**FIGURING YOUR FEDERAL TAXES**

**Effective January 1, 2023**

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| **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 above . . . . . . . . . . . . …………. . . . | | | | | | ……2a | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 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 row . . . . . . . . . . . . . . . . . . . . . . . . . . | | | | | |  | |  |
|  |  | ……2b | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 2c | Enter the amount from column C of that row . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | | | | | | ……2c | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 2d | Enter the percentage from column D of that row . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | | | | | | ……2d | | % |
|  | 2e | Subtract line 2b from line 2a . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ... . . . . . . . . . .. . . . . . . . . . . . . . . | | | | | | ……2e | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 2f | Multiply the amount on line 2e by the percentage on line 2d . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | | | | | | ……2f | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 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 1b . . . . . . . . . . . . . . . . . . . . . . . | | | | | | ……3b | | $\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 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 | | $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
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**2023 Annual Percentage Method Tax Tables**

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| **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** checked) | | | | |
| **If the Adjusted Annual Wage Amount (line 2a) is:** | | **The tentative amount to withhold is:** |  | **of the amount that the Adjusted Annual Wage exceeds—** | **If the Adjusted Annual Wage Amount (line 2a) is:** | | **The tentative amount to withhold is:** |  | **of the amount that the Adjusted Annual Wage exceeds—** |
| **At least—** | **But less than—** | **Plus this percentage—** | **At least—** | **But less than—** | **Plus this percentage—** |
| **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**

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| Employees paid MONTHLY – Subtract $450.00 from your Federal taxable monthly gross pay. The remainder is subject to withholding  at the rate of 4.25% | Employees paid BIWEEKLY – Subtract $207.69 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.