



Title: I, Payroll/Personnel Manual

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

Bulletin: TAXES 13-13, Maine State Income Tax Withholding

Date: February 6, 2013

To: Subscribers of Tax Bulletins

Beginning with wages paid for Pay Period 06, 2013, the National Finance Center (NFC) will make the following changes to the State of Maine income tax withholdings:

- The exemption allowance will increase from \$2,850 to \$3,900.
- The adjustment amount for nonresident aliens will increase from \$5,950 to \$6,100.
- The Single and Married withholding tables will change.

To view the updated tax formula, go to the *NFC Home Page* (<http://www.nfc.usda.gov>) and click the **Publications** link at the top of the page. At the Publications page right-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, authorized Servicing Personnel Office representatives should contact the NFC Contact Center at **1-855-NFC-4GOV (1-855-632-4468)** or via the Internet using the Requester Console.

RANDY L. SPEED, Director
Government Employees Services Division

Attachment

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Maine State Income Tax Information

State Abbreviation:	ME
State Tax Withholding State Code:	23
Acceptable Exemption Form:	W-4 or W-4ME
Basis for Withholding:	State Exemptions
Acceptable Exemption Data:	S, M/Number of Allowances
TSP Deferred:	Yes
Special Coding:	Determine the Total Number of Allowances Claimed field as follows: First Position - S = Single; Q = Nonresident Alien; M = Married. Second and Third Positions - Enter the number of allowances claimed. If less than 10, precede with a 0 (zero).
Additional Information:	None.

Withholding Formula ▶(Effective Pay Period 06, 2013)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program and Flexible Spending Account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (i.e., taxable life insurance) to the amount computed in step 2 to obtain 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.

$$\text{Exemption Allowance} = \text{▶\$3,900◀} \times \text{Number of Exemptions.}$$

6. If the employee is a nonresident alien, add ▶\$6,100◀ to employee's taxable wages. The employee will be taxed as having filed as a Single Taxpayer.
7. Apply the taxable income computed in step 5 or step 6 for Nonresident Alien to the following table to determine the annual Maine income tax withholding.

Tax Withholding Table

**Single (Filing Status S)
or
Nonresident Alien (Filing Status Q)**

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
0	▶8,450	0	plus	0.00%	0
8,450	24,150	0	plus	6.50%	8,450
24,150	and over	1,021	plus	7.95%	24,150◀

Tax Withholding Table

Married (Filing Status M)

If the Amount of Taxable Income Is:		The Amount of Maine Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
0	▶17,750	0	plus	0.00%	0
17,750	49,150	0	plus	6.50%	17,750
49,150	and over	2,041	plus	7.95%	49,150◀

8. Divide the annual Maine income tax withholding determined by 26 and round to the nearest dollar to obtain the biweekly Maine income tax withholding.