	41	39
1,300	1,320	66	63	61	58	55	53	50	47	45	42	40
1,320	1,340	68	65	62	59	57	54	51	49	46	44	41
1,340	1,360	69	66	63	61	58	55	53	50	47	45	42
1,360	1,380	70	68	65	62	59	57	54	51	49	46	44
1,380	1,400	72	69	66	63	61	58	55	53	50	47	45
1,400	1,420	73	70	68	65	62	59	57	54	51	49	46
1,420	1,440	74	72	69	66	63	61	58	55	53	50	47
1,440	1,460	76	73	70	68	65	62	59	57	54	51	49
1,460	1,480	77	74	72	69	66	63	61	58	55	53	50
1,480	1,500	78	76	73	70	68	65	62	59	57	54	51
1,500	1,520	80	77	74	72	69	66	63	61	58	55	53
1,520	1,540	81	78	76	73	70	68	65	62	59	57	54
1,540	1,560	83	80	77	74	72	69	66	63	61	58	55
1,560	1,580	84	81	78	76	73	70	68	65	62	59	57
1,580	1,600	86	83	80	77	74	72	69	66	63	61	58
1,600	1,620	87	84	81	78	76	73	70	68	65	62	59
1,620	1,640	89	86	83	80	77	74	72	69	66	63	61
1,640	1,660	90	87	84	81	78	76	73	70	68	65	62
1,660	1,680	91	89	86	83	80	77	74	72	69	66	63
1,680	1,700	93	90	87	84	81	78	76	73	70	68	65
1,700	1,720	94	91	89	86	83	80	77	74	72	69	66
1,720	1,740	96	93	90	87	84	81	78	76	73	70	68
1,740	1,760	97	94	91	89	86	83	80	77	74	72	69
1,760	1,780	99	96	93	90	87	84	81	78	76	73	70
1,780	1,800	100	97	94	91	89	86	83	80	77	74	72
1,800	1,820	102	99	96	93	90	87	84	81	78	76	73
1,820	1,840	103	100	97	94	91	89	86	83	80	77	74
1,840	1,860	104	102	99	96	93	90	87	84	81	78	76
1,860	1,880	106	103	100	97	94	91	89	86	83	80	77
1,880	1,900	107	104	102	99	96	93	90	87	84	81	78
1,900	1,920	109	106	103	100	97	94	91	89	86	83	80
1,920	1,940	111	107	104	102	99	96	93	90	87	84	81
7.60% of excess over \$1,940 plus												
1,940 & over		112	109	106	103	100	97	94	91	89	86	83

Semimonthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	1	0	0	0	0	0	0	0	0	0
100	120	2	1	0	0	0	0	0	0	0	0	0
120	140	2	1	1	0	0	0	0	0	0	0	0
140	160	3	2	1	0	0	0	0	0	0	0	0
160	180	4	2	1	1	0	0	0	0	0	0	0
180	200	4	3	2	1	0	0	0	0	0	0	0
200	220	5	4	2	1	1	0	0	0	0	0	0
220	240	6	4	3	1	1	0	0	0	0	0	0
240	260	7	5	3	2	1	0	0	0	0	0	0
260	280	8	6	4	3	1	1	0	0	0	0	0
280	300	10	7	5	3	2	1	0	0	0	0	0
300	320	11	8	6	4	3	1	1	0	0	0	0
320	340	12	9	7	5	3	2	1	0	0	0	0
340	360	13	10	8	6	4	2	1	1	0	0	0
360	380	14	12	9	7	4	3	2	1	0	0	0
380	400	15	13	10	8	6	4	2	1	1	0	0
400	420	16	14	11	9	7	4	3	2	1	0	0
420	440	18	15	12	10	8	5	4	2	1	1	0
440	460	19	16	14	11	9	6	4	3	2	1	0
460	480	20	17	15	12	10	8	5	4	2	1	1
480	500	21	19	16	13	11	9	6	4	3	1	1
500	520	23	20	17	14	12	10	7	5	3	2	1
520	540	24	21	18	16	13	11	8	6	4	3	1
540	560	25	22	20	17	14	12	10	7	5	3	2
560	580	26	24	21	18	15	13	11	8	6	4	3
580	600	28	25	22	19	17	14	12	9	7	5	3
600	620	29	26	23	21	18	15	13	10	8	6	4
620	640	30	28	25	22	19	16	14	12	9	7	4
640	660	32	29	26	23	21	18	15	13	10	8	6
660	680	33	30	27	25	22	19	16	14	11	9	7
680	700	35	32	29	26	23	20	18	15	12	10	8
700	720	36	33	30	27	24	22	19	16	14	11	9
720	740	37	34	31	28	26	23	20	17	15	12	10
740	760	39	36	33	30	27	24	21	19	16	13	11
760	780	40	37	34	31	28	25	23	20	17	14	12
780	800	41	38	35	32	30	27	24	21	18	16	13
800	820	43	40	37	34	31	28	25	22	20	17	14
820	840	44	41	38	35	32	29	26	24	21	18	15
840	860	46	42	40	37	34	31	28	25	22	19	17
860	880	47	44	41	38	35	32	29	26	23	21	18
880	900	48	45	42	39	36	33	30	28	25	22	19
900	920	50	47	44	41	38	35	32	29	26	23	20
920	940	51	48	45	42	39	36	33	30	27	25	22
940	960	53	50	47	43	40	37	35	32	29	26	23
960	980	54	51	48	45	42	39	36	33	30	27	24
980	1,000	56	53	49	46	43	40	37	34	31	28	26
1,000	1,020	57	54	51	48	45	42	39	36	33	30	27

Semimonthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	59	55	52	49	46	43	40	37	34	31	28
1,040	1,060	60	57	54	51	48	44	41	38	35	32	30
1,060	1,080	62	58	55	52	49	46	43	40	37	34	31
1,080	1,100	63	60	57	54	50	47	44	41	38	35	32
1,100	1,120	65	61	58	55	52	49	46	42	39	37	34
1,120	1,140	66	63	60	56	53	50	47	44	41	38	35
1,140	1,160	68	65	61	58	55	52	48	45	42	39	36
1,160	1,180	69	66	63	59	56	53	50	47	44	41	38
1,180	1,200	71	68	64	61	58	54	51	48	45	42	39
1,200	1,220	72	69	66	62	59	56	53	50	47	43	40
1,220	1,240	74	71	67	64	61	57	54	51	48	45	42
1,240	1,260	75	72	69	66	62	59	56	53	49	46	43
1,260	1,280	77	74	70	67	64	60	57	54	51	48	45
1,280	1,300	78	75	72	69	65	62	59	55	52	49	46
7.60% of excess over \$1,300 plus												
1,300	& over	80	77	73	70	67	63	60	57	54	51	48

Semimonthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	1	0	0	0	0	0	0	0	0	0
100	120	2	1	0	0	0	0	0	0	0	0	0
120	140	2	1	1	0	0	0	0	0	0	0	0
140	160	2	1	1	0	0	0	0	0	0	0	0
160	180	2	2	1	1	0	0	0	0	0	0	0
180	200	3	2	1	1	0	0	0	0	0	0	0
200	220	3	2	2	1	1	0	0	0	0	0	0
220	240	4	3	2	1	1	0	0	0	0	0	0
240	260	4	3	2	2	1	0	0	0	0	0	0
260	280	5	4	3	2	1	1	0	0	0	0	0
280	300	6	4	3	2	2	1	0	0	0	0	0
300	320	6	5	4	3	2	1	1	0	0	0	0
320	340	7	6	4	3	2	2	1	0	0	0	0
340	360	8	6	5	3	2	2	1	1	0	0	0
360	380	8	7	5	4	3	2	2	1	0	0	0
380	400	9	7	6	5	3	2	2	1	1	0	0
400	420	10	8	7	5	4	3	2	1	1	0	0
420	440	11	9	7	6	5	3	2	2	1	1	0
440	460	12	10	8	7	5	4	3	2	1	1	0
460	480	13	11	9	7	6	5	3	2	2	1	1
480	500	14	12	9	8	7	5	4	3	2	1	1
500	520	15	13	10	9	7	6	4	3	2	2	1
520	540	16	14	12	9	8	6	5	4	3	2	1
540	560	17	15	13	10	8	7	6	4	3	2	2
560	580	19	16	14	11	9	8	6	5	4	3	2
580	600	20	17	15	12	10	8	7	6	4	3	2
600	620	21	18	16	14	11	9	8	6	5	3	2
620	640	22	19	17	15	12	10	8	7	5	4	3
640	660	23	21	18	16	13	11	9	7	6	5	3
660	680	24	22	19	17	15	12	10	8	7	5	4
680	700	25	23	20	18	16	13	11	9	7	6	5
700	720	26	24	21	19	17	14	12	10	8	7	5
720	740	27	25	23	20	18	15	13	11	9	7	6
740	760	28	26	24	21	19	17	14	12	9	8	7
760	780	30	27	25	22	20	18	15	13	10	9	7
780	800	31	28	26	23	21	19	16	14	12	9	8
800	820	32	29	27	25	22	20	17	15	13	10	8
820	840	33	30	28	26	23	21	19	16	14	11	9
840	860	34	32	29	27	24	22	20	17	15	12	10
860	880	36	33	30	28	26	23	21	18	16	14	11
880	900	37	34	31	29	27	24	22	19	17	15	12
900	920	38	35	33	30	28	25	23	21	18	16	13
920	940	40	37	34	31	29	26	24	22	19	17	15
940	960	41	38	35	32	30	28	25	23	20	18	16
960	980	42	39	37	34	31	29	26	24	21	19	17
980	1,000	43	41	38	35	32	30	27	25	23	20	18
1,000	1,020	45	42	39	36	34	31	28	26	24	21	19

Semimonthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	46	43	40	38	35	32	30	27	25	22	20
1,040	1,060	47	44	42	39	36	33	31	28	26	23	21
1,060	1,080	48	46	43	40	37	35	32	29	27	25	22
1,080	1,100	50	47	44	41	39	36	33	30	28	26	23
1,100	1,120	51	48	45	43	40	37	34	32	29	27	24
1,120	1,140	52	50	47	44	41	38	36	33	30	28	26
1,140	1,160	54	51	48	45	43	40	37	34	31	29	27
1,160	1,180	55	52	49	47	44	41	38	35	33	30	28
1,180	1,200	56	53	51	48	45	42	40	37	34	31	29
1,200	1,220	57	55	52	49	46	44	41	38	35	32	30
1,220	1,240	59	56	53	50	48	45	42	39	37	34	31
1,240	1,260	60	57	54	52	49	46	43	41	38	35	32
1,260	1,280	62	59	56	53	50	47	45	42	39	36	34
1,280	1,300	63	60	57	54	51	49	46	43	40	38	35
1,300	1,320	64	61	58	56	53	50	47	44	42	39	36
1,320	1,340	66	63	60	57	54	51	48	46	43	40	37
1,340	1,360	67	64	61	58	55	53	50	47	44	41	39
1,360	1,380	68	65	62	60	57	54	51	48	45	43	40
1,380	1,400	70	67	64	61	58	55	52	50	47	44	41
1,400	1,420	71	68	65	62	59	56	54	51	48	45	42
1,420	1,440	72	69	67	64	61	58	55	52	49	47	44
1,440	1,460	74	71	68	65	62	59	56	53	51	48	45
1,460	1,480	75	72	69	66	63	60	57	55	52	49	46
1,480	1,500	77	74	71	68	65	62	59	56	53	50	48
1,500	1,520	78	75	72	69	66	63	60	57	54	52	49
1,520	1,540	79	76	73	70	67	65	62	59	56	53	50
1,540	1,560	81	78	75	72	69	66	63	60	57	54	51
1,560	1,580	82	79	76	73	70	67	64	61	58	56	53
1,580	1,600	83	80	77	74	72	69	66	63	60	57	54
1,600	1,620	85	82	79	76	73	70	67	64	61	58	55
1,620	1,640	86	83	80	77	74	71	68	65	62	60	57
1,640	1,660	88	84	82	79	76	73	70	67	64	61	58
1,660	1,680	89	86	83	80	77	74	71	68	65	62	59
1,680	1,700	90	87	84	81	78	75	72	69	67	64	61
1,700	1,720	92	89	86	83	80	77	74	71	68	65	62
1,720	1,740	93	90	87	84	81	78	75	72	69	66	63
1,740	1,760	95	92	89	85	82	79	77	74	71	68	65
1,760	1,780	96	93	90	87	84	81	78	75	72	69	66
1,780	1,800	98	95	91	88	85	82	79	76	73	70	67
1,800	1,820	99	96	93	90	87	84	81	78	75	72	69
1,820	1,840	101	97	94	91	88	85	82	79	76	73	70
1,840	1,860	102	99	96	93	90	86	83	80	77	74	72
1,860	1,880	103	100	97	94	91	88	85	82	79	76	73
1,880	1,900	105	102	99	96	92	89	86	83	80	77	74
1,900	1,920	106	103	100	97	94	91	88	84	81	79	76
1,920	1,940	108	105	102	98	95	92	89	86	83	80	77
1,940	1,960	109	106	103	100	97	94	90	87	84	81	78
1,960	1,980	111	108	104	101	98	95	92	89	86	83	80
1,980	2,000	112	109	106	103	100	96	93	90	87	84	81
2,000	2,020	114	110	107	104	101	98	95	92	89	85	82

Semimonthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
2,020	2,040	115	112	109	106	102	99	96	93	90	87	84
2,040	2,060	117	113	110	107	104	101	98	95	91	88	85
2,060	2,080	118	115	112	108	105	102	99	96	93	90	87
2,080	2,100	120	116	113	110	107	104	101	97	94	91	88
7.60% of excess over \$2,100 plus												
2,100 & over		121	118	115	111	108	105	102	99	96	93	90

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	0	0	0	0	0	0	0	0	0	0
100	120	2	0	0	0	0	0	0	0	0	0	0
120	140	2	1	0	0	0	0	0	0	0	0	0
140	160	2	1	0	0	0	0	0	0	0	0	0
160	180	2	1	0	0	0	0	0	0	0	0	0
180	200	3	1	0	0	0	0	0	0	0	0	0
200	220	3	2	1	0	0	0	0	0	0	0	0
220	240	4	2	1	0	0	0	0	0	0	0	0
240	260	4	2	1	0	0	0	0	0	0	0	0
260	280	5	3	1	0	0	0	0	0	0	0	0
280	300	6	3	2	0	0	0	0	0	0	0	0
300	320	6	4	2	1	0	0	0	0	0	0	0
320	340	7	4	2	1	0	0	0	0	0	0	0
340	360	8	5	2	1	0	0	0	0	0	0	0
360	380	8	5	3	2	0	0	0	0	0	0	0
380	400	9	6	3	2	1	0	0	0	0	0	0
400	420	10	7	4	2	1	0	0	0	0	0	0
420	440	11	7	5	2	1	0	0	0	0	0	0
440	460	12	8	5	3	1	0	0	0	0	0	0
460	480	13	9	6	3	2	1	0	0	0	0	0
480	500	14	9	7	4	2	1	0	0	0	0	0
500	520	15	10	7	4	2	1	0	0	0	0	0
520	540	16	12	8	5	3	1	0	0	0	0	0
540	560	17	13	8	6	3	2	0	0	0	0	0
560	580	19	14	9	6	4	2	1	0	0	0	0
580	600	20	15	10	7	4	2	1	0	0	0	0
600	620	21	16	11	8	5	2	1	0	0	0	0
620	640	22	17	12	8	5	3	2	0	0	0	0
640	660	23	18	13	9	6	3	2	1	0	0	0
660	680	24	19	15	10	7	4	2	1	0	0	0
680	700	25	20	16	11	7	5	2	1	0	0	0
700	720	26	21	17	12	8	5	3	1	0	0	0
720	740	27	23	18	13	9	6	3	2	1	0	0
740	760	28	24	19	14	9	7	4	2	1	0	0
760	780	30	25	20	15	10	7	4	2	1	0	0
780	800	31	26	21	16	12	8	5	3	1	0	0
800	820	32	27	22	17	13	8	6	3	2	0	0
820	840	33	28	23	19	14	9	6	4	2	1	0
840	860	34	29	24	20	15	10	7	4	2	1	0
860	880	36	30	26	21	16	11	8	5	2	1	0
880	900	37	31	27	22	17	12	8	5	3	2	0
900	920	38	33	28	23	18	13	9	6	3	2	1
920	940	40	34	29	24	19	15	10	7	4	2	1
940	960	41	35	30	25	20	16	11	7	5	2	1
960	980	42	37	31	26	21	17	12	8	5	3	1
980	1,000	43	38	32	27	23	18	13	9	6	3	2
1,000	1,020	45	39	34	28	24	19	14	9	7	4	2

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	46	40	35	30	25	20	15	10	7	4	2
1,040	1,060	47	42	36	31	26	21	16	12	8	5	3
1,060	1,080	48	43	37	32	27	22	17	13	8	6	3
1,080	1,100	50	44	39	33	28	23	19	14	9	6	4
1,100	1,120	51	45	40	34	29	24	20	15	10	7	4
1,120	1,140	52	47	41	36	30	26	21	16	11	8	5
1,140	1,160	54	48	43	37	31	27	22	17	12	8	5
1,160	1,180	55	49	44	38	33	28	23	18	13	9	6
1,180	1,200	56	51	45	40	34	29	24	19	15	10	7
1,200	1,220	57	52	46	41	35	30	25	20	16	11	7
1,220	1,240	59	53	48	42	37	31	26	21	17	12	8
1,240	1,260	60	54	49	43	38	32	27	23	18	13	9
1,260	1,280	62	56	50	45	39	34	28	24	19	14	9
1,280	1,300	63	57	51	46	40	35	30	25	20	15	10
1,300	1,320	64	58	53	47	42	36	31	26	21	16	12
1,320	1,340	66	60	54	48	43	37	32	27	22	17	13
1,340	1,360	67	61	55	50	44	39	33	28	23	19	14
1,360	1,380	68	62	57	51	45	40	34	29	24	20	15
1,380	1,400	70	64	58	52	47	41	36	30	26	21	16
1,400	1,420	71	65	59	54	48	43	37	31	27	22	17
1,420	1,440	72	67	61	55	49	44	38	33	28	23	18
1,440	1,460	74	68	62	56	51	45	40	34	29	24	19
1,460	1,480	75	69	63	57	52	46	41	35	30	25	20
1,480	1,500	77	71	65	59	53	48	42	37	31	26	21
1,500	1,520	78	72	66	60	54	49	43	38	32	27	23
1,520	1,540	79	73	67	62	56	50	45	39	34	28	24
1,540	1,560	81	75	69	63	57	51	46	40	35	30	25
1,560	1,580	82	76	70	64	58	53	47	42	36	31	26
1,580	1,600	83	77	72	66	60	54	48	43	37	32	27
1,600	1,620	85	79	73	67	61	55	50	44	39	33	28
1,620	1,640	86	80	74	68	62	57	51	46	40	34	29
1,640	1,660	88	82	76	70	64	58	52	47	41	36	30
1,660	1,680	89	83	77	71	65	59	54	48	43	37	31
1,680	1,700	90	84	78	72	67	61	55	49	44	38	33
1,700	1,720	92	86	80	74	68	62	56	51	45	40	34
1,720	1,740	93	87	81	75	69	63	57	52	46	41	35
1,740	1,760	95	89	82	77	71	65	59	53	48	42	37
1,760	1,780	96	90	84	78	72	66	60	54	49	43	38
1,780	1,800	98	91	85	79	73	67	62	56	50	45	39
1,800	1,820	99	93	87	81	75	69	63	57	51	46	40
1,820	1,840	101	94	88	82	76	70	64	58	53	47	42
1,840	1,860	102	96	90	83	77	72	66	60	54	48	43
1,860	1,880	103	97	91	85	79	73	67	61	55	50	44
1,880	1,900	105	99	92	86	80	74	68	62	57	51	46
1,900	1,920	106	100	94	88	82	76	70	64	58	52	47
1,920	1,940	108	102	95	89	83	77	71	65	59	54	48
1,940	1,960	109	103	97	90	84	78	72	67	61	55	49
1,960	1,980	111	104	98	92	86	80	74	68	62	56	51
1,980	2,000	112	106	100	93	87	81	75	69	63	57	52
2,000	2,020	114	107	101	95	89	82	77	71	65	59	53

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
2,020	2,040	115	109	102	96	90	84	78	72	66	60	54
2,040	2,060	117	110	104	98	91	85	79	73	67	62	56
2,060	2,080	118	112	105	99	93	87	81	75	69	63	57
2,080	2,100	120	113	107	101	94	88	82	76	70	64	58
2,100	2,120	121	115	108	102	96	90	83	77	72	66	60
2,120	2,140	123	116	110	103	97	91	85	79	73	67	61
2,140	2,160	124	118	111	105	99	92	86	80	74	68	62
2,160	2,180	126	119	113	106	100	94	88	82	76	70	64
2,180	2,200	127	121	114	108	102	95	89	83	77	71	65
2,200	2,220	129	122	116	109	103	97	90	84	78	72	67
2,220	2,240	130	124	117	111	104	98	92	86	80	74	68
2,240	2,260	132	125	119	112	106	100	93	87	81	75	69
2,260	2,280	133	127	120	114	107	101	95	89	82	77	71
2,280	2,300	135	128	122	115	109	102	96	90	84	78	72
2,300	2,320	136	130	123	117	110	104	98	91	85	79	73
2,320	2,340	138	131	125	118	112	105	99	93	87	81	75
2,340	2,360	139	133	126	120	113	107	101	94	88	82	76
2,360	2,380	141	134	128	121	115	108	102	96	90	83	77
2,380	2,400	142	136	129	123	116	110	103	97	91	85	79
2,400	2,420	144	137	131	124	118	111	105	99	92	86	80
2,420	2,440	145	139	132	126	119	113	106	100	94	88	82
2,440	2,460	147	140	134	127	121	114	108	102	95	89	83
2,460	2,480	149	142	135	129	122	116	109	103	97	90	84
2,480	2,500	150	143	137	130	124	117	111	104	98	92	86
2,500	2,520	152	145	138	132	125	119	112	106	100	93	87
2,520	2,540	153	146	140	133	127	120	114	107	101	95	89
7.60% of excess over \$2,540 plus												
2,540	& over	155	148	141	135	128	122	115	109	102	96	90

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	40	0	0	0	0	0	0	0	0	0	0	0
40	60	1	0	0	0	0	0	0	0	0	0	0
60	80	1	0	0	0	0	0	0	0	0	0	0
80	100	1	0	0	0	0	0	0	0	0	0	0
100	120	2	0	0	0	0	0	0	0	0	0	0
120	140	2	1	0	0	0	0	0	0	0	0	0
140	160	2	1	0	0	0	0	0	0	0	0	0
160	180	2	1	0	0	0	0	0	0	0	0	0
180	200	3	1	0	0	0	0	0	0	0	0	0
200	220	3	2	1	0	0	0	0	0	0	0	0
220	240	3	2	1	0	0	0	0	0	0	0	0
240	260	4	2	1	0	0	0	0	0	0	0	0
260	280	4	3	1	0	0	0	0	0	0	0	0
280	300	4	3	2	0	0	0	0	0	0	0	0
300	320	4	3	2	1	0	0	0	0	0	0	0
320	340	5	3	2	1	0	0	0	0	0	0	0
340	360	5	4	2	1	0	0	0	0	0	0	0
360	380	5	4	3	2	0	0	0	0	0	0	0
380	400	5	4	3	2	1	0	0	0	0	0	0
400	420	6	5	3	2	1	0	0	0	0	0	0
420	440	7	5	4	2	1	0	0	0	0	0	0
440	460	7	5	4	3	1	0	0	0	0	0	0
460	480	8	5	4	3	2	1	0	0	0	0	0
480	500	8	6	4	3	2	1	0	0	0	0	0
500	520	9	6	5	4	2	1	0	0	0	0	0
520	540	10	7	5	4	3	1	0	0	0	0	0
540	560	10	8	5	4	3	2	0	0	0	0	0
560	580	11	8	6	4	3	2	1	0	0	0	0
580	600	12	9	6	5	3	2	1	0	0	0	0
600	620	12	10	7	5	4	2	1	0	0	0	0
620	640	13	10	7	5	4	3	2	0	0	0	0
640	660	14	11	8	5	4	3	2	1	0	0	0
660	680	14	11	9	6	5	3	2	1	0	0	0
680	700	15	12	9	7	5	4	2	1	0	0	0
700	720	16	13	10	7	5	4	3	1	0	0	0
720	740	16	13	11	8	5	4	3	2	1	0	0
740	760	17	14	11	8	6	4	3	2	1	0	0
760	780	17	15	12	9	6	5	4	2	1	0	0
780	800	18	15	13	10	7	5	4	3	1	0	0
800	820	19	16	13	10	8	5	4	3	2	0	0
820	840	20	17	14	11	8	6	4	3	2	1	0
840	860	21	17	14	12	9	6	5	3	2	1	0
860	880	22	18	15	12	10	7	5	4	2	1	0
880	900	23	19	16	13	10	7	5	4	3	2	0
900	920	24	20	16	14	11	8	5	4	3	2	1
920	940	26	21	17	14	11	9	6	5	3	2	1
940	960	27	22	18	15	12	9	7	5	4	2	1
960	980	28	23	18	16	13	10	7	5	4	3	1
980	1,000	29	24	19	16	13	11	8	5	4	3	2
1,000	1,020	30	25	20	17	14	11	8	6	4	3	2

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
1,020	1,040	31	26	22	17	15	12	9	6	5	4	2
1,040	1,060	32	27	23	18	15	13	10	7	5	4	3
1,060	1,080	33	28	24	19	16	13	10	8	5	4	3
1,080	1,100	34	30	25	20	17	14	11	8	6	4	3
1,100	1,120	35	31	26	21	17	14	12	9	6	5	3
1,120	1,140	37	32	27	22	18	15	12	10	7	5	4
1,140	1,160	38	33	28	23	19	16	13	10	7	5	4
1,160	1,180	39	34	29	24	20	16	14	11	8	5	4
1,180	1,200	40	35	30	26	21	17	14	11	9	6	5
1,200	1,220	41	36	31	27	22	18	15	12	9	7	5
1,220	1,240	42	37	33	28	23	18	16	13	10	7	5
1,240	1,260	43	38	34	29	24	19	16	13	11	8	5
1,260	1,280	44	39	35	30	25	20	17	14	11	8	6
1,280	1,300	45	41	36	31	26	22	17	15	12	9	6
1,300	1,320	46	42	37	32	27	23	18	15	13	10	7
1,320	1,340	48	43	38	33	28	24	19	16	13	10	8
1,340	1,360	49	44	39	34	30	25	20	17	14	11	8
1,360	1,380	50	45	40	35	31	26	21	17	14	12	9
1,380	1,400	51	46	41	37	32	27	22	18	15	12	10
1,400	1,420	52	47	42	38	33	28	23	19	16	13	10
1,420	1,440	53	48	44	39	34	29	24	20	16	14	11
1,440	1,460	54	49	45	40	35	30	26	21	17	14	11
1,460	1,480	55	50	46	41	36	31	27	22	18	15	12
1,480	1,500	56	52	47	42	37	33	28	23	18	16	13
1,500	1,520	57	53	48	43	38	34	29	24	19	16	13
1,520	1,540	59	54	49	44	39	35	30	25	20	17	14
1,540	1,560	60	55	50	45	41	36	31	26	22	17	15
1,560	1,580	61	56	51	46	42	37	32	27	23	18	15
1,580	1,600	62	57	52	48	43	38	33	28	24	19	16
1,600	1,620	63	58	53	49	44	39	34	30	25	20	17
1,620	1,640	64	59	55	50	45	40	35	31	26	21	17
1,640	1,660	66	60	56	51	46	41	37	32	27	22	18
1,660	1,680	67	61	57	52	47	42	38	33	28	23	19
1,680	1,700	68	63	58	53	48	44	39	34	29	24	20
1,700	1,720	69	64	59	54	49	45	40	35	30	26	21
1,720	1,740	71	65	60	55	50	46	41	36	31	27	22
1,740	1,760	72	66	61	56	52	47	42	37	33	28	23
1,760	1,780	73	68	62	57	53	48	43	38	34	29	24
1,780	1,800	75	69	63	59	54	49	44	39	35	30	25
1,800	1,820	76	70	65	60	55	50	45	41	36	31	26
1,820	1,840	77	72	66	61	56	51	46	42	37	32	27
1,840	1,860	78	73	67	62	57	52	48	43	38	33	28
1,860	1,880	80	74	69	63	58	53	49	44	39	34	30
1,880	1,900	81	75	70	64	59	55	50	45	40	35	31
1,900	1,920	82	77	71	66	60	56	51	46	41	37	32
1,920	1,940	84	78	72	67	61	57	52	47	42	38	33
1,940	1,960	85	79	74	68	63	58	53	48	44	39	34
1,960	1,980	86	81	75	69	64	59	54	49	45	40	35
1,980	2,000	87	82	76	71	65	60	55	50	46	41	36
2,000	2,020	89	83	78	72	66	61	56	52	47	42	37

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
2,020	2,040	90	84	79	73	68	62	57	53	48	43	38
2,040	2,060	91	86	80	75	69	63	59	54	49	44	39
2,060	2,080	92	87	81	76	70	65	60	55	50	45	41
2,080	2,100	94	88	83	77	72	66	61	56	51	46	42
2,100	2,120	95	89	84	78	73	67	62	57	52	48	43
2,120	2,140	96	91	85	80	74	69	63	58	53	49	44
2,140	2,160	98	92	87	81	75	70	64	59	55	50	45
2,160	2,180	99	93	88	82	77	71	66	60	56	51	46
2,180	2,200	100	95	89	84	78	72	67	61	57	52	47
2,200	2,220	101	96	90	85	79	74	68	63	58	53	48
2,220	2,240	103	97	92	86	81	75	69	64	59	54	49
2,240	2,260	104	98	93	87	82	76	71	65	60	55	50
2,260	2,280	105	100	94	89	83	78	72	66	61	56	52
2,280	2,300	107	101	95	90	84	79	73	68	62	57	53
2,300	2,320	108	102	97	91	86	80	75	69	63	59	54
2,320	2,340	109	104	98	92	87	81	76	70	65	60	55
2,340	2,360	110	105	99	94	88	83	77	72	66	61	56
2,360	2,380	112	106	101	95	89	84	78	73	67	62	57
2,380	2,400	113	107	102	96	91	85	80	74	69	63	58
2,400	2,420	114	109	103	98	92	87	81	75	70	64	59
2,420	2,440	116	110	104	99	93	88	82	77	71	66	60
2,440	2,460	117	111	106	100	95	89	84	78	72	67	61
2,460	2,480	118	113	107	101	96	90	85	79	74	68	63
2,480	2,500	120	114	108	103	97	92	86	81	75	69	64
2,500	2,520	121	115	110	104	98	93	87	82	76	71	65
2,520	2,540	122	117	111	105	100	94	89	83	78	72	66
2,540	2,560	124	118	112	107	101	95	90	84	79	73	68
2,560	2,580	125	119	113	108	102	97	91	86	80	75	69
2,580	2,600	127	121	115	109	104	98	92	87	81	76	70
2,600	2,620	128	122	116	110	105	99	94	88	83	77	72
2,620	2,640	129	123	117	112	106	101	95	90	84	78	73
2,640	2,660	131	125	119	113	107	102	96	91	85	80	74
2,660	2,680	132	126	120	114	109	103	98	92	87	81	75
2,680	2,700	133	127	122	116	110	104	99	93	88	82	77
2,700	2,720	135	129	123	117	111	106	100	95	89	84	78
2,720	2,740	136	130	124	118	113	107	101	96	90	85	79
2,740	2,760	137	132	126	120	114	108	103	97	92	86	81
2,760	2,780	139	133	127	121	115	110	104	98	93	87	82
2,780	2,800	140	134	128	122	117	111	105	100	94	89	83
2,800	2,820	141	136	130	124	118	112	107	101	95	90	84
2,820	2,840	143	137	131	125	119	113	108	102	97	91	86
2,840	2,860	144	138	132	127	121	115	109	104	98	92	87
2,860	2,880	146	140	134	128	122	116	110	105	99	94	88
2,880	2,900	147	141	135	129	123	117	112	106	101	95	90
2,900	2,920	148	142	136	131	125	119	113	107	102	96	91
2,920	2,940	150	144	138	132	126	120	114	109	103	98	92
2,940	2,960	151	145	139	133	127	122	116	110	104	99	93
2,960	2,980	152	146	141	135	129	123	117	111	106	100	95
2,980	3,000	154	148	142	136	130	124	118	113	107	101	96
3,000	3,020	155	149	143	137	132	126	120	114	108	103	97

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
3,020	3,040	156	151	145	139	133	127	121	115	110	104	98
3,040	3,060	158	152	146	140	134	128	122	117	111	105	100
3,060	3,080	159	153	147	141	136	130	124	118	112	107	101
3,080	3,100	161	155	149	143	137	131	125	119	113	108	102
3,100	3,120	162	156	150	144	138	132	127	121	115	109	104
3,120	3,140	163	157	151	146	140	134	128	122	116	110	105
3,140	3,160	165	159	153	147	141	135	129	123	117	112	106
3,160	3,180	166	160	154	148	142	136	131	125	119	113	107
3,180	3,200	167	161	156	150	144	138	132	126	120	114	109
3,200	3,220	169	163	157	151	145	139	133	127	122	116	110
3,220	3,240	170	164	158	152	146	141	135	129	123	117	111
3,240	3,260	172	166	160	154	148	142	136	130	124	118	113
3,260	3,280	173	167	161	155	149	143	137	132	126	120	114
3,280	3,300	174	168	162	156	151	145	139	133	127	121	115
3,300	3,320	176	170	164	158	152	146	140	134	128	122	117
3,320	3,340	177	171	165	159	153	147	141	136	130	124	118
3,340	3,360	179	173	166	161	155	149	143	137	131	125	119
3,360	3,380	180	174	168	162	156	150	144	138	132	127	121
3,380	3,400	182	175	169	163	157	151	146	140	134	128	122
3,400	3,420	183	177	171	165	159	153	147	141	135	129	123
3,420	3,440	185	178	172	166	160	154	148	142	137	131	125
3,440	3,460	186	180	174	167	161	156	150	144	138	132	126
3,460	3,480	187	181	175	169	163	157	151	145	139	133	127
3,480	3,500	189	183	176	170	164	158	152	146	141	135	129
3,500	3,520	190	184	178	172	166	160	154	148	142	136	130
3,520	3,540	192	186	179	173	167	161	155	149	143	137	132
3,540	3,560	193	187	181	174	168	162	156	151	145	139	133
3,560	3,580	195	188	182	176	170	164	158	152	146	140	134
3,580	3,600	196	190	184	177	171	165	159	153	147	141	136
3,600	3,620	198	191	185	179	173	166	161	155	149	143	137
3,620	3,640	199	193	186	180	174	168	162	156	150	144	138
3,640	3,660	200	194	188	182	175	169	163	157	151	146	140
3,660	3,680	202	196	189	183	177	171	165	159	153	147	141
3,680	3,700	203	197	191	185	178	172	166	160	154	148	142
3,700	3,720	205	198	192	186	180	174	167	161	156	150	144
3,720	3,740	206	200	194	187	181	175	169	163	157	151	145
3,740	3,760	208	201	195	189	183	176	170	164	158	152	146
3,760	3,780	209	203	197	190	184	178	172	166	160	154	148
3,780	3,800	210	204	198	192	186	179	173	167	161	155	149
3,800	3,820	212	206	199	193	187	181	174	168	162	156	151
3,820	3,840	213	207	201	195	188	182	176	170	164	158	152
3,840	3,860	215	209	202	196	190	184	177	171	165	159	153
3,860	3,880	216	210	204	198	191	185	179	173	166	161	155
3,880	3,900	218	211	205	199	193	186	180	174	168	162	156
3,900	3,920	219	213	207	200	194	188	182	175	169	163	157
3,920	3,940	221	214	208	202	196	189	183	177	171	165	159
3,940	3,960	222	216	210	203	197	191	185	178	172	166	160
3,960	3,980	223	217	211	205	198	192	186	180	174	167	161
3,980	4,000	225	219	212	206	200	194	187	181	175	169	163
4,000	4,020	226	220	214	208	201	195	189	183	176	170	164

Monthly PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
4,020	4,040	228	222	215	209	203	197	190	184	178	172	166
4,040	4,060	229	223	217	210	204	198	192	186	179	173	167
4,060	4,080	231	224	218	212	206	199	193	187	181	174	168
4,080	4,100	232	226	220	213	207	201	195	188	182	176	170
4,100	4,120	234	227	221	215	209	202	196	190	184	177	171
4,120	4,140	235	229	222	216	210	204	198	191	185	179	173
4,140	4,160	237	230	224	218	211	205	199	193	186	180	174
4,160	4,180	239	232	225	219	213	207	200	194	188	182	175
4,180	4,200	240	233	227	221	214	208	202	196	189	183	177
7.60% of excess over \$4,200 plus												
4,200 & over		242	235	228	222	216	210	203	197	191	185	178

Daily PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Single PERSONS — UNMARRIED Heads of Household

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	10	0	0	0	0	0	0	0	0	0	0	0
10	20	0	0	0	0	0	0	0	0	0	0	0
20	30	1	1	1	0	0	0	0	0	0	0	0
30	40	2	1	1	1	1	1	1	0	0	0	0
40	50	2	2	2	2	1	1	1	1	1	1	0
50	60	3	3	3	2	2	2	2	2	1	1	1
60	70	4	3	3	3	3	3	2	2	2	2	2
70	80	4	4	4	4	4	3	3	3	3	3	2
7.60% of excess over \$80 plus												
80 & over		5	5	5	5	4	4	4	4	3	3	3

Daily PAYROLL PERIOD
For Calendar Year 2007, and thereafter
Married PERSONS

WAGES ARE		NUMBER OF WITHHOLDING ALLOWANCES CLAIMED										
AT LEAST	BUT LESS THAN	0	1	2	3	4	5	6	7	8	9	10 or more
		AMOUNT OF INCOME TAX TO BE WITHHELD										
0	10	0	0	0	0	0	0	0	0	0	0	0
10	20	0	0	0	0	0	0	0	0	0	0	0
20	30	1	0	0	0	0	0	0	0	0	0	0
30	40	1	1	1	1	1	0	0	0	0	0	0
40	50	2	1	1	1	1	1	1	1	0	0	0
50	60	2	2	2	2	2	1	1	1	1	1	1
60	70	3	3	2	2	2	2	2	2	1	1	1
70	80	3	3	3	3	3	3	2	2	2	2	2
80	90	4	4	4	4	3	3	3	3	3	2	2
90	100	5	5	4	4	4	4	4	4	3	3	3
100	110	6	5	5	5	5	5	4	4	4	4	4
110	120	6	6	6	6	5	5	5	5	5	4	4
120	130	7	7	7	6	6	6	6	6	5	5	5
130	140	8	7	7	7	7	7	6	6	6	6	6
140	150	8	8	8	8	8	7	7	7	7	7	6
150	160	9	9	9	9	8	8	8	8	7	7	7
160	170	10	10	10	9	9	9	9	8	8	8	8
170	180	11	11	10	10	10	10	9	9	9	9	9
180	190	11	11	11	11	11	10	10	10	10	10	9
7.60% of excess over \$200 plus												
200 & over		13	13	13	12	12	12	12	11	11	11	11

DEPARTMENT OF TAXATION
STATE OF HAWAII
P.O. BOX 259
HONOLULU, HAWAII 96809-0259

PRSR STD
U.S. POSTAGE
PAID
HONOLULU, HI
PERMIT NO. 481