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P.O. Box 60000  
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Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 03-15, Maine State Income Tax Withholding

Date: May 30, 2003

To: Holders of TAXES (State of Maine only)  
Personnel User Groups  
T&A Contact Points in Maine

Beginning with wages paid for Pay Period 11, the Single, Married, and Married – Filing Jointly withholding tables will change for the state of Maine.

No action on the part of the employee or the personnel office is necessary.

To view and/or print the updated tax formula, go to the National Finance Center (NFC) home page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click on **Pubs & Forms**. Then on the **Pubs & Forms** page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by “▶◀”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov). Refer questions about this bulletin to **504-255-5322** or via e-mail at [nfc.pvct@usda.gov](mailto:nfc.pvct@usda.gov).

PENNY W. FORBES, Acting Director  
Government Employees Services Division

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# Maine State Income Tax Information

<b>State Abbreviation:</b>	ME
<b>State Tax Withholding State Code:</b>	23
<b>Acceptable Exemption Form:</b>	W-4 or W-4ME
<b>Basis For Withholding:</b>	State Exemptions
<b>Acceptable Exemption Data:</b>	S, M, N / Number of Allowances
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	Determine the Total Number Of Allowances field as follows: <b>First Position</b> - S = Single; M = Married (one income); N = Married, Filing Jointly (two incomes) <b>Second and Third Positions</b> - Enter the number of allowances claimed. If less than 10, precede with a zero.
<b>Additional Information:</b>	If the W-4 is used, code it as a state tax document. Maine allows for an N (Married, Filing Jointly), which is not on the W-4. The employee should write in Married -Filing Jointly on the W-4.

## Withholding Formula ►(Effective Pay Period 11, 2003)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract nontaxable Federal Health Benefits Plan payments from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 4 to determine the taxable income.  
$$\text{Exemption Allowance} = \$2,850 \times \text{Number of Exemptions}$$
6. Apply the taxable income computed in step 5 to the following table to determine the annual Maine income tax withholding.

### Tax Withholding Table Single

▶ If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 1,900	\$ 0	plus 0.0%	\$ 0
1,900	6,150	0	plus 2.0%	1,900
6,150	10,350	85	plus 4.5%	6,150
10,350	18,850	274	plus 7.0%	10,350
18,850	and over	869	plus 8.5%	18,850

### Married

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 5,100	\$ 0	plus 0.0%	\$ 0
5,100	13,600	0	plus 2.0%	5,100
13,600	22,050	170	plus 4.5%	13,600
22,050	39,050	550	plus 7.0%	22,050
39,050	and over	1,740	plus 8.5%	39,050

### Married - Filing Jointly

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 2,550	\$ 0	plus 0.0%	\$ 0
2,550	6,800	0	plus 2.0%	2,550
6,800	11,025	85	plus 4.5%	6,800
11,025	19,525	275	plus 7.0%	11,025
19,525	and over	870	plus 8.5%	19,525 ◀

7. Divide the annual Maine income tax withholding determined in step 6 by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.

**Note:** If the annual computed tax is \$40 or less, the withholding amount will be changed to zero.