

FIGURING YOUR FEDERAL TAXES

Effective January 1, 2023

Step 1. Adjust your wage amount

- 1a Enter your total taxable wages this payroll period 1a \$ _____
- 1b Enter the number of pay periods you have per year (Monthly=12, Biweekly=26) 1b _____
- 1c Multiply the amount on line 1a by the number on line 1b 1c \$ _____

If you HAVE submitted a Form W-4 for 2020 or later, figure your Adjusted Annual Wage Amount as follows:

- 1d Enter the amount from Step 4(a) of your Form W-4 1d \$ _____
- 1e Add lines 1c and 1d 1e \$ _____
- 1f Enter the amount from Step 4(b) of your Form W-4 1f \$ _____
- 1g If the box in Step 2 of Form W-4 is checked, enter -0-. If the box is not checked, enter \$12,900 if you are married filing jointly or \$8,600 otherwise 1g \$ _____
- 1h Add lines 1f and 1g 1h \$ _____
- 1i Subtract line 1h from line 1e. If zero or less, enter -0-. This is your **Adjusted Annual Wage Amount** 1i \$ _____

If you HAVE NOT submitted a Form W-4 for 2020 or later, figure your Adjusted Annual Wage Amount as follows:

- 1j Enter the number of allowances claimed on your most recent Form W-4 1j _____
- 1k Multiply line 1j by \$4,300 1k \$ _____
- 1l Subtract line 1k from line 1c. If zero or less, enter -0-. This is your **Adjusted Annual Wage Amount** 1l \$ _____

Step 2. Figure your Tentative Withholding Amount

Based on your Adjusted Annual Wage Amount; filing status (Step 1(c) of the 2020 or later Form W-4) or marital status (line 3 of Form W-4 from 2019 or earlier); and whether the box in Step 2 of 2020 or later Form W-4 is checked.

Note. Don't use the Head of Household table if your Form W-4 is from 2019 or earlier.

- 2a Enter your **Adjusted Annual Wage Amount** from line 1i or 1l above2a \$ _____
- 2b On the following page, find the row in the appropriate **Annual Percentage Method Tax Table** in which the amount on line 2a is at least the amount in column A, but less than the amount in column B, then enter here the amount from column A of that row2b \$ _____
- 2c Enter the amount from column C of that row2c \$ _____
- 2d Enter the percentage from column D of that row2d _____ %
- 2e Subtract line 2b from line 2a 2e \$ _____
- 2f Multiply the amount on line 2e by the percentage on line 2d2f \$ _____
- 2g Add lines 2c and 2f 2g \$ _____
- 2h Divide the amount on line 2g by the number of pay periods on line 1b. This is the **Tentative Withholding Amount**2h \$ _____

Step 3. Account for tax credits

- 3a If your Form W-4 is from 2020 or later, enter the amount from Step 3 of that form; otherwise enter -0-3a \$ _____
- 3b Divide the amount on line 3a by the number of pay periods on line 1b3b \$ _____
- 3c Subtract line 3b from line 2h. If zero or less, enter -0-3c \$ _____

Step 4. Figure the final amount to withhold

- 4a Enter the additional amount to withhold from your Form W-4 (Step 4(c) of the 2020 or later form or line 6 on earlier forms)4a \$ _____
- 4b Add lines 3c and 4a. **This is the amount to withhold from your wages this pay period.**4b \$ _____

2023 Annual Percentage Method Tax Tables

STANDARD Withholding Rate Schedules (Use these if the Form W-4 is from 2019 or earlier, or if the Form W-4 is from 2020 or later and 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 Form W-4 is from 2020 or later and the box in Step 2 of Form W-4 is IS checked)				
If the Adjusted Annual Wage Amount (line 2a) is:					If the Adjusted Annual Wage Amount (line 2a) is:				
At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—	At least—	But less than—	The tentative amount to withhold is:	Plus this percentage—	of the amount that the Adjusted Annual Wage exceeds—
A	B	C	D	E	A	B	C	D	E
Married Filing Jointly					Married Filing Jointly				
\$0	\$14,800	\$0.00	0%	\$0	\$0	\$13,850	\$0.00	0%	\$0
\$14,800	\$36,800	\$0.00	10%	\$14,800	\$13,850	\$24,850	\$0.00	10%	\$13,850
\$36,800	\$104,250	\$2,200.00	12%	\$36,800	\$24,850	\$58,575	\$1,100.00	12%	\$24,850
\$104,250	\$205,550	\$10,294.00	22%	\$104,250	\$58,575	\$109,225	\$5,147.00	22%	\$58,575
\$205,550	\$379,000	\$32,580.00	24%	\$205,550	\$109,225	\$195,950	\$16,290.00	24%	\$109,225
\$379,000	\$477,300	\$74,208.00	32%	\$379,000	\$195,950	\$245,100	\$37,104.00	32%	\$195,950
\$477,300	\$708,550	\$105,664.00	35%	\$477,300	\$245,100	\$360,725	\$52,832.00	35%	\$245,100
\$708,550		\$186,601.50	37%	\$708,550	\$360,725		\$93,300.75	37%	\$360,725
Single or Married Filing Separately					Single or Married Filing Separately				
\$0	\$5,250	\$0.00	0%	\$0	\$0	\$6,925	\$0.00	0%	\$0
\$5,250	\$16,250	\$0.00	10%	\$5,250	\$6,925	\$12,425	\$0.00	10%	\$6,925
\$16,250	\$49,975	\$1,100.00	12%	\$16,250	\$12,425	\$29,288	\$550.00	12%	\$12,425
\$49,975	\$100,625	\$5,147.00	22%	\$49,975	\$29,288	\$54,613	\$2,573.50	22%	\$29,288
\$100,625	\$187,350	\$16,290.00	24%	\$100,625	\$54,613	\$97,975	\$8,145.00	24%	\$54,613
\$187,350	\$236,500	\$37,104.00	32%	\$187,350	\$97,975	\$122,550	\$18,552.00	32%	\$97,975
\$236,500	\$583,375	\$52,832.00	35%	\$236,500	\$122,550	\$295,988	\$26,416.00	35%	\$122,550
\$583,375		\$174,238.25	37%	\$583,375	\$295,988		\$87,119.13	37%	\$295,988
Head of Household					Head of Household				
\$0	\$12,200	\$0.00	0%	\$0	\$0	\$10,400	\$0.00	0%	\$0
\$12,200	\$27,900	\$0.00	10%	\$12,200	\$10,400	\$18,250	\$0.00	10%	\$10,400
\$27,900	\$72,050	\$1,570.00	12%	\$27,900	\$18,250	\$40,325	\$785.00	12%	\$18,250
\$72,050	\$107,550	\$6,868.00	22%	\$72,050	\$40,325	\$58,075	\$3,434.00	22%	\$40,325
\$107,550	\$194,300	\$14,678.00	24%	\$107,550	\$58,075	\$101,450	\$7,339.00	24%	\$58,075
\$194,300	\$243,450	\$35,498.00	32%	\$194,300	\$101,450	\$126,025	\$17,749.00	32%	\$101,450
\$243,450	\$590,300	\$51,226.00	35%	\$243,450	\$126,025	\$299,450	\$25,613.00	35%	\$126,025
\$590,300		\$172,623.50	37%	\$590,300	\$299,450		\$86,311.75	37%	\$299,450

FIGURING YOUR STATE TAXES EFFECTIVE January 1, 2023

Employees paid MONTHLY – Subtract \$416.67 from your Federal taxable monthly gross pay. The remainder is subject to withholding at the rate of 4.25%

Employees paid BIWEEKLY – Subtract \$192.31 from your Federal taxable biweekly gross pay. The remainder is subject to withholding at the rate of 4.25%

2023 FICA TAX

Take your FICA Taxable Gross, displayed at the bottom of your pay stub and apply rates as follows:

The 2023 Social Security (FICA) tax contains two parts. The Social Security (Old Age, Survivors, and Disability Insurance) FICA tax is based on the first \$160,200 paid at the rate of 6.2% with a maximum amount withheld of \$9,932.40. The Medicare (Medical Hospital Insurance) FICA tax is based on all earnings paid at the rate of 1.45%. (There is no limit on the Medicare FICA gross. The limit was eliminated as part of the Omnibus Budget Reduction Act of 1993). In addition to the 1.45% Medicare tax rate, an additional 0.9% will be withheld on Medicare wages over \$200,000.

2023 CITY TAXES

Personal and dependency exemptions allowable for Michigan income tax purposes are also allowable for Michigan cities. The annual allowance for all cities is \$600. The allowance equals \$23.08 biweekly or \$50.00 monthly

The rate on taxable earnings is 1% for residents and 0.5% for non-residents. These rates are uniform for all cities except Detroit and Grand Rapids. For Detroit, the rate is 2.4% for residents and 1.2% for non-residents. For Grand Rapids, the rate is 1.5% for residents and 0.75% for non-residents.