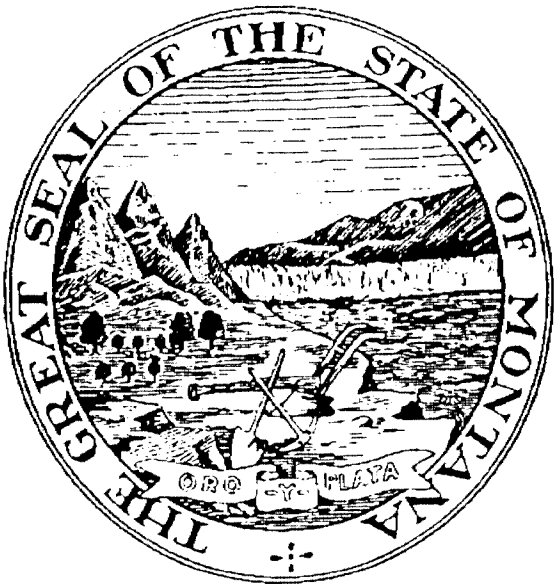

Addendum to Old Fund Liability Tax

and

Montana State Withholding Tax Guide

WITHHOLDING TAX TABLES

Effective April 1, 1994

Montana Employers: **OPEN IMMEDIATELY** - This booklet contains **new** tax tables and other information that is important to you and your employees. **Insert** this Addendum into your Old Fund Liability and Montana State Withholding Guide dated 7-1-93.

DEPARTMENT OF REVENUE
P O BOX 5835
HELENA MT 59604-5835

Presorted
BULK
MAIL
Permit 89

ADDENDUM TO OLD FUND LIABILITY TAX
&
MONTANA STATE WITHHOLDING TAX GUIDE

Tax Tables

The **withholding tax tables and tax formulas** for computerized systems are effective for wages paid on or after April 1, 1994.

The new tables simply return Montana employees to the withholding tables prior to July 1, 1993, **less the surtax** which was in place for 1993. Do not use the tax tables printed in the Old Fund Liability Tax and Montana State Withholding Tax Guide dated July 1, 1993.

NOTE: The tables do not include the Old Fund Liability Tax (OFLT).

Posting Notice

We have included an **Employees' Notice** as the back page of this booklet. Most of your employees will be impacted by the change in tax tables. The notice explains the withholding change to your employees. Please post the Notice or provide a copy to your employees.

Tax Liability Worksheet

The withholding tables are intended to be nothing more than an estimate of the tax liability for an employee within a given salary/wage range and exemptions claimed. The estimate is based on wages/salaries only and does not provide for the special circumstances of each employee.

Each employee should evaluate his or her individual income tax situation and adjust their withholding accordingly. On the back of the Posting Notice, we have provided an **Estimated Tax Liability Worksheet** for that purpose.

The employee may file a new W-4 form, for state purposes only, to request additional withholding from each paycheck or to adjust the number of allowances claimed.

Help

Call or write: Business Tax
Department of Revenue
P. O. Box 5835
Helena, MT 59604-5835
406--444-3388

Voice Menu

To better direct your calls, Business Tax has installed a Voice Menuing telephone system. If you have a suggestion to improve the system, please let us know. Our intent is to serve you better not to frustrate or confuse you.

SOME REMINDERS AND POINTS OF CLARIFICATION

Old Fund Liability Tax

There are three parts or portions to the OFLT: the employer portion, the employee portion and the self-employed and other portion. The OFLT **replaced the .28% Workers' Compensation Payroll Tax.**

Employer/Employee

The OFLT **statute imposes a .5% (.005) tax on employers** based on **gross wages** paid, and requires employers to **withhold and remit a .2% (.002) tax imposed on employee gross wages.**

OFLT/W-2's

W-2 preparation and Annual Reconciliation has generated the most questions and confusion among our employers. The most-asked questions are:

1) **Where do you show OFLT on the W-2?**
   The OFLT must be reported in either...
   The "Local Tax" Area, Boxes 19, 20 and 21:
   *Box 19 Locality name: note "OFLT"
   *Box 20 Local, wages, tips, etc.: report the employee gross wages subject to OFLT
   *Box 21 Local income tax: report the employee portion of OFLT tax withheld

OR

The Employers' Use or "Other" Area, Box 14. There is room for 3 lines of data:

1) "OFLT"
2) Amount of employee gross wages subject to OFLT
3) Employee portion of OFLT tax withheld

A word of caution: W-2 forms are federal forms. The box numbers on the W-2 form may change from year to year but the Local Tax and Employers' Use Area will remain on the form.

2) **Which portion of the OFLT goes on the W-2 and Annual Reconciliation Form (MW-10)?** Only the **employee portion** of the OFLT is shown on the W-2 form. The gross wages subject to the employee portion of the tax and the amount withheld from those wages are reflected on the W-2. See Question 1 above.

The **Annual Reconciliation** should reflect only the **employee portion** of OFLT withheld and the state income tax withheld.

The W-2 is a document prepared by an employer **for the employee** to help the employee prepare individual returns for state, federal and local jurisdictions.

The state separately adds the amount of OFLT withheld and the amount of state income tax withheld from the W-2's and reconciles those amounts a) to Lines 8 and 9 on the Annual Reconciliation and b) to the employer reported information filed quarterly.

3) **Why isn't the employer's portion on the Annual Reconciliation (MW-10)?** The Annual Reconciliation is a transmittal document for the W-2's and summarizes the tax withheld, both state income tax and OFLT, from employee's wages. The W-2 is prepared for the employee and should reflect only employee information.

4) **Why doesn't the Guide tell an employer that the OFLT must be reported on W-2's?** On Page 6, the Guide was specific that the OFLT withheld must be reported on the W-2. What was missing was specific instruction that the **gross wages** subject to OFLT must also be reported on the W-2.

NOTE: It should be noted that gross wage information is also required to be reported on the W-2 for state income tax purposes. The gross wages subject to state income tax withholding and to OFLT may differ.

5) **I've prepared my W-2's incorrectly--what do I do now?** If, after reading this information, you find you have not completed the W-2's properly, contact Betsy Phillips at 406--444-1943 or Judy Storkson at 406--444-3942.

<u>Self-Employed & Others</u>

The OFLT is also imposed on Sole Proprietors, Partners, Subchapter "S" Corporation Shareholders, and Managers or Members of Limited Liability Companies. This portion of the tax is reported and remitted using the individual income tax return.

In response to many questions received, the Individual Income Tax Section has printed **"Questions and Answers Concerning the Old Fund Liability Tax."** This publication addresses the Self-Employed and Other Portion of the OFLT. If you would like a copy, please contact:

Individual Income Tax Section
Department of Revenue
P. O. Box 5805
Helena, MT 59604-5805
406--444-2837

Monthly Withholding Table

(Effective April 1, 1994)

Wages Paid At Least	But Less Than	Number of Withholding Allowances Claimed: 0	1	2	3	4	5	6	7	8	9	10 or more*
		Amount to be Withheld										
0	25	0.33										
25	50	0.98										
50	75	1.63										
75	100	2.28										
100	125	2.93										
125	150	3.58										
150	175	4.23	0.54									
175	200	4.88	1.19									
200	225	5.53	1.84									
225	250	6.18	2.49									
250	275	6.83	3.14									
275	300	7.48	3.79	0.11								
300	325	8.13	4.44	0.76								
325	350	8.78	5.09	1.41								
350	375	9.43	5.74	2.06								
375	400	10.08	6.39	2.71								
400	425	10.73	7.04	3.36								
425	450	11.38	7.69	4.01	0.33							
450	475	12.03	8.34	4.66	0.98							
475	500	12.68	8.99	5.31	1.63							
500	550	13.65	9.97	6.28	2.60							
550	600	14.95	11.27	7.58	3.90	0.22						
600	650	16.25	12.57	8.88	5.20	1.52						
650	700	17.55	13.87	10.18	6.50	2.82						
700	750	19.56	15.17	11.48	7.80	4.12	0.43					
750	800	21.76	16.47	12.78	9.10	5.42	1.73					
800	850	23.96	17.77	14.08	10.40	6.72	3.03					
850	900	26.16	19.92	15.38	11.70	8.02	4.33	0.65				
900	950	28.36	22.12	16.68	13.00	9.32	5.63	1.95				
950	1000	30.56	24.32	18.09	14.30	10.62	6.93	3.25				
1000	1100	33.86	27.62	21.39	16.25	12.57	8.88	5.20	1.52			
1100	1200	38.26	32.02	25.79	19.56	15.17	11.48	7.80	4.12	0.43		
1200	1300	42.66	36.42	30.19	23.96	17.77	14.08	10.40	6.72	3.03		
1300	1400	47.06	40.82	34.59	28.36	22.12	16.68	13.00	9.32	5.63	1.95	
1400	1500	51.46	45.22	38.99	32.76	26.52	20.29	15.60	11.92	8.23	4.55	0.87
1500	1600	56.35	49.62	43.39	37.16	30.92	24.69	18.46	14.52	10.83	7.15	3.47
1600	1700	62.45	54.02	47.79	41.56	35.32	29.09	22.86	17.12	13.43	9.75	6.07
1700	1800	68.55	59.91	52.19	45.96	39.72	33.49	27.26	21.02	16.03	12.35	8.67
1800	1900	74.65	66.01	57.37	50.36	44.12	37.89	31.66	25.42	19.19	14.95	11.27
1900	2000	80.75	72.11	63.47	54.83	48.52	42.29	36.06	29.82	23.59	17.55	13.87
2000	2100	86.85	78.21	69.57	60.93	52.92	46.69	40.46	34.22	27.99	21.76	16.47
2100	2200	92.95	84.31	75.67	67.03	58.38	51.09	44.86	38.62	32.39	26.16	19.92
2200	2300	99.05	90.41	81.77	73.13	64.48	55.84	49.26	43.02	36.79	30.56	24.32
2300	2400	105.15	96.51	87.87	79.23	70.58	61.94	53.66	47.42	41.19	34.96	28.72
2400	2500	111.25	102.61	93.97	85.33	76.68	68.04	59.40	51.82	45.59	39.36	33.12
2500	2600	117.35	108.71	100.07	91.43	82.78	74.14	65.50	56.86	49.99	43.76	37.52
2600	2700	123.45	114.81	106.17	97.53	88.88	80.24	71.60	62.96	54.39	48.16	41.92
2700	2800	129.55	120.91	112.27	103.63	94.98	86.34	77.70	69.06	60.42	52.56	46.32
2800	2900	135.65	127.01	118.37	109.73	101.08	92.44	83.80	75.16	66.52	57.88	50.72
2900	3000	141.75	133.11	124.47	115.83	107.18	98.54	89.90	81.26	72.62	63.98	55.33
3000	3100	147.85	139.21	130.57	121.93	113.28	104.64	96.00	87.36	78.72	70.08	61.43
3100	3200	153.95	145.31	136.67	128.03	119.38	110.74	102.10	93.46	84.82	76.18	67.53
3200	3300	160.05	151.41	142.77	134.13	125.48	116.84	108.20	99.56	90.92	82.28	73.63
3300	3400	166.22	157.51	148.87	140.23	131.58	122.94	114.30	105.66	97.02	88.38	79.73
3400	3500	172.72	163.61	154.97	146.33	137.68	129.04	120.40	111.76	103.12	94.48	85.83
3500	3600	179.22	170.01	161.07	152.43	143.78	135.14	126.50	117.86	109.22	100.58	91.93
3600	3700	185.72	176.51	167.30	158.53	149.88	141.24	132.60	123.96	115.32	106.68	98.03
3700	3800	192.22	183.01	173.80	164.63	155.98	147.34	138.70	130.06	121.42	112.78	104.13
3800	3900	198.72	189.51	180.30	171.09	162.08	153.44	144.80	136.16	127.52	118.88	110.23
3900	4000	205.22	196.01	186.80	177.59	168.38	159.54	150.90	142.26	133.62	124.98	116.33
		6.5% of the amount over 4000 plus . . .										
4000	or over	208.47	199.26	190.05	180.84	171.63	162.59	153.95	145.31	136.67	128.03	119.38

* if more than 10 allowances are claimed the formula must be used to compute withholding

Semimonthly Withholding Table

(Effective April 1, 1994)

Wages Paid At Least	But Less Than	Number of Withholding Allowances Claimed: 0	1	2	3	4	5	6	7	8	9	10 or more*
		Amount to be Withheld										
0	20	0.26										
20	30	0.65										
30	40	0.91										
40	50	1.17										
50	60	1.43										
60	70	1.69										
70	80	1.95	0.11									
80	90	2.21	0.37									
90	100	2.47	0.63									
100	110	2.73	0.89									
110	120	2.99	1.15									
120	130	3.25	1.41									
130	140	3.51	1.67									
140	150	3.77	1.93	0.09								
150	160	4.03	2.19	0.35								
160	170	4.29	2.45	0.61								
170	180	4.55	2.71	0.87								
180	195	4.88	3.03	1.19								
195	210	5.27	3.42	1.58								
210	225	5.66	3.81	1.97	0.13							
225	240	6.05	4.20	2.36	0.52							
240	255	6.44	4.59	2.75	0.91							
255	270	6.83	4.98	3.14	1.30							
270	285	7.22	5.37	3.53	1.69							
285	300	7.61	5.76	3.92	2.08	0.24						
300	320	8.06	6.22	4.38	2.54	0.69						
320	340	8.58	6.74	4.90	3.06	1.21						
340	360	9.23	7.26	5.42	3.58	1.73						
360	380	10.11	7.78	5.94	4.10	2.25	0.41					
380	400	10.99	8.30	6.46	4.62	2.77	0.93					
400	420	11.87	8.82	6.98	5.14	3.29	1.45					
420	440	12.75	9.63	7.50	5.66	3.81	1.97	0.13				
440	460	13.63	10.51	8.02	6.18	4.33	2.49	0.65				
460	480	14.51	11.39	8.54	6.70	4.85	3.01	1.17				
480	500	15.39	12.27	9.15	7.22	5.37	3.53	1.69				
500	525	16.38	13.26	10.14	7.80	5.96	4.12	2.28	0.43			
525	550	17.48	14.36	11.24	8.45	6.61	4.77	2.93	1.08			
550	575	18.58	15.46	12.34	9.23	7.26	5.42	3.58	1.73			
575	600	19.68	16.56	13.44	10.33	7.91	6.07	4.23	2.38	0.54		
600	625	20.78	17.66	14.54	11.43	8.56	6.72	4.88	3.03	1.19		
625	650	21.88	18.76	15.64	12.53	9.41	7.37	5.53	3.68	1.84		
650	675	22.98	19.86	16.74	13.63	10.51	8.02	6.18	4.33	2.49	0.65	
675	700	24.08	20.96	17.84	14.73	11.61	8.67	6.83	4.98	3.14	1.30	
700	725	25.18	22.06	18.94	15.83	12.71	9.59	7.48	5.63	3.79	1.95	0.11
725	750	26.28	23.16	20.04	16.93	13.81	10.69	8.13	6.28	4.44	2.60	0.76
750	800	28.18	24.81	21.69	18.58	15.46	12.34	9.23	7.26	5.42	3.58	1.73
800	850	31.23	27.01	23.89	20.78	17.66	14.54	11.43	8.56	6.72	4.88	3.03
850	900	34.28	29.95	26.09	22.98	19.86	16.74	13.63	10.51	8.02	6.18	4.33
900	950	37.33	33.00	28.68	25.18	22.06	18.94	15.83	12.71	9.59	7.48	5.63
950	1000	40.38	36.05	31.73	27.41	24.26	21.14	18.03	14.91	11.79	8.78	6.93
1000	1100	44.95	40.63	36.31	31.99	27.67	24.44	21.33	18.21	15.09	11.98	8.88
1100	1200	51.05	46.73	42.41	38.09	33.77	29.45	25.73	22.61	19.49	16.38	13.26
1200	1300	57.15	52.83	48.51	44.19	39.87	35.55	31.23	27.01	23.89	20.78	17.66
1300	1400	63.25	58.93	54.61	50.29	45.97	41.65	37.33	33.00	28.68	25.18	22.06
1400	1500	69.35	65.03	60.71	56.39	52.07	47.75	43.43	39.10	34.78	30.46	26.46
1500	1600	75.45	71.13	66.81	62.49	58.17	53.85	49.53	45.20	40.88	36.56	32.24
1600	1700	81.55	77.23	72.91	68.59	64.27	59.95	55.63	51.30	46.98	42.66	38.34
1700	1800	87.98	83.38	79.01	74.69	70.37	66.05	61.73	57.40	53.08	48.76	44.44
1800	1900	94.48	89.88	85.28	80.79	76.47	72.15	67.83	63.50	59.18	54.86	50.54
1900	2000	100.98	96.38	91.78	87.17	82.57	78.25	73.93	69.60	65.28	60.96	56.64
		6.5% of the amount over 2000 plus . . .										
2000	or over	104.23	99.63	95.03	90.42	85.82	81.30	76.98	72.65	68.33	64.01	59.69

* if more than 10 allowances are claimed the formula must be used to compute withholding

Biweekly Withholding Table

(Effective April 1, 1994)

Wages Paid At Least	But Less Than	Number of Withholding Allowances Claimed: 0	1	2	3	4	5	6	7	8	9	10 or more*
		Amount to be Withheld										
0	20	0.26										
20	30	0.65										
30	40	0.91										
40	50	1.17										
50	60	1.43										
60	70	1.69										
70	80	1.95	0.25									
80	90	2.21	0.51									
90	100	2.47	0.77									
100	110	2.73	1.03									
110	120	2.99	1.29									
120	130	3.25	1.55									
130	140	3.51	1.81	0.11								
140	150	3.77	2.07	0.37								
150	160	4.03	2.33	0.63								
160	170	4.29	2.59	0.89								
170	180	4.55	2.85	1.15								
180	195	4.88	3.18	1.48								
195	210	5.27	3.57	1.87	0.17							
210	225	5.66	3.96	2.26	0.56							
225	240	6.05	4.35	2.65	0.95							
240	255	6.44	4.74	3.04	1.34							
255	270	6.83	5.13	3.43	1.73	0.03						
270	285	7.22	5.52	3.82	2.12	0.42						
285	300	7.61	5.91	4.21	2.51	0.81						
300	320	8.06	6.36	4.66	2.96	1.26						
320	340	8.82	6.88	5.18	3.48	1.78	0.08					
340	360	9.70	7.40	5.70	4.00	2.30	0.60					
360	380	10.58	7.92	6.22	4.52	2.82	1.12					
380	400	11.46	8.59	6.74	5.04	3.34	1.64					
400	420	12.34	9.47	7.26	5.56	3.86	2.16	0.46				
420	440	13.22	10.35	7.78	6.08	4.38	2.68	0.98				
440	460	14.10	11.23	8.35	6.60	4.90	3.20	1.50				
460	480	14.98	12.11	9.23	7.12	5.42	3.72	2.02	0.32			
480	500	15.86	12.99	10.11	7.64	5.94	4.24	2.54	0.84			
500	525	16.85	13.98	11.10	8.23	6.53	4.83	3.13	1.43			
525	550	17.95	15.08	12.20	9.32	7.18	5.48	3.78	2.08	0.38		
550	575	19.05	16.18	13.30	10.42	7.83	6.13	4.43	2.73	1.03		
575	600	20.15	17.28	14.40	11.52	8.64	6.78	5.08	3.38	1.68		
600	625	21.25	18.38	15.50	12.62	9.74	7.43	5.73	4.03	2.33	0.63	
625	650	22.35	19.48	16.60	13.72	10.84	8.08	6.38	4.68	2.98	1.28	
650	675	23.45	20.58	17.70	14.82	11.94	9.07	7.03	5.33	3.63	1.93	0.23
675	700	24.55	21.68	18.80	15.92	13.04	10.17	7.68	5.98	4.28	2.58	0.88
700	725	25.83	22.78	19.90	17.02	14.14	11.27	8.39	6.63	4.93	3.23	1.53
725	750	27.36	23.88	21.00	18.12	15.24	12.37	9.49	7.28	5.58	3.88	2.18
750	800	29.64	25.66	22.65	19.77	16.89	14.02	11.14	8.26	6.55	4.85	3.15
800	850	32.69	28.71	24.85	21.97	19.09	16.22	13.34	10.46	7.85	6.15	4.45
850	900	35.74	31.76	27.77	24.17	21.29	18.42	15.54	12.66	9.79	7.45	5.75
900	950	38.79	34.81	30.82	26.83	23.49	20.62	17.74	14.86	11.99	9.11	7.05
950	1000	41.84	37.86	33.87	29.88	25.89	22.82	19.94	17.06	14.19	11.31	8.43
1000	1100	46.42	42.43	38.44	34.45	30.47	26.48	23.24	20.36	17.49	14.61	11.73
1100	1200	52.52	48.53	44.54	40.55	36.57	32.58	28.59	24.76	21.89	19.01	16.13
1200	1300	58.62	54.63	50.64	46.65	42.67	38.68	34.69	30.70	26.71	23.41	20.53
1300	1400	64.72	60.73	56.74	52.75	48.77	44.78	40.79	36.80	32.81	28.82	24.93
1400	1500	70.82	66.83	62.84	58.85	54.87	50.88	46.89	42.90	38.91	34.92	30.94
1500	1600	76.97	72.93	68.94	64.95	60.97	56.98	52.99	49.00	45.01	41.02	37.04
1600	1700	83.47	79.22	75.04	71.05	67.07	63.08	59.09	55.10	51.11	47.12	43.14
1700	1800	89.97	85.72	81.47	77.22	73.17	69.18	65.19	61.20	57.21	53.22	49.24
1800	1900	96.47	92.22	87.97	83.72	79.47	75.28	71.29	67.30	63.31	59.32	55.34
1900	2000	102.97	98.72	94.47	90.22	85.97	81.72	77.47	73.40	69.41	65.42	61.44
		6.5% of the amount over 2000 plus . . .										
2000	or over	106.22	101.97	97.72	93.47	89.22	84.97	80.72	76.47	72.46	68.47	64.49

* if more than 10 allowances are claimed the formula must be used to compute withholding

Weekly Withholding Table

(Effective April 1, 1994)

Wages Paid At Least	But Less Than	Number of Withholding Allowances Claimed: 0	1	2	3	4	5	6	7	8	9	10 or more*
		Amount to be Withheld										
0	10	0.13										
10	15	0.33										
15	20	0.46										
20	25	0.59										
25	30	0.72										
30	35	0.85										
35	40	0.98	0.13									
40	45	1.11	0.26									
45	50	1.24	0.39									
50	55	1.37	0.52									
55	60	1.50	0.65									
60	65	1.63	0.78									
65	70	1.76	0.91	0.06								
70	75	1.89	1.04	0.19								
75	80	2.02	1.17	0.32								
80	85	2.15	1.30	0.45								
85	90	2.28	1.43	0.58								
90	95	2.41	1.56	0.71								
95	100	2.54	1.69	0.84								
100	110	2.73	1.88	1.03	0.18							
110	120	2.99	2.14	1.29	0.44							
120	130	3.25	2.40	1.55	0.70							
130	140	3.51	2.66	1.81	0.96	0.11						
140	150	3.77	2.92	2.07	1.22	0.37						
150	160	4.03	3.18	2.33	1.48	0.63						
160	170	4.41	3.44	2.59	1.74	0.89	0.04					
170	180	4.85	3.70	2.85	2.00	1.15	0.30					
180	195	5.40	4.03	3.18	2.33	1.48	0.63					
195	210	6.06	4.62	3.57	2.72	1.87	1.02	0.17				
210	225	6.72	5.28	3.96	3.11	2.26	1.41	0.56				
225	240	7.38	5.94	4.50	3.50	2.65	1.80	0.95	0.10			
240	255	8.04	6.60	5.16	3.89	3.04	2.19	1.34	0.49			
255	270	8.70	7.26	5.82	4.39	3.43	2.58	1.73	0.88	0.03		
270	285	9.36	7.92	6.48	5.05	3.82	2.97	2.12	1.27	0.42		
285	300	10.02	8.58	7.14	5.71	4.27	3.36	2.51	1.66	0.81		
300	320	10.79	9.35	7.91	6.48	5.04	3.81	2.96	2.11	1.26	0.41	
320	340	11.67	10.23	8.79	7.36	5.92	4.48	3.48	2.63	1.78	0.93	0.08
340	360	12.55	11.11	9.67	8.24	6.80	5.36	4.00	3.15	2.30	1.45	0.60
360	380	13.75	11.99	10.55	9.12	7.68	6.24	4.80	3.67	2.82	1.97	1.12
380	400	14.97	12.98	11.43	10.00	8.56	7.12	5.68	4.24	3.34	2.49	1.64
400	420	16.19	14.20	12.31	10.88	9.44	8.00	6.56	5.12	3.86	3.01	2.16
420	440	17.41	15.42	13.43	11.76	10.32	8.88	7.44	6.00	4.56	3.53	2.68
440	460	18.63	16.64	14.65	12.65	11.20	9.76	8.32	6.88	5.44	4.05	3.20
460	480	19.85	17.86	15.87	13.87	12.08	10.64	9.20	7.76	6.32	4.89	3.72
480	500	21.07	19.08	17.09	15.09	13.10	11.52	10.08	8.64	7.20	5.77	4.33
500	525	22.45	20.45	18.46	16.46	14.47	12.51	11.07	9.63	8.19	6.76	5.32
525	550	23.97	21.98	19.98	17.99	16.00	14.00	12.17	10.73	9.29	7.86	6.42
550	575	25.50	23.50	21.51	19.51	17.52	15.53	13.53	11.83	10.39	8.96	7.52
575	600	27.02	25.03	23.03	21.04	19.05	17.05	15.06	13.06	11.49	10.06	8.62
600	625	28.55	26.55	24.56	22.56	20.57	18.58	16.58	14.59	12.59	11.16	9.72
625	650	30.07	28.08	26.08	24.09	22.10	20.10	18.11	16.11	14.12	12.26	10.82
650	675	31.60	29.60	27.61	25.61	23.62	21.63	19.63	17.64	15.64	13.65	11.92
675	700	33.12	31.13	29.13	27.14	25.15	23.15	21.16	19.16	17.17	15.17	13.18
700	725	34.65	32.65	30.66	28.66	26.67	24.68	22.68	20.69	18.69	16.70	14.71
725	750	36.17	34.18	32.18	30.19	28.20	26.20	24.21	22.21	20.22	18.22	16.23
750	800	38.48	36.47	34.47	32.48	30.48	28.49	26.49	24.50	22.51	20.51	18.52
800	850	41.73	39.61	37.52	35.53	33.53	31.54	29.54	27.55	25.56	23.56	21.57
850	900	44.98	42.86	40.73	38.61	36.58	34.59	32.59	30.60	28.61	26.61	24.62
900	950	48.23	46.11	43.98	41.86	39.73	37.64	35.64	33.65	31.66	29.66	27.67
950	1000	51.48	49.36	47.23	45.11	42.98	40.86	38.73	36.70	34.71	32.71	30.72
		6.5% of the amount over 1000 plus . . .										
1000	or over	53.11	50.98	48.86	46.73	44.61	42.48	40.36	38.23	36.23	34.24	32.24

* If more than 10 allowances are claimed the formula must be used to compute withholding

Daily Withholding Table

(Effective April 1, 1994)

Wages Paid At Least	But Less Than	Number of Withholding Allowances Claimed: 0	1	2	3	4	5	6	7	8	9	10 or more*
		Amount to be Withheld										
0	4	0.03										
4	6	0.08										
6	8	0.13	0.01									
8	10	0.18	0.06									
10	12	0.23	0.11									
12	14	0.29	0.16	0.04								
14	16	0.34	0.22	0.10								
16	18	0.39	0.27	0.15	0.03							
18	20	0.44	0.32	0.20	0.08							
20	22	0.49	0.37	0.25	0.13	0.01						
22	24	0.55	0.42	0.30	0.18	0.06						
24	26	0.61	0.48	0.36	0.23	0.11						
26	28	0.69	0.53	0.41	0.29	0.17	0.04					
28	30	0.78	0.58	0.46	0.34	0.22	0.10					
30	32	0.87	0.67	0.51	0.39	0.27	0.15	0.03				
32	34	0.96	0.75	0.56	0.44	0.32	0.20	0.08				
34	36	1.05	0.84	0.64	0.49	0.37	0.25	0.13	0.01			
36	38	1.13	0.93	0.72	0.55	0.43	0.30	0.18	0.06			
38	40	1.22	1.02	0.81	0.61	0.48	0.36	0.24	0.11			
40	42	1.31	1.11	0.90	0.70	0.53	0.41	0.29	0.17	0.05		
42	44	1.40	1.19	0.99	0.78	0.58	0.46	0.34	0.22	0.10		
44	46	1.49	1.28	1.08	0.87	0.67	0.51	0.39	0.27	0.15	0.03	
46	48	1.57	1.37	1.16	0.96	0.75	0.56	0.44	0.32	0.20	0.08	
48	50	1.66	1.46	1.25	1.05	0.84	0.64	0.50	0.37	0.25	0.13	0.01
50	53	1.75	1.55	1.34	1.14	0.93	0.73	0.55	0.43	0.31	0.18	0.06
53	56	1.86	1.63	1.43	1.22	1.02	0.81	0.61	0.48	0.36	0.24	0.12
56	59	1.98	1.72	1.52	1.31	1.11	0.90	0.70	0.53	0.41	0.29	0.17
59	62	2.10	1.82	1.60	1.40	1.19	0.99	0.78	0.58	0.46	0.34	0.22
62	65	2.22	1.94	1.69	1.49	1.28	1.08	0.87	0.67	0.51	0.39	0.27
65	68	2.34	2.06	1.78	1.58	1.37	1.17	0.96	0.76	0.57	0.44	0.32
68	71	2.47	2.18	1.90	1.66	1.46	1.25	1.05	0.84	0.64	0.50	0.38
71	74	2.59	2.30	2.02	1.75	1.55	1.34	1.14	0.93	0.73	0.55	0.43
74	77	2.71	2.43	2.14	1.86	1.63	1.43	1.22	1.02	0.81	0.61	0.48
77	80	2.83	2.55	2.26	1.98	1.72	1.52	1.31	1.11	0.90	0.70	0.53
80	83	2.95	2.67	2.38	2.10	1.82	1.61	1.40	1.20	0.99	0.79	0.58
83	86	3.08	2.79	2.51	2.22	1.94	1.69	1.49	1.28	1.08	0.87	0.67
86	89	3.20	2.91	2.63	2.34	2.06	1.78	1.58	1.37	1.17	0.96	0.76
89	92	3.32	3.04	2.75	2.47	2.18	1.90	1.66	1.46	1.25	1.05	0.84
92	96	3.44	3.16	2.87	2.59	2.30	2.02	1.75	1.55	1.34	1.14	0.93
96	100	3.56	3.28	2.99	2.71	2.43	2.14	1.86	1.64	1.43	1.23	1.02
100	105	3.69	3.40	3.12	2.83	2.55	2.26	1.98	1.72	1.52	1.31	1.11
105	110	3.84	3.55	3.27	2.99	2.70	2.42	2.13	1.85	1.63	1.42	1.22
110	115	4.08	3.80	3.51	3.23	2.95	2.66	2.38	2.09	1.81	1.60	1.39
115	120	4.39	4.10	3.82	3.53	3.25	2.97	2.68	2.40	2.11	1.83	1.61
120	125	4.69	4.41	4.12	3.84	3.56	3.27	2.99	2.70	2.42	2.13	1.85
125	130	5.00	4.71	4.43	4.14	3.86	3.58	3.29	3.01	2.72	2.44	2.16
130	135	5.30	5.02	4.73	4.45	4.17	3.88	3.60	3.31	3.03	2.74	2.46
135	140	5.62	5.32	5.04	4.75	4.47	4.19	3.90	3.62	3.33	3.05	2.77
140	145	5.94	5.64	5.34	5.06	4.78	4.49	4.21	3.92	3.64	3.35	3.07
145	150	6.27	5.97	5.66	5.36	5.08	4.80	4.51	4.23	3.94	3.66	3.38
150	155	6.59	6.29	5.99	5.69	5.39	5.10	4.82	4.53	4.25	3.96	3.68
155	160	6.92	6.62	6.31	6.01	5.71	5.41	5.12	4.84	4.55	4.27	3.99
160	165	7.24	6.94	6.64	6.34	6.03	5.73	5.43	5.14	4.86	4.57	4.29
165	170	7.57	7.27	6.96	6.66	6.36	6.05	5.75	5.45	5.16	4.88	4.60
170	175	7.89	7.59	7.29	6.99	6.68	6.38	6.08	5.77	5.47	5.18	4.90
175	180	8.38	8.08	7.78	7.47	7.17	6.87	6.56	6.26	5.96	5.66	5.36
180	185	9.03	8.73	8.43	8.12	7.82	7.52	7.21	6.91	6.61	6.31	6.00
185	190	9.68	9.38	9.08	8.77	8.47	8.17	7.86	7.56	7.26	6.96	6.65
190	195	10.33	10.03	9.73	9.42	9.12	8.82	8.51	8.21	7.91	7.61	7.30
195	200	10.98	10.68	10.38	10.07	9.77	9.47	9.16	8.86	8.56	8.26	7.95
		6.5% of the amount over 200 plus . . .										
200	or over	11.31	11.00	10.70	10.40	10.09	9.79	9.49	9.19	8.88	8.58	8.28

* if more than 10 allowances are claimed the formula must be used to compute withholding

Montana Withholding Tax Formula for Computerized Payroll Systems

(Effective April1, 1994)

This formula will duplicate the results found in the tables immediately preceding this section. If you have any problems in applying these formulas to your payroll, do not hesitate to call (406) 444-1991 and ask for "computerized withholding formula assistance".

Changes : This withholding booklet represents a return to the withholding system format used from 1987 thru the first half of 1993. The major changes are listed below:

1) A change in the way taxable earnings ("T") is calculated. The standard deduction component has been removed from the calculation. Taxable earnings now will be gross earnings ("G"), less the number of exemptions claimed ("N") times the exemption value.

2) The withholding rate table for calculating the actual amount to withhold ("W") will use four rates instead of one.

3) Two tables are listed: one for single persons and married persons using the same rate, and another for those who are married (one-income families). Although under this withholding system format the two tables are identical, both tables are listed for your convenience.

Definitions

G = Gross earnings for the payroll period.
T = Net taxable earnings for the payroll period.
Exemption value (for the annual table) : 1700

N = Number of withholding allowances claimed.
W = Withholding tax for the payroll period.
Standard deduction amount : 0

Note: There is a two-step calculation involved in this formula:

Step 1 : The net taxable earnings ("T") must be computed. Net taxable earnings is based on the level of gross earnings and the number of withholding allowances claimed.

Step 2 : The actual tax to be withheld ("W") is calculated. The actual tax withheld is calculated by using the schedule provided.

Annual Payroll Period

Single Persons & Married Persons using Single Rate

Step 1 : Calculate Taxable Earnings "T" : T = G - (1700 x N)

Step 2 : Calclulate Withholding Tax "W" : W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $8,230	$0.00	plus	2.6%	of the net taxable earnings	$0
$8,230	... $18,250	$213.98	plus	4.4%	of the net taxable earnings over	$8,230
$18,250	... $40,000	$654.86	plus	6.1%	of the net taxable earnings over	$18,250
$40,000	... and over	$1,981.61	plus	6.5%	of the net taxable earnings over	$40,000

Married

Step 1 : Calculate Taxable Earnings "T" : T = G - (1700 x N)

Step 2 : Calclulate Withholding Tax "W" : W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $8,230	$0.00	plus	2.6%	of the net taxable earnings	$0
$8,230	... $18,250	$213.98	plus	4.4%	of the net taxable earnings over	$8,230
$18,250	... $40,000	$654.86	plus	6.1%	of the net taxable earnings over	$18,250
$40,000	... and over	$1,981.61	plus	6.5%	of the net taxable earnings over	$40,000

Monthly Payroll Period

Single Persons & Married Persons using Single Rate

Step 1 : Calculate Taxable Earnings "T" : T = G - (141.67 x N)

Step 2 : Calclulate Withholding Tax "W" : W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $686	$0.00	plus	2.6%	of the net taxable earnings	$0
$686	... $1,521	$17.83	plus	4.4%	of the net taxable earnings over	$686
$1,521	... $3,333	$54.57	plus	6.1%	of the net taxable earnings over	$1,521
$3,333	... and over	$165.13	plus	6.5%	of the net taxable earnings over	$3,333

Married

Step 1 : Calculate Taxable Earnings "T" : T = G - (141.67 x N)

Step 2 : Calclulate Withholding Tax "W" : W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $686	$0.00	plus	2.6%	of the net taxable earnings	$0
$686	... $1,521	$17.83	plus	4.4%	of the net taxable earnings over	$686
$1,521	... $3,333	$54.57	plus	6.1%	of the net taxable earnings over	$1,521
$3,333	... and over	$165.13	plus	6.5%	of the net taxable earnings over	$3,333

Semimonthly Payroll Period

Single Persons & Married Persons using Single Rate

Step 1: Calculate Taxable Earnings "T": T = G - (70.83 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $343	$0.00	plus	2.6%	of the net taxable earnings	$0
$343	... $760	$8.92	plus	4.4%	of the net taxable earnings over	$343
$760	... $1,667	$27.29	plus	6.1%	of the net taxable earnings over	$760
$1,667	... and over	$82.57	plus	6.5%	of the net taxable earnings over	$1,667

Married

Step 1: Calculate Taxable Earnings "T": T = G - (70.83 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $343	$0.00	plus	2.6%	of the net taxable earnings	$0
$343	... $760	$8.92	plus	4.4%	of the net taxable earnings over	$343
$760	... $1,667	$27.29	plus	6.1%	of the net taxable earnings over	$760
$1,667	... and over	$82.57	plus	6.5%	of the net taxable earnings over	$1,667

Biweekly Payroll Period

Single Persons & Married Persons using Single Rate

Step 1: Calculate Taxable Earnings "T": T = G - (65.38 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $317	$0.00	plus	2.6%	of the net taxable earnings	$0
$317	... $702	$8.23	plus	4.4%	of the net taxable earnings over	$317
$702	... $1,538	$25.19	plus	6.1%	of the net taxable earnings over	$702
$1,538	... and over	$76.22	plus	6.5%	of the net taxable earnings over	$1,538

Married

Step 1: Calculate Taxable Earnings "T": T = G - (65.38 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $317	$0.00	plus	2.6%	of the net taxable earnings	$0
$317	... $702	$8.23	plus	4.4%	of the net taxable earnings over	$317
$702	... $1,538	$25.19	plus	6.1%	of the net taxable earnings over	$702
$1,538	... and over	$76.22	plus	6.5%	of the net taxable earnings over	$1,538

Weekly Payroll Period

Single Persons & Married Persons using Single Rate

Step 1: Calculate Taxable Earnings "T": T = G - (32.69 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $158	$0.00	plus	2.6%	of the net taxable earnings	$0
$158	... $351	$4.12	plus	4.4%	of the net taxable earnings over	$158
$351	... $769	$12.59	plus	6.1%	of the net taxable earnings over	$351
$769	... and over	$38.11	plus	6.5%	of the net taxable earnings over	$769

Married

Step 1: Calculate Taxable Earnings "T": T = G - (32.69 x N)

Step 2: Calclulate Withholding Tax "W": W = A + B x (T - C)

Net Taxable Earnings, T At Least	... Less Than	A	plus	B	times the amount which T exceeds	C
$0	... $158	$0.00	plus	2.6%	of the net taxable earnings	$0
$158	... $351	$4.12	plus	4.4%	of the net taxable earnings over	$158
$351	... $769	$12.59	plus	6.1%	of the net taxable earnings over	$351
$769	... and over	$38.11	plus	6.5%	of the net taxable earnings over	$769

Example 1) A single employee (one withholding allowance claimed) earns $135 during a weekly payroll period.

Step 1) T = 135 - (32.69 x 1) = 135 - 32.69 = 102.31
Step 2) W = 0 + .026 x (102.31 - 0) = .026 x 102.31 = 2.66

Example 2) A married employee from a two-wage earner family claiming one exemption earns $2,000 during a monthly payroll period.

Step 1) T = 2000 - (141.67 x 1) = 2000 - 141.67 = 1858.33
Step 2) W = 54.57 + .061 x (1858.33 - 1521) = 75.15

Example 3) A married employee from a one-wage earner family earns $550 during a semimonthly payroll period and claims 5 withholding allowances.

Step 1) T = 550 - (70.83 x 5) = 550 - 354.15 = 195.85
Step 2) W = 0 + .026 x (195.85 - 0) = .026 x 195.85 = 5.09

Example 4) A married employee from a one-wage earner family claiming two exemptions earns $2,950 during a biweekly payroll period.

Step 1) T = 2950 - (65.38 x 2) = 2950 - 130.76 = 2819.24
Step 2) W = 76.22 + .065 x (2819.24 - 1538) = 159.50

PLEASE POST FOR YOUR EMPLOYEES' INFORMATION

NOTICE

****IMPORTANT CHANGES AFFECTING YOUR PAYCHECK****

EFFECTIVE APRIL 1, 1994, your employer must use new **Montana State Income Tax Withholding Tables.** The new tables simply return Montanans to the withholding tables in place prior to July 1, 1993 adjusted for the fact there is no surtax for 1994.

You may wish to evaluate your individual income tax situation by estimating your tax liability for 1994. **We have provided a worksheet on the back of this Notice.**

If your withholding is not enough, you may choose to have an additional amount withheld each payroll period. Just ask your payroll person for a new W-4 Form FOR STATE PURPOSES ONLY. Fill in the additional amount for each pay period in the area provided on the W-4 form.

If you need help completing the worksheet or have any questions, please call us.

Business Tax
Department of Revenue
P. O. Box 5835
Helena, MT 59604-5835
406--444-3388

CALCULATION OF UNNDERWITHHELD / OVERWITHHELD STATUS

Calculation of Estimated Tax Liability

Income

Estimated gross annual earnings			(A)
Other income (Interest, federal refunds, etc.)	+		(B)
Total Income (line A plus line B)	=		(C)

Reductions to Income

Exemptions you can claim on your tax return times 1400 *(Number of exemptions X 1400)*			(D)
Estimated Deductions / standard or itemized *(Use the deduction amount you claimed on last years income tax return with adjustments, if any, for this year.)*	+		(E)
Total Reductions to Income (line D plus line E)	=		(F)

Estimated Tax Liability

Total Income (from line C)			(G)
Total Reductions to Income (from line F)	-		(H)
Taxable Income (line G minus line H)	=		(I)
Using the value in line I and the tax table below, calculate your estimated tax liability			(J)

Taxable Income (line I)							
Over		But not over		Multiply by	and	Subtract	= Tax
0	.....	1700	.....	0.02	.....	0	
1700	.....	3500	.....	0.03	.....	17	
3500	.....	7000	.....	0.04	.....	52	
7000	.....	10500	.....	0.05	.....	122	
10500	.....	14000	.....	0.06	.....	227	
14000	.....	17500	.....	0.07	.....	367	
17500	.....	24400	.....	0.08	.....	542	
24400	.....	34900	.....	0.09	.....	786	
34900	.....	61100	.....	0.10	.....	1135	
61100	.....	.....	.....	0.11	.....	1746	

Calculation of Amount Withheld

Amount of State Withholding to Date			(K)
Estimated withholding for the remainder of the year *(Amount withheld from your most recent paycheck, times the number of pay periods remaining in the year)*	+		(L)
Estimated Total Withholding (line K plus line L)	=		(M)

Amount Underwithheld/Overwithheld

Estimated Tax Liability (from line J)		(N)
Estimated Total Withholding (from line M)		(O)

If line N is more than line O, you may not have enough tax withheld to meet your income tax liability for the current year. You may want to divide the difference by the number of pay periods remaining and request your employer to withhold that additional amount each pay period.