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Title: I, Payroll/Personnel Manual

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

Bulletin: TAXES 03-25, Clay, Grant, and Miami Counties, Indiana, Income Tax Withholding

Date: August 29, 2003

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

Beginning with wages paid for Pay Period 18, Clay, Grant, and Miami Counties, Indiana, will make the following changes to county income tax withholdings:

- Clay County, Indiana, will increase the resident percentage rate from 1.00 percent to 1.25 percent.
- Grant County, Indiana, will increase the resident percentage rate from 1.00 percent to 1.25 percent and increase the nonresident percentage rate from .25 percent to .50 percent.
- Miami County, Indiana, will increase the resident percentage rate from .88 percent to 1.04 percent and increase the nonresident percentage rate from .40 percent to .59 percent.

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

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

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630** . For questions about system access and other system-related issues, contact Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov. For questions about this bulletin, call **504-255-5322** or send an e-mail to nfc.pvct@usda.gov.

PENNY W. FORBES, Acting Director
Government Employees Services Division

Filing Instructions: File with the Payroll/Personnel Manual.

Expiration Date: When superseded

Indiana Counties Income Tax Information

Acceptable Exemption Form: IN WH-4

Acceptable Exemption Data: 0 / Number of Dependents

Special Coding: Determine the Total Number of Exemptions field as follows:

First Digit Enter the appropriate number to represent the number of additional exemptions claimed etc up to 9. If more than 9 exemptions are claimed, enter 9.

Second and Third Digits Enter the number of exemptions claimed. If less than 100, enter a zero in the first digit.

Additional Information: None

Withholding Formula ►(Effective Pay Period 18, 2003)◄

1. Multiply the gross biweekly wages by 26 to obtain the gross annual wages.
2. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 1.

$$\text{Exemption Allowance} = \$1,000 \times \text{Number of Exemptions}^1$$

¹ Number of exemptions claimed for self, spouse, over age 65, blindness, and dependents.

3. Determine the additional allowance by applying the following guideline and subtract this amount from the result of step 2 to compute the taxable income:

$$\text{Additional Allowance} = \$1,500 \times \text{Number of Additional Exemptions}^2$$

² Number of additional exemptions claimed for certain qualifying dependents

4. Apply the taxable income to the following guideline to determine the annual Indiana county income tax withholding.

Compute the County Income Tax Withholding For:	By Multiplying the Gross Annual Wages By:		
	Resident Percentage	Nonresident Percentage	State/County Code
Allen	1.00	0.550	18/003
Clay ³	►1.25◄	0.250	18/021
Grant	►1.25	0.500◄	18/053
Greene ³	1.00	0.250	18/055
Marion	0.70	0.175	18/097
Martin	1.00	0.400	18/101
Miami	►1.04	0.590◄	18/103
Tippecanoe	1.00	0.550	18/157
Vanderburgh	1.00	0.250	18/163

³ Voluntary County Tax Status

5. Divide the annual Indiana county income tax withholding by 26 to obtain the biweekly Indiana county income tax withholding.