



# COMPTROLLER of MARYLAND

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TO: All State Agencies

FROM: Dhiren V. Shah, Director  
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DATE: February 17, 2023

SUBJECT: 2023 FEDERAL INCOME TAX WITHHOLDING INFORMATION

The Percentage Method of Withholding is addressed in this memo which includes extractions from the 2023 Federal Income Tax Withholding Tables (found in the IRS Publication 15-T).

**Please Note:**

- Advance payment of earned income credit (EIC) through payroll payments expired on December 31, 2010. Individuals eligible for EIC in 2022 can still claim the credit when they file their 2022 federal income tax return. Additionally, any employee who expects to be eligible for the EIC and will have income tax withheld from wages in 2023 may reduce their withholding to receive the benefit of a portion of the credit throughout the year.
- In calendar year 2020, the IRS eliminated withholding allowances, but employees may report the amount of credit in Step 3. Step 3 of Form W-4 provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may claim when you file your tax return. You may also include **other tax credits** in this step.
- Individual tax calculations and estimates can be readily determined by using the Central Payroll Bureau, [Net Pay Calculator](https://www.marylandtaxes.gov/statepayroll/online-services.php) located with the following link:

<https://www.marylandtaxes.gov/statepayroll/online-services.php>

Click on “Net Pay Calculator”

- Other related documents located from our home page:

Click on “Payroll Officers / then click on Current Memos”

2022 Earned Income Credit (EIC)

2023 Maryland State and Local Income Tax Withholding Information

**Attached are 2023 Federal Income Tax Withholding tables for Percentage method**



**2023 Federal Income Tax Withholding Information  
Tax Tables for Percentage Method of Withholding  
With Forms W-4 From 2020 or Later**

BIWEEKLY Payroll Period

STANDARD Withholding Rate Schedules (Use these if the box in Step 2 of Form W-4 is NOT checked)					Form W-4, Step 2, Checkbox, Withholding Rate Schedules (Use these if the box in Step 2 of Form W-4 IS checked)				
If the Adjusted Wage Amount (line 1h) is:		The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Wage exceeds—	If the Adjusted Wage Amount (line 1h) is:		The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Wage exceeds—
At least—	But less than—				At least—	But less than—			
A	B	C	D	E	A	B	C	D	E
<b>Married Filing Jointly</b>					<b>Married Filing Jointly</b>				
\$0	\$1,065	\$0.00	0%	\$0	\$0	\$533	\$0.00	0%	\$0
\$1,065	\$1,912	\$0.00	10%	\$1,065	\$533	\$956	\$0.00	10%	\$533
\$1,912	\$4,506	\$84.70	12%	\$1,912	\$956	\$2,253	\$42.30	12%	\$956
\$4,506	\$8,402	\$395.98	22%	\$4,506	\$2,253	\$4,201	\$197.94	22%	\$2,253
\$8,402	\$15,073	\$1,253.10	24%	\$8,402	\$4,201	\$7,537	\$626.50	24%	\$4,201
\$15,073	\$18,854	\$2,854.14	32%	\$15,073	\$7,537	\$9,427	\$1,427.14	32%	\$7,537
\$18,854	\$27,748	\$4,064.06	35%	\$18,854	\$9,427	\$13,874	\$2,031.94	35%	\$9,427
\$27,748		\$7,176.96	37%	\$27,748	\$13,874		\$3,588.39	37%	\$13,874
<b>Single or Married Filing Separately</b>					<b>Single or Married Filing Separately</b>				
\$0	\$533	\$0.00	0%	\$0	\$0	\$266	\$0.00	0%	\$0
\$533	\$956	\$0.00	10%	\$533	\$266	\$478	\$0.00	10%	\$266
\$956	\$2,253	\$42.30	12%	\$956	\$478	\$1,126	\$21.20	12%	\$478
\$2,253	\$4,201	\$197.94	22%	\$2,253	\$1,126	\$2,100	\$98.96	22%	\$1,126
\$4,201	\$7,537	\$626.50	24%	\$4,201	\$2,100	\$3,768	\$313.24	24%	\$2,100
\$7,537	\$9,427	\$1,427.14	32%	\$7,537	\$3,768	\$4,713	\$713.56	32%	\$3,768
\$9,427	\$22,768	\$2,031.94	35%	\$9,427	\$4,713	\$11,384	\$1,015.96	35%	\$4,713
\$22,768		\$6,701.29	37%	\$22,768	\$11,384		\$3,350.81	37%	\$11,384
<b>Head of Household</b>					<b>Head of Household</b>				
\$0	\$800	\$0.00	0%	\$0	\$0	\$400	\$0.00	0%	\$0
\$800	\$1,404	\$0.00	10%	\$800	\$400	\$702	\$0.00	10%	\$400
\$1,404	\$3,102	\$60.40	12%	\$1,404	\$702	\$1,551	\$30.20	12%	\$702
\$3,102	\$4,467	\$264.16	22%	\$3,102	\$1,551	\$2,234	\$132.08	22%	\$1,551
\$4,467	\$7,804	\$564.46	24%	\$4,467	\$2,234	\$3,902	\$282.34	24%	\$2,234
\$7,804	\$9,694	\$1,365.34	32%	\$7,804	\$3,902	\$4,847	\$682.66	32%	\$3,902
\$9,694	\$23,035	\$1,970.14	35%	\$9,694	\$4,847	\$11,517	\$985.06	35%	\$4,847
\$23,035		\$6,639.49	37%	\$23,035	\$11,517		\$3,319.56	37%	\$11,517

**NOTE:**

- Use of these tables to compute estimated tax withholdings will result in amounts that differ from the precise amounts computed by the Statewide Payroll System.

**2023 Federal Income Tax Withholding Information**  
**Tax Tables for Percentage Method of Withholding**  
**With Forms W-4 From 2020 or later**

**Monthly Payroll Period**

<b>STANDARD Withholding Rate Schedules</b> (Use these if the box in Step 2 of Form W-4 is <b>NOT</b> checked)					<b>Form W-4, Step 2, Checkbox, Withholding Rate Schedules</b> (Use these if the box in Step 2 of Form W-4 <b>IS</b> checked)				
<b>If the Adjusted Wage Amount (line 1h) is:</b>		<b>The tentative amount to withhold is:</b>	<b>Plus this percentage—</b>	<b>of the amount that the Adjusted Wage exceeds—</b>	<b>If the Adjusted Wage Amount (line 1h) is:</b>		<b>The tentative amount to withhold is:</b>	<b>Plus this percentage—</b>	<b>of the amount that the Adjusted Wage exceeds—</b>
<b>At least—</b>	<b>But less than—</b>				<b>At least—</b>	<b>But less than—</b>			
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Married Filing Jointly</b>					<b>Married Filing Jointly</b>				
\$0	\$2,308	\$0.00	0%	\$0	\$0	\$1,154	\$0.00	0%	\$0
\$2,308	\$4,142	\$0.00	10%	\$2,308	\$1,154	\$2,071	\$0.00	10%	\$1,154
\$4,142	\$9,763	\$183.40	12%	\$4,142	\$2,071	\$4,881	\$91.70	12%	\$2,071
\$9,763	\$18,204	\$857.92	22%	\$9,763	\$4,881	\$9,102	\$428.90	22%	\$4,881
\$18,204	\$32,658	\$2,714.94	24%	\$18,204	\$9,102	\$16,329	\$1,357.52	24%	\$9,102
\$32,658	\$40,850	\$6,183.90	32%	\$32,658	\$16,329	\$20,425	\$3,092.00	32%	\$16,329
\$40,850	\$60,121	\$8,805.34	35%	\$40,850	\$20,425	\$30,060	\$4,402.72	35%	\$20,425
\$60,121		\$15,550.19	37%	\$60,121	\$30,060		\$7,774.97	37%	\$30,060
<b>Single or Married Filing Separately</b>					<b>Single or Married Filing Separately</b>				
\$0	\$1,154	\$0.00	0%	\$0	\$0	\$577	\$0.00	0%	\$0
\$1,154	\$2,071	\$0.00	10%	\$1,154	\$577	\$1,035	\$0.00	10%	\$577
\$2,071	\$4,881	\$91.70	12%	\$2,071	\$1,035	\$2,441	\$45.80	12%	\$1,035
\$4,881	\$9,102	\$428.90	22%	\$4,881	\$2,441	\$4,551	\$214.52	22%	\$2,441
\$9,102	\$16,329	\$1,357.52	24%	\$9,102	\$4,551	\$8,165	\$678.72	24%	\$4,551
\$16,329	\$20,425	\$3,092.00	32%	\$16,329	\$8,165	\$10,213	\$1,546.08	32%	\$8,165
\$20,425	\$49,331	\$4,402.72	35%	\$20,425	\$10,213	\$24,666	\$2,201.44	35%	\$10,213
\$49,331		\$14,519.82	37%	\$49,331	\$24,666		\$7,259.99	37%	\$24,666
<b>Head of Household</b>					<b>Head of Household</b>				
\$0	\$1,733	\$0.00	0%	\$0	\$0	\$867	\$0.00	0%	\$0
\$1,733	\$3,042	\$0.00	10%	\$1,733	\$867	\$1,521	\$0.00	10%	\$867
\$3,042	\$6,721	\$130.90	12%	\$3,042	\$1,521	\$3,360	\$65.40	12%	\$1,521
\$6,721	\$9,679	\$572.38	22%	\$6,721	\$3,360	\$4,840	\$286.08	22%	\$3,360
\$9,679	\$16,908	\$1,223.14	24%	\$9,679	\$4,840	\$8,454	\$611.68	24%	\$4,840
\$16,908	\$21,004	\$2,958.10	32%	\$16,908	\$8,454	\$10,502	\$1,479.04	32%	\$8,454
\$21,004	\$49,908	\$4,268.82	35%	\$21,004	\$10,502	\$24,954	\$2,134.40	35%	\$10,502
\$49,908		\$14,385.22	37%	\$49,908	\$24,954		\$7,192.60	37%	\$24,954

**Note:**

- Use of these tables to compute estimated tax withholdings will result in amounts that differ from the precise amounts computed by the Statewide Payroll System.

**2023 Employer's Withholding Worksheet for Percentage Method Tables  
With Forms W-4 from 2020 or Later**

**Table 1**

<b>Monthly</b>	<b>Biweekly</b>
<b>12</b>	<b>26</b>

**Step 1. Adjust the employee's wage amount**

- 1a Enter the employee's total taxable wages this payroll period ..... 1a \$ \_\_\_\_\_
- 1b Enter the number of pay periods you have per year (see Table 1) ..... 1b \_\_\_\_\_
- 1c Enter the amount from Step 4(a) of the employee's Form W-4 ..... 1c \$ \_\_\_\_\_
- 1d Divide line 1c by the number on line 1b ..... 1d \$ \_\_\_\_\_
- 1e Add lines 1a and 1d ..... 1e \$ \_\_\_\_\_
- 1f Enter the amount from Step 4(b) of the employee's Form W-4 ..... 1f \$ \_\_\_\_\_
- 1g Divide line 1f by the number on line 1b ..... 1g \$ \_\_\_\_\_
- 1h Subtract line 1g from line 1e. If zero or less, enter -0-. This is the Adjusted Wage Amount ..... 1h \$ \_\_\_\_\_

**Step 2. Figure the Tentative Withholding Amount**

based on your pay frequency, the employee's Adjusted Wage Amount, filing status (Step 1(c) of Form W-4), and whether the box in Step 2 of Form W-4 is checked.

- 2a Find the row in the STANDARD Withholding Rate Schedules (if the box in Step 2 of Form W-4 is NOT checked) or the Form W-4, Step 2, Checkbox, Withholding Rate Schedules (if it HAS been checked) of the Percentage Method Tables in this section in which the amount on line 1h is at least the amount in column A but less than the amount in column B, and then enter here the amount from column A of that row ..... 2a \$ \_\_\_\_\_
- 2b Enter the amount from column C of that row ..... 2b \$ \_\_\_\_\_
- 2c Enter the percentage from column D of that row ..... 2c \$ \_\_\_\_\_
- 2d Subtract line 2a from line 1h ..... 2d \$ \_\_\_\_\_
- 2e Multiply the amount on line 2d by the percentage on line 2c ..... 2e \$ \_\_\_\_\_
- 2f Add lines 2b and 2e. This is the Tentative Withholding Amount ..... 2f \$ \_\_\_\_\_

**Step 3. Account for tax credits**

- 3a Enter the amount from Step 3 of the employee's Form W-4 ..... 3a \$ \_\_\_\_\_
- 3b Divide the amount on line 3a by the number of pay periods on line 1b ..... 3b \$ \_\_\_\_\_
- 3c Subtract line 3b from line 2f. If zero or less, enter -0- ..... 3c \$ \_\_\_\_\_

**Step 4. Figure the final amount to withhold**

- 4a Enter the additional amount to withhold from Step 4(c) of the employee's Form W-4 ..... 4a \$ \_\_\_\_\_
- 4b Add lines 3c and 4a. This is the amount to withhold from the employee's wages this pay period ..... 4b \$ \_\_\_\_\_

**\*Biweekly or Monthly Gross pay less tax sheltered and/or pre-tax deductions**