

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008

California provides two methods for determining the amount of wages and salaries to be withheld for state personal income tax:

- METHOD A - WAGE BRACKET TABLE METHOD (**Limited to wages/salaries less than \$1 million**)
- METHOD B - EXACT CALCULATION METHOD

METHOD A provides a quick & easy way to select the appropriate withholding amount, based on the payroll period, filing status, and number of withholding allowances (regular and additional) if claimed. The STANDARD DEDUCTION and EXEMPTION ALLOWANCE CREDIT are **already** included in the wage bracket tables. Even though this method involves fewer computations than Method B, it cannot be used with your computer in determining amounts to be withheld.

METHOD B may be used to calculate withholding amounts either manually or by computer. This method will give an exact amount of tax to withhold. To use this method, you must enter the payroll period, filing status, number of withholding allowances, standard deduction, and exemption allowance credit amounts. These amounts are included in TABLES 1 through 5 of the EXACT CALCULATION Section.

If there are any questions concerning the operation/methodology of Method B for computer software, you may contact:

Franchise Tax Board, Statistical Research Section - 516 Mail Stop A-351
P.O. Box 942840, Sacramento, CA 94240

SPECIAL NOTE FOR MARRIED EMPLOYEES WITH EMPLOYED SPOUSES: to avoid underwithholding of State income tax liability we recommend that you use one of the following options: Single filing status to compute withholding amounts for the employee and spouse; **or** withhold an additional flat amount of tax. Additionally, to avoid underwithholding, the higher-earning spouse can claim single status and all dependent allowances while the other spouse can claim single status with one allowance.

Instructions for additional withholding allowances for estimated deductions:

All additional allowances for ESTIMATED DEDUCTIONS that are claimed on a DE 4 must be used to reduce the amount of salaries & wages subject to withholding by using steps 1 and 2 shown below. If the Form W-4 is used for California withholding purposes, all additional allowances for ESTIMATED DEDUCTIONS claimed must be treated as regular withholding allowances; **unless** the employee requests in writing that they be treated in accordance with the following:

1. Subtract the employee's estimated deduction allowance shown in the "TABLE 2 - ESTIMATED DEDUCTION TABLE" from the gross wages subject to withholding; and
2. Compute the tax to be withheld using:

METHOD A - WAGE BRACKET TABLE METHOD; or
METHOD B - EXACT CALCULATION METHOD

If the DE 4 is used for California withholding purposes, compute the tax to be deducted and withheld based on the total number of regular withholding allowances claimed on line 1 of DE 4.

If the Form W-4 is used for California withholding purposes, compute the tax to be deducted and withheld based on the total number of withholding allowances claimed on line 1 of Form W-4; minus the number of additional allowances for estimated deductions claimed. If Form W-4 does not separately identify the number of additional allowances for estimated deductions, the employee's request must specify the number claimed. The employee's request will remain in effect until the employee terminates it by furnishing a signed written notice or by furnishing a DE 4.

Employers may require employees to file DE 4 when they wish to use additional allowances for estimated deductions to reduce the amount of wages subject to withholding.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008

METHOD B - EXACT CALCULATION METHOD

This method is based upon applying a given percentage to the wages (after deductions) which fall within a taxable income class, adding to this product the accumulated tax for all lower tax brackets; and then subtracting a tax credit based upon the number of allowances claimed on the Employee's Withholding Allowance Certificate (Form W-4 or DE 4). **This method also takes into consideration the special treatment of additional allowances for estimated deductions.**

The steps in computing the amount of tax to be withheld are as follows:

- Step 1** Determine if the employee's gross wages are **less** than, or equal to, the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE." If so, no income tax is required to be withheld.
- Step 2** If the employee claims any additional withholding allowances for estimated deductions on a DE 4 form, subtract the amount shown in "TABLE 2 - ESTIMATED DEDUCTION TABLE" from the gross wages.
- Step 3** Subtract the standard deduction amount shown in "TABLE 3 - STANDARD DEDUCTION TABLE" to arrive at the employee's taxable income.
- Step 4** Use "TABLE 5 - TAX RATE TABLE" for the payroll period and marital status to find the applicable line on which the taxable income is located. Perform the indicated calculations to arrive at the computed tax liability.
- Step 5** Subtract the tax credit shown in "TABLE 4 – EXEMPTION ALLOWANCE TABLE"* from the computed tax liability to arrive at the amount of tax to be withheld.

* If the employee uses additional allowances claimed for estimated deductions, such allowances **MUST NOT** be used in the determination of tax credits to be subtracted.

EXAMPLE A: Weekly earnings of \$220.00, single, and claiming one withholding allowance on form W-4 or DE 4.

- Step 1** Earnings for the weekly payroll period are LESS than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$224.00); therefore, no income tax is to be withheld.

EXAMPLE B: Biweekly earnings of \$1,150.00, married, and claiming three withholding allowances, one of which is for estimated deductions.

- Step 1** Earnings for the biweekly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$895.00); therefore, income tax should be withheld.
 - Step 2**

| | | |
|---|--|---------------|
| Earnings for biweekly payroll period..... | | \$ 1,150.00 |
| Subtract amount from "TABLE 2 - ESTIMATED DEDUCTION TABLE"..... | | <u>-38.00</u> |
| Salaries and wages subject to withholding..... | | \$ 1,112.00 |
 - Step 3**

| | | |
|---|--|----------------|
| Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE" | | <u>-270.00</u> |
| Taxable income | | \$ 842.00 |
 - Step 4** Tax computation from "TABLE 5 - TAX RATE TABLE":
Entry covering \$842.00 (over \$524.00 but not over \$1,244.00)
 - 2% of amount over \$524.00 (.02 x (\$842.00 – \$524.00)).....
 - Plus the marginal amount.....
 - Computed tax

| | | |
|--|--|-----------------|
| | | \$ 6.36 |
| | | <u>+5.24</u> |
| | | \$ <u>11.60</u> |
 - Step 5** Subtract amount from "TABLE 4 – EXEMPTION ALLOWANCE TABLE"
for two regular withholding allowances.....
Net amount of tax to be withheld
- | | | |
|--|--|----------------|
| | | <u>-7.23</u> |
| | | \$ <u>4.37</u> |

NOTE: Table 5 provides a method comparable to the federal alternative method for percentage calculation of withholding. This method is a minor simplification of the exact calculation method described above in that the tax rate applies to the total taxable income with the excess amount subtracted.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008

METHOD B - EXACT CALCULATION METHOD (CONTINUED)

EXAMPLE C: Monthly earnings of \$3,800.00, married, and claiming five withholding allowances on form W-4 or DE 4.

| | | |
|---------------|---|---------------------------------------|
| Step 1 | Earnings for the monthly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$1,938.00); therefore, income tax should be withheld. Earnings for monthly payroll period..... | \$3,800.00 |
| Step 2 | Not applicable – no estimated deduction allowance claimed. | |
| Step 3 | Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE"..... | <u>-586.00</u> |
| | Taxable income..... | \$3,214.00 |
| Step 4 | Tax computation from "TABLE 5 - TAX RATE TABLE": • Entry covering \$3,214.00 (over \$2,696.00 but not over \$4,256.00) • 4% of amount over \$2,696.00 (.04 x (\$3,214.00 - \$2,696.00)) • Plus marginal tax amount..... • Computed tax..... | \$ 20.72 <u>+42.56</u> \$ 63.28 |
| Step 5 | Subtract amount from "TABLE 4 – EXEMPTION ALLOWANCE TABLE" for 5 regular withholding allowances..... | <u>-39.17</u> |
| | Net amount of tax to be withheld..... | <u>\$ 24.11</u> |

EXAMPLE D: Weekly earnings of \$800.00, unmarried head of household, three withholding allowances on form W-4 or DE 4.

| | | |
|---------------|--|-------------------------------------|
| Step 1 | Earnings for the weekly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$447.00); therefore, income tax should be withheld. Earnings for weekly payroll period..... | \$ 800.00 |
| Step 2 | Not applicable - no estimated deduction allowance claimed. | |
| Step 3 | Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE"..... | <u>-135.00</u> |
| | Taxable income..... | \$ 665.00 |
| Step 4 | Tax computation from "TABLE 5 - TAX RATE TABLE": • Entry covering \$665.00 (over \$623.00 but not over \$802.00). • 4% of amount over \$623.00 (.04 x (\$665.00 - \$623.00)) • Plus marginal tax amount..... • Computed tax..... | \$ 1.68 <u>+9.83</u> \$ 11.51 |
| Step 5 | Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 3 regular withholding allowances..... | <u>-5.42</u> |
| | Net amount of tax to be withheld..... | <u>\$ 6.09</u> |

NOTE: Employers may determine the amount of income tax to be withheld for an annual payroll period and prorate the tax back to the payroll period. This method may be useful to employers who have employees being paid for more than one payroll period and want to conserve computer memory by storing only the annual tax rates, wage brackets, deduction values, and tax credits.

EXAMPLE E: Semi-monthly earnings of \$1,800.00, married, and claiming four allowances on form W-4 or DE 4.

| | | |
|---------------|---|--|
| Step 1 | Earnings for the semi-monthly payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$969.00); therefore, income tax should be withheld. Annualized wages and salary (24 x \$1,800.00)..... | \$43,200.00 |
| Step 2 | Not applicable - no estimated deduction allowance claimed. | |
| Step 3 | Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE"..... | <u>-7,032.00</u> |
| | Taxable income..... | \$36,168.00 |
| Step 4 | Tax computation from "TABLE 5 - TAX RATE TABLE": • Entry covering \$36,168.00 (over \$32,370.00 but not over \$51,088.00) • 4% of amount over \$32,370.00 (.04 x (\$36,168.00 - \$32,370.00)) • Plus marginal tax amount • Computed annual tax..... | \$ 151.92 <u>+510.86</u> \$ 662.78 |
| Step 5 | Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 4 regular withholding allowances..... | -376.00 |
| | Annual amount of tax to be withheld..... | <u>\$ 286.78</u> |
| | Divide by number of payroll periods in year (24)..... | <u>\$ 11.95</u> |

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B - EXACT CALCULATION METHOD (CONTINUED)

NOTE: Employers may determine the amount of income tax to be withheld for an annual payroll period and figure the tax for the payroll period. This method may be useful to employers who have employees being paid for a lump sum, or a yearly amount not withheld on; and want to conserve computer memory by storing only the annual tax rates, wage brackets, deduction values, and tax credits.

EXAMPLE F: Annual earnings of \$42,000.00, monthly pay period, married, and claiming four allowances on form W-4 or DE 4.

| | | |
|---------------|---|------------------|
| Step 1 | Earnings for the annual payroll period are GREATER than the amount shown in "TABLE 1 - LOW INCOME EXEMPTION TABLE" (\$23,259.00); therefore, income tax should be withheld. | |
| | Annualized wages and/or monthly salary (12 x \$3,500.00) | \$42,000.00 |
| Step 2 | Not applicable - no estimated deduction allowance claimed. | |
| Step 3 | Subtract amount from "TABLE 3 - STANDARD DEDUCTION TABLE" | <u>-7,032.00</u> |
| | Taxable income | \$34,968.00 |
| Step 4 | Tax computation from "TABLE 5 - TAX RATE TABLE": | |
| | • Entry covering \$34,968.00 (over \$32,370.00 but not over \$51,088.00) | |
| | • 4% of amount over \$32,370.00 (.04 x (\$34,968.00 - \$32,370.00)) | \$ 103.92 |
| | • Plus marginal tax amount | <u>+510.86</u> |
| | • Computed annual tax | \$ 614.78 |
| Step 5 | Subtract amount from "TABLE 4 - EXEMPTION ALLOWANCE TABLE" for 4 regular withholding allowances | <u>-376.00</u> |
| | Annual amount of tax to be withheld | \$ 238.78 |
| | Divide by number of payroll periods in year (12) | <u>\$ 19.90</u> |

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B---EXACT CALCULATION METHOD

TABLE 1 - LOW INCOME EXEMPTION TABLE

| PAYROLL PERIOD | SINGLE, | MARRIED | | UNMARRIED HEAD OF HOUSEHOLD |
|---------------------|--|--|----------|-----------------------------------|
| | DUAL INCOME MARRIED OR MARRIED WITH MULTIPLE EMPLOYERS | ALLOWANCES ON DE 4 OR W-4 '0' OR '1' '2' OR MORE | | |
| WEEKLY | \$224 | \$224 | \$447 | \$447 |
| BIWEEKLY | \$447 | \$447 | \$895 | \$895 |
| SEMI-MONTHLY | \$485 | \$485 | \$969 | \$969 |
| MONTHLY | \$969 | \$969 | \$1,938 | \$1,938 |
| QUARTERLY | \$2,908 | \$2,908 | \$5,815 | \$5,815 |
| SEMI-ANNUAL | \$5,815 | \$5,815 | \$11,630 | \$11,630 |
| ANNUAL | \$11,630 | \$11,630 | \$23,259 | \$23,259 |
| DAILY/MISCELLANEOUS | \$45 | \$45 | \$89 | \$89 |

TABLE 2 - ESTIMATED DEDUCTION TABLE

| ADDITIONAL WITHHOLDING ALLOWANCES * | PAYROLL PERIOD | | | | | | | |
|---|----------------|---------------|------------------|---------|-----------|-----------------|----------|-----------------|
| | WEEKLY | BI- WEEKLY | SEMI- MONTHLY | MONTHLY | QUARTERLY | SEMI- ANNUAL | ANNUAL | DAILY/ MISC. |
| 1 | \$19 | \$38 | \$42 | \$83 | \$250 | \$500 | \$1,000 | \$4 |
| 2 | \$38 | \$77 | \$83 | \$167 | \$500 | \$1,000 | \$2,000 | \$8 |
| 3 | \$58 | \$115 | \$125 | \$250 | \$750 | \$1,500 | \$3,000 | \$12 |
| 4 | \$77 | \$154 | \$167 | \$333 | \$1,000 | \$2,000 | \$4,000 | \$15 |
| 5 | \$96 | \$192 | \$208 | \$417 | \$1,250 | \$2,500 | \$5,000 | \$19 |
| 6 | \$115 | \$231 | \$250 | \$500 | \$1,500 | \$3,000 | \$6,000 | \$23 |
| 7 | \$135 | \$269 | \$292 | \$583 | \$1,750 | \$3,500 | \$7,000 | \$27 |
| 8 | \$154 | \$308 | \$333 | \$667 | \$2,000 | \$4,000 | \$8,000 | \$31 |
| 9 | \$173 | \$346 | \$375 | \$750 | \$2,250 | \$4,500 | \$9,000 | \$35 |
| 10** | \$192 | \$385 | \$417 | \$833 | \$2,500 | \$5,000 | \$10,000 | \$38 |

* Number of Additional Withholding Allowances for Estimated Deductions claimed on Form DE 4 or W-4.

** If the number of Additional Withholding Allowances for Estimated Deductions claimed is greater than 10, multiply the amount shown for one Additional Allowance by the number claimed.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B—EXACT CALCULATION METHOD

TABLE 3 - STANDARD DEDUCTION TABLE

| PAYROLL PERIOD | SINGLE, DUAL INCOME MARRIED OR MARRIED WITH MULTIPLE EMPLOYERS | MARRIED | | UNMARRIED HEAD OF HOUSEHOLD |
|---------------------|---|---------------------------|-------------|-----------------------------------|
| | | ALLOWANCES ON DE 4 OR W-4 | | |
| | | '0' OR '1' | '2' OR MORE | |
| WEEKLY | \$68 | \$68 | \$135 | \$135 |
| BIWEEKLY | \$135 | \$135 | \$270 | \$270 |
| SEMI-MONTHLY | \$147 | \$147 | \$293 | \$293 |
| MONTHLY | \$293 | \$293 | \$586 | \$586 |
| QUARTERLY | \$879 | \$879 | \$1,758 | \$1,758 |
| SEMI-ANNUAL | \$1,758 | \$1,758 | \$3,516 | \$3,516 |
| ANNUAL | \$3,516 | \$3,516 | \$7,032 | \$7,032 |
| DAILY/MISCELLANEOUS | \$14 | \$14 | \$27 | \$27 |

TABLE 4 - EXEMPTION ALLOWANCE TABLE

| ALLOWANCES ON DE 4 OR W-4 | PAYROLL PERIOD | | | | | | | |
|---------------------------------|----------------|---------------|------------------|---------|-----------|-----------------|----------|-----------------|
| | WEEKLY | BI- WEEKLY | SEMI- MONTHLY | MONTHLY | QUARTERLY | SEMI- ANNUAL | ANNUAL | DAILY/ MISC. |
| 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 1 | \$1.81 | \$3.62 | \$3.92 | \$7.83 | \$23.50 | \$47.00 | \$94.00 | \$0.36 |
| 2 | \$3.62 | \$7.23 | \$7.83 | \$15.67 | \$47.00 | \$94.00 | \$188.00 | \$0.72 |
| 3 | \$5.42 | \$10.85 | \$11.75 | \$23.50 | \$70.50 | \$141.00 | \$282.00 | \$1.08 |
| 4 | \$7.23 | \$14.46 | \$15.67 | \$31.33 | \$94.00 | \$188.00 | \$376.00 | \$1.45 |
| 5 | \$9.04 | \$18.08 | \$19.58 | \$39.17 | \$117.50 | \$235.00 | \$470.00 | \$1.81 |
| 6 | \$10.85 | \$21.69 | \$23.50 | \$47.00 | \$141.00 | \$282.00 | \$564.00 | \$2.17 |
| 7 | \$12.65 | \$25.31 | \$27.42 | \$54.83 | \$164.50 | \$329.00 | \$658.00 | \$2.53 |
| 8 | \$14.46 | \$28.92 | \$31.33 | \$62.67 | \$188.00 | \$376.00 | \$752.00 | \$2.89 |
| 9 | \$16.27 | \$32.54 | \$35.25 | \$70.50 | \$211.50 | \$423.00 | \$846.00 | \$3.25 |
| 10* | \$18.08 | \$36.15 | \$39.17 | \$78.33 | \$235.00 | \$470.00 | \$940.00 | \$3.62 |

* If the number of allowances claimed exceeds 10, you may determine the amount of tax credit to be allowed by multiplying the amount for one allowance by the total number of allowances.

For example, the amount of tax credit for a married taxpayer with 15 allowances, as determined on Form DE 4 or W-4, on a weekly payroll period would be \$27.15.

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

ANNUAL PAYROLL PERIOD
SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$6,827 ... | 1.0% | \$0 | \$0.00 |
| \$6,827 | \$16,185 ... | 2.0% | \$6,827 | \$68.27 |
| \$16,185 | \$25,544 ... | 4.0% | \$16,185 | \$255.43 |
| \$25,544 | \$35,460 ... | 6.0% | \$25,544 | \$629.79 |
| \$35,460 | \$44,814 ... | 8.0% | \$35,460 | \$1,224.75 |
| \$44,814 | \$999,999 ... | 9.3% | \$44,814 | \$1,973.07 |
| \$999,999 | and over | 10.3% | \$999,999 | \$90,805.28 |

DAILY / MISCELLANEOUS PAYROLL PERIOD
SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|---------|----------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$26 ... | 1.0% | \$0 | \$0.00 |
| \$26 | \$62 ... | 2.0% | \$26 | \$0.26 |
| \$62 | \$98 ... | 4.0% | \$62 | \$0.98 |
| \$98 | \$136 ... | 6.0% | \$98 | \$2.42 |
| \$136 | \$172 ... | 8.0% | \$136 | \$4.70 |
| \$172 | \$3,846 ... | 9.3% | \$172 | \$7.58 |
| \$3,846 | and over | 10.3% | \$3,846 | \$349.26 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$13,654 ... | 1.0% | \$0 | \$0.00 |
| \$13,654 | \$32,370 ... | 2.0% | \$13,654 | \$136.54 |
| \$32,370 | \$51,088 ... | 4.0% | \$32,370 | \$510.86 |
| \$51,088 | \$70,920 ... | 6.0% | \$51,088 | \$1,259.58 |
| \$70,920 | \$89,628 ... | 8.0% | \$70,920 | \$2,449.50 |
| \$89,628 | \$999,999 ... | 9.3% | \$89,628 | \$3,946.14 |
| \$999,999 | and over | 10.3% | \$999,999 | \$88,610.64 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|---------|----------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$52 ... | 1.0% | \$0 | \$0.00 |
| \$52 | \$124 ... | 2.0% | \$52 | \$0.52 |
| \$124 | \$196 ... | 4.0% | \$124 | \$1.96 |
| \$196 | \$272 ... | 6.0% | \$196 | \$4.84 |
| \$272 | \$344 ... | 8.0% | \$272 | \$9.40 |
| \$344 | \$3,846 ... | 9.3% | \$344 | \$15.16 |
| \$3,846 | and over | 10.3% | \$3,846 | \$340.85 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$13,662 ... | 1.0% | \$0 | \$0.00 |
| \$13,662 | \$32,370 ... | 2.0% | \$13,662 | \$136.62 |
| \$32,370 | \$41,728 ... | 4.0% | \$32,370 | \$510.78 |
| \$41,728 | \$51,643 ... | 6.0% | \$41,728 | \$885.10 |
| \$51,643 | \$61,000 ... | 8.0% | \$51,643 | \$1,480.00 |
| \$61,000 | \$999,999 ... | 9.3% | \$61,000 | \$2,228.56 |
| \$999,999 | and over | 10.3% | \$999,999 | \$89,555.47 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|---------|----------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$53 ... | 1.0% | \$0 | \$0.00 |
| \$53 | \$125 ... | 2.0% | \$53 | \$0.53 |
| \$125 | \$160 ... | 4.0% | \$125 | \$1.97 |
| \$160 | \$199 ... | 6.0% | \$160 | \$3.37 |
| \$199 | \$235 ... | 8.0% | \$199 | \$5.71 |
| \$235 | \$3,846 ... | 9.3% | \$235 | \$8.59 |
| \$3,846 | and over | 10.3% | \$3,846 | \$344.41 |

**CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B—EXACT CALCULATION METHOD**

TABLE 5 - TAX RATE TABLE

QUARTERLY PAYROLL PERIOD
**SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS**

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$1,707 ... | 1.0% | \$0 | \$0.00 |
| \$1,707 | \$4,046 ... | 2.0% | \$1,707 | \$17.07 |
| \$4,046 | \$6,386 ... | 4.0% | \$4,046 | \$63.85 |
| \$6,386 | \$8,865 ... | 6.0% | \$6,386 | \$157.45 |
| \$8,865 | \$11,204 ... | 8.0% | \$8,865 | \$306.19 |
| \$11,204 | \$249,999 ... | 9.3% | \$11,204 | \$493.31 |
| \$249,999 | and over | 10.3% | \$249,999 | \$22,701.25 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$3,414 ... | 1.0% | \$0 | \$0.00 |
| \$3,414 | \$8,092 ... | 2.0% | \$3,414 | \$34.14 |
| \$8,092 | \$12,772 ... | 4.0% | \$8,092 | \$127.70 |
| \$12,772 | \$17,730 ... | 6.0% | \$12,772 | \$314.90 |
| \$17,730 | \$22,408 ... | 8.0% | \$17,730 | \$612.38 |
| \$22,408 | \$249,999 ... | 9.3% | \$22,408 | \$986.62 |
| \$249,999 | and over | 10.3% | \$249,999 | \$22,152.58 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$3,416 ... | 1.0% | \$0 | \$0.00 |
| \$3,416 | \$8,093 ... | 2.0% | \$3,416 | \$34.16 |
| \$8,093 | \$10,432 ... | 4.0% | \$8,093 | \$127.70 |
| \$10,432 | \$12,911 ... | 6.0% | \$10,432 | \$221.26 |
| \$12,911 | \$15,250 ... | 8.0% | \$12,911 | \$370.00 |
| \$15,250 | \$249,999 ... | 9.3% | \$15,250 | \$557.12 |
| \$249,999 | and over | 10.3% | \$249,999 | \$22,388.78 |

SEMI-ANNUAL PAYROLL PERIOD
**SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS**

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$3,414 ... | 1.0% | \$0 | \$0.00 |
| \$3,414 | \$8,092 ... | 2.0% | \$3,414 | \$34.14 |
| \$8,092 | \$12,772 ... | 4.0% | \$8,092 | \$127.70 |
| \$12,772 | \$17,730 ... | 6.0% | \$12,772 | \$314.90 |
| \$17,730 | \$22,408 ... | 8.0% | \$17,730 | \$612.38 |
| \$22,408 | \$499,998 ... | 9.3% | \$22,408 | \$986.62 |
| \$499,998 | and over | 10.3% | \$499,998 | \$45,402.49 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$6,828 ... | 1.0% | \$0 | \$0.00 |
| \$6,828 | \$16,184 ... | 2.0% | \$6,828 | \$68.28 |
| \$16,184 | \$25,544 ... | 4.0% | \$16,184 | \$255.40 |
| \$25,544 | \$35,460 ... | 6.0% | \$25,544 | \$629.80 |
| \$35,460 | \$44,816 ... | 8.0% | \$35,460 | \$1,224.76 |
| \$44,816 | \$499,998 ... | 9.3% | \$44,816 | \$1,973.24 |
| \$499,998 | and over | 10.3% | \$499,998 | \$44,305.17 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|---------------|------------------------|-----------|-------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$6,832 ... | 1.0% | \$0 | \$0.00 |
| \$6,832 | \$16,186 ... | 2.0% | \$6,832 | \$68.32 |
| \$16,186 | \$20,864 ... | 4.0% | \$16,186 | \$255.40 |
| \$20,864 | \$25,822 ... | 6.0% | \$20,864 | \$442.52 |
| \$25,822 | \$30,500 ... | 8.0% | \$25,822 | \$740.00 |
| \$30,500 | \$499,998 ... | 9.3% | \$30,500 | \$1,114.24 |
| \$499,998 | and over | 10.3% | \$499,998 | \$44,777.55 |

CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B---EXACT CALCULATION METHOD

TABLE 5 - TAX RATE TABLE

SEMI-MONTHLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$284 ... | 1.0% | \$0 | \$0.00 |
| \$284 | \$674 ... | 2.0% | \$284 | \$2.84 |
| \$674 | \$1,064 ... | 4.0% | \$674 | \$10.64 |
| \$1,064 | \$1,478 ... | 6.0% | \$1,064 | \$26.24 |
| \$1,478 | \$1,867 ... | 8.0% | \$1,478 | \$51.08 |
| \$1,867 | \$41,667 ... | 9.3% | \$1,867 | \$82.20 |
| \$41,667 | and over | 10.3% | \$41,667 | \$3,783.60 |

MONTHLY PAYROLL PERIOD

SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$568 ... | 1.0% | \$0 | \$0.00 |
| \$568 | \$1,348 ... | 2.0% | \$568 | \$5.68 |
| \$1,348 | \$2,128 ... | 4.0% | \$1,348 | \$21.28 |
| \$2,128 | \$2,956 ... | 6.0% | \$2,128 | \$52.48 |
| \$2,956 | \$3,734 ... | 8.0% | \$2,956 | \$102.16 |
| \$3,734 | \$83,334 ... | 9.3% | \$3,734 | \$164.40 |
| \$83,334 | and over | 10.3% | \$83,334 | \$7,567.20 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$568 ... | 1.0% | \$0 | \$0.00 |
| \$568 | \$1,348 ... | 2.0% | \$568 | \$5.68 |
| \$1,348 | \$2,128 ... | 4.0% | \$1,348 | \$21.28 |
| \$2,128 | \$2,956 ... | 6.0% | \$2,128 | \$52.48 |
| \$2,956 | \$3,734 ... | 8.0% | \$2,956 | \$102.16 |
| \$3,734 | \$41,667 ... | 9.3% | \$3,734 | \$164.40 |
| \$41,667 | and over | 10.3% | \$41,667 | \$3,692.17 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$1,136 ... | 1.0% | \$0 | \$0.00 |
| \$1,136 | \$2,696 ... | 2.0% | \$1,136 | \$11.36 |
| \$2,696 | \$4,256 ... | 4.0% | \$2,696 | \$42.56 |
| \$4,256 | \$5,912 ... | 6.0% | \$4,256 | \$104.96 |
| \$5,912 | \$7,468 ... | 8.0% | \$5,912 | \$204.32 |
| \$7,468 | \$83,334 ... | 9.3% | \$7,468 | \$328.80 |
| \$83,334 | and over | 10.3% | \$83,334 | \$7,384.34 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$569 ... | 1.0% | \$0 | \$0.00 |
| \$569 | \$1,349 ... | 2.0% | \$569 | \$5.69 |
| \$1,349 | \$1,739 ... | 4.0% | \$1,349 | \$21.29 |
| \$1,739 | \$2,152 ... | 6.0% | \$1,739 | \$36.89 |
| \$2,152 | \$2,542 ... | 8.0% | \$2,152 | \$61.67 |
| \$2,542 | \$41,667 ... | 9.3% | \$2,542 | \$92.87 |
| \$41,667 | and over | 10.3% | \$41,667 | \$3,731.50 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$1,138 ... | 1.0% | \$0 | \$0.00 |
| \$1,138 | \$2,698 ... | 2.0% | \$1,138 | \$11.38 |
| \$2,698 | \$3,478 ... | 4.0% | \$2,698 | \$42.58 |
| \$3,478 | \$4,304 ... | 6.0% | \$3,478 | \$73.78 |
| \$4,304 | \$5,084 ... | 8.0% | \$4,304 | \$123.34 |
| \$5,084 | \$83,334 ... | 9.3% | \$5,084 | \$185.74 |
| \$83,334 | and over | 10.3% | \$83,334 | \$7,462.99 |

**CALIFORNIA WITHHOLDING SCHEDULES FOR 2008
METHOD B—EXACT CALCULATION METHOD**

TABLE 5 - TAX RATE TABLE

WEEKLY PAYROLL PERIOD

**SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS**

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$131 ... | 1.0% | \$0 | \$0.00 |
| \$131 | \$311 ... | 2.0% | \$131 | \$1.31 |
| \$311 | \$491 ... | 4.0% | \$311 | \$4.91 |
| \$491 | \$682 ... | 6.0% | \$491 | \$12.11 |
| \$682 | \$862 ... | 8.0% | \$682 | \$23.57 |
| \$862 | \$19,231 ... | 9.3% | \$862 | \$37.97 |
| \$19,231 | and over | 10.3% | \$19,231 | \$1,746.29 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$262 ... | 1.0% | \$0 | \$0.00 |
| \$262 | \$622 ... | 2.0% | \$262 | \$2.62 |
| \$622 | \$982 ... | 4.0% | \$622 | \$9.82 |
| \$982 | \$1,364 ... | 6.0% | \$982 | \$24.22 |
| \$1,364 | \$1,724 ... | 8.0% | \$1,364 | \$47.14 |
| \$1,724 | \$19,231 ... | 9.3% | \$1,724 | \$75.94 |
| \$19,231 | and over | 10.3% | \$19,231 | \$1,704.09 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$263 ... | 1.0% | \$0 | \$0.00 |
| \$263 | \$623 ... | 2.0% | \$263 | \$2.63 |
| \$623 | \$802 ... | 4.0% | \$623 | \$9.83 |
| \$802 | \$993 ... | 6.0% | \$802 | \$16.99 |
| \$993 | \$1,173 ... | 8.0% | \$993 | \$28.45 |
| \$1,173 | \$19,231 ... | 9.3% | \$1,173 | \$42.85 |
| \$19,231 | and over | 10.3% | \$19,231 | \$1,722.24 |

BIWEEKLY PAYROLL PERIOD

**SINGLE PERSONS, DUAL INCOME MARRIED,
OR MARRIED WITH MULTIPLE EMPLOYERS**

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$262 ... | 1.0% | \$0 | \$0.00 |
| \$262 | \$622 ... | 2.0% | \$262 | \$2.62 |
| \$622 | \$982 ... | 4.0% | \$622 | \$9.82 |
| \$982 | \$1,364 ... | 6.0% | \$982 | \$24.22 |
| \$1,364 | \$1,724 ... | 8.0% | \$1,364 | \$47.14 |
| \$1,724 | \$38,462 ... | 9.3% | \$1,724 | \$75.94 |
| \$38,462 | and over | 10.3% | \$38,462 | \$3,492.57 |

MARRIED PERSONS

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$524 ... | 1.0% | \$0 | \$0.00 |
| \$524 | \$1,244 ... | 2.0% | \$524 | \$5.24 |
| \$1,244 | \$1,964 ... | 4.0% | \$1,244 | \$19.64 |
| \$1,964 | \$2,728 ... | 6.0% | \$1,964 | \$48.44 |
| \$2,728 | \$3,448 ... | 8.0% | \$2,728 | \$94.28 |
| \$3,448 | \$38,462 ... | 9.3% | \$3,448 | \$151.88 |
| \$38,462 | and over | 10.3% | \$38,462 | \$3,408.18 |

UNMARRIED/HEAD OF HOUSEHOLD

| IF THE TAXABLE INCOME IS... | | THE COMPUTED TAX IS... | | |
|-----------------------------|--------------|------------------------|----------|------------|
| OVER | BUT NOT OVER | OF AMOUNT OVER... | PLUS | |
| \$0 | \$526 ... | 1.0% | \$0 | \$0.00 |
| \$526 | \$1,246 ... | 2.0% | \$526 | \$5.26 |
| \$1,246 | \$1,604 ... | 4.0% | \$1,246 | \$19.66 |
| \$1,604 | \$1,986 ... | 6.0% | \$1,604 | \$33.98 |
| \$1,986 | \$2,346 ... | 8.0% | \$1,986 | \$56.90 |
| \$2,346 | \$38,462 ... | 9.3% | \$2,346 | \$85.70 |
| \$38,462 | and over | 10.3% | \$38,462 | \$3,444.49 |