



## Withholding Tax Formula Method

Louisiana Administrative Code 61:I.1501 provides the income tax withholding tables and formulas required by [R.S. 47:112](#) to enable employers to deduct and withhold the proper amount of income tax from their employee's wages.

The income tax withholding formulas provided in Subsection D of the regulation are based on the number of personal exemptions claimed on the employee's Withholding Exemption Certificate (L-4), [Form R-1300](#). Single taxpayers can claim 0 or 1 personal exemption. Married taxpayers can claim 0, 1, or 2 personal exemptions.

Based on the number of personal exemptions and annual wage, the withholding tax should be calculated using the formula in Paragraph A for employees who claim 0 or 1 exemption or the formula in Paragraph B for employees who claim 2 exemptions.

Once it has been determined which formula to use, the withholding tax per pay period can be determined based on the employee's salary per pay period, the number of personal exemptions and the number of dependency credits. In calculating the withholding tax, if any of the variables in the formula are negative, the variable should be considered zero.

Subsection D of LAC 61:I.1501 provides as follows:

**A. Withholding Formulas for Single or Married Taxpayers Claiming 0 or 1 Personal Exemption:**

W is the withholding tax per pay period.

S is employee's salary per pay period for each bracket.

X is the number of personal exemptions; X must be 0 or 1.

Y is the number of dependency credits; Y must be a whole number that is 0 or greater.

N is the number of pay periods.

A is the effect of the personal exemptions and dependency credits equal to or less than \$12,500;

$$A = .021 (((X * 4500) + (Y * 1000)) \div N).$$

B is the effect of the personal exemptions and dependency credits in excess of \$12,500;

$$B = .016 (((X * 4500) + (Y * 1000)) - 12,500) \div N).$$

If annual wages are less than or equal to \$12,500, Then

$$W = .021(S) - (A + B).$$

If annual wages are greater than \$12,500, but less than or equal to \$50,000, Then

$$W = .021(S) + .0160(S - (12,500 \div N)) - (A + B).$$

If annual wages are greater than \$50,000, Then

$$W = .021(S) + .0160(S - (12,500 \div N)) + .0135(S - (50,000 \div N)) - (A + B).$$

**B. Withholding Formulas for Married Taxpayers Claiming 2 Personal Exemptions:**

W is the withholding tax per pay period.

S is the employee's salary per pay period for each bracket.

X is the number of personal exemptions. X must be 2.

Y is the number of dependency credits. Y must be 0 or greater.

N is the number of pay periods.

A is the effect of the personal exemptions and dependency credits equal to or less than \$25,000;

$$A = .021 (((X * 4500) + (Y * 1000)) \div N)$$

B is the effect of the personal exemptions and dependency credits in excess of \$25,000;

$$B = .0165 (((X * 4500) + (Y * 1000)) - 25,000) \div N)$$

If annual wages are less than or equal to \$25,000, Then

$$W = .021(S) - (A + B).$$

If annual wages are greater than \$25,000, but less than or equal to \$100,000, Then

$$W = .021(S) + .0165(S - (25,000 \div N)) - (A + B).$$

If annual wages are greater than \$100,000, Then

$$W = .021(S) + .0165(S - (25,000 \div N)) + .0135(S - (100,000 \div N)) - (A + B).$$