

Historical Note: Beginning July 1, 2009, this Revenue Information Bulletin has been superseded by [Revenue Information Bulletin No. 09-012](#).

**Revenue Information Bulletin No. 02-022
June 10, 2009
Individual Income Tax**

Withholding Tax Examples

The Department is in the process of promulgating a regulation to provide the withholding tables or formula to be used to compute withholding tax beginning January 1, 2003. Numerous taxpayers have requested an example of the application of the formula included in the proposed regulation. The following are two examples employing the formula method provided by proposed regulation LAC 61:I.1501:

Example 1: Married employee earning \$1,893 semimonthly, claiming himself, his spouse, and two children.

The overall structure of the formula used to compute the withholding tax is to compute the tax on the total wage amount and then subtract the tax effect of the personal exemptions and dependents. This is represented as $Tax = (A + B + C) - (D + E)$, where A, B, and C are tax amounts, and D and E are the effects of the personal and dependent exemptions. The exemptions are taken from the lower tax brackets and will not exceed the second bracket. None of A, B, C, D or E can be negative numbers. If the amount for one of these variables computes to a negative number use zero for that variable.

A = $\$1,893 * .021$ *all the income is taxed at 2.1%*

B = $.0135 * [\$1,893 - (\underline{\$25,000})]$ *all income exceeding the first tax bracket is taxed an 24 additional 1.35%*

C = $.0135 * [\frac{\$1,893 - (\underline{\$50,000})}{24}]$ *all third tax bracket income is taxed an additional 1.35%*

D = $.021 * (\frac{(2 * \$4,500) + (2 * \$1,000)}{24})$ *the entire amount of exemptions is worth at least the 2.1% of the first tax bracket*

E = $.0135 * (\frac{((2 * \$4,500) + (2 * \$1,000) - \$25,000)}{24})$ *exemptions in the second tax bracket, if any, are worth and additional 1.35%*

Tax = $(A + B + C) - (D + E)$

Tax = $(\$39.75 + \$11.49 + \$0) - (\$9.63 + \$0) = \41.61

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Example 2: Single employee earning \$666.67 monthly, claiming himself.

The procedure in this example is the same as in example one. However, the filing status is single with no dependents and the payment frequency is monthly.

$$A = \$666.67 * .021$$

$$B = .0135 * [\$666.67 - \frac{(\$12,500)}{12}]$$

$$C = .0135 * [\$666.67 - \frac{(\$25,000)}{12}]$$

$$D = .021 * (\frac{(1 * \$4,500) + (0 * \$1,000)}{12})$$

$$E = .0135 * (\frac{((1 * \$4,500) + (0 * \$1,000)) - \$12,500}{12})$$

$$\text{Tax} = (A + B + C) - (D + E)$$

$$\text{Tax} = (\$14.00 + \$0 + \$0) - (\$7.88 + \$0) = \$6.12$$

Interested parties may contact the Taxpayer Services Division at (225) 219-0102.