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Title: I, Payroll/Personnel Manual

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

Bulletin: TAXES 03-26, West Virginia State Income Tax Withholding

Date: September 22, 2003

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

Beginning with wages paid for Pay Period 18, the state of West Virginia will make the following changes to the state income tax, the withholding form, and the tax formula:

- Form WV/IT-104, West Virginia Employee's Withholding Exemption Certificate, (shown on the reverse of this bulletin) has been revised to include the allowance for the Optional Two Earners Percentage (N) filing status.
- The state tax formula will be updated to include a new tax table for the Optional Two Earners Percentage Method.
- The state income tax will be rounded to the nearest dollar.

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.

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Filing Instructions: File with the Payroll/Personnel Manual.

Expiration Date: When superseded

West Virginia State Income Tax Information

State Abbreviation: WV
State Tax Withholding State Code: 54
Acceptable Exemption Form: WV/IT-104
Basis For Withholding: State Exemptions
Acceptable Exemption Data: 0 (zero), ▶N◀ / Number of Exemptions
TSP Deferred: Yes
Special Coding: Determine the Total Number Of Allowances field as follows:
First Position -0 (zero) = Standard Method; ▶N = Optional Two Earners Percentage Method◀
Second and Third Positions - Enter the number of exemptions claimed. If less than 10, precede with a 0 (zero).
Additional Information None

Withholding Formula ▶(Effective Pay Period 18, 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 compute the taxable income.
 Exemption Allowance = \$2,000 x Number of Exemptions
6. Apply the taxable income computed in step 5 to the following table to determine the West Virginia annual tax withholding.

Tax Withholding Table Standard Tax Table (Filing Status 0)

If the Amount of Taxable Income Is:		The Amount of West Virginia Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 10,000	\$ 0	plus 3.0%	\$ 0
10,000	25,000	300	plus 4.0%	10,000
25,000	40,000	900	plus 4.5%	25,000
40,000	60,000	1,575	plus 6.0%	40,000
60,000	and over	2,775	plus 6.5%	60,000

**►Optional Two Earners Table
(Filing Status N)**

If the Amount of Taxable Income Is:		The Amount of West Virginia Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 6,000	\$ 0	plus 3.0%	\$ 0
6,000	15,000	180	plus 4.0%	6,000
15,000	24,000	540	plus 4.5%	15,000
24,000	36,000	945	plus 6.0%	24,000
36,000	and over	1,665	plus 6.5%	36,000◀

7. Divide the annual West Virginia tax withholding by 26 and ►round to the nearest dollar◀ to obtain the biweekly West Virginia tax withholding.