



Title: Title I, Payroll/Personnel Manual

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

Bulletin: TAXES 13-14, Minnesota 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 Minnesota income tax withholdings:

- The exemption allowance, per exemption, will increase from \$3,800 to \$3,900.
- The Single and Married withholding tables will change.

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

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

NFC BULLETIN

## Minnesota State Income Tax Information

<b>State Abbreviation:</b>	MN
<b>State Tax Withholding State Code:</b>	27
<b>Acceptable Exemption Form:</b>	W-4
<b>Basis for Withholding:</b>	State Exemptions
<b>Acceptable Exemption Data:</b>	S, M/Number of Exemptions
<b>TSP Deferred:</b>	Yes
<b>Special Coding:</b>	None
<b>Additional Information:</b>	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 times 26 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute the taxable income

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

6. Apply the taxable income computed in step 5 to the following table to determine the annual Minnesota tax withholding.

**Tax Withholding Table  
Single**

<b>If the Amount of Taxable Income Is:</b>		<b>The Amount of Minnesota Tax Withholding Should Be:</b>			
<b>Over:</b>	<b>But Not Over:</b>				<b>Of Excess Over:</b>
\$0	▶\$2,200	\$0	plus	0.00%	\$0
2,200	26,470	0	plus	5.35%	2,200
26,470	81,930	1,298.45	plus	7.05%	26,470
81,930	and over	5,208.38	plus	7.85%	81,930◀

**Married**

<b>If the Amount of Taxable Income Is:</b>		<b>The Amount of Minnesota Tax Withholding Should Be:</b>			
<b>Over:</b>	<b>But Not Over:</b>				<b>Of Excess Over:</b>
\$0	▶\$6,250	\$0	plus	0.00%	\$0
6,250	41,730	0	plus	5.35%	6,250
41,730	147,210	1,898.18	plus	7.05%	41,730
147,210	and over	9,334.52	plus	7.85%	147,210◀

7. Divide the annual Minnesota tax withholding by 26 to obtain the biweekly Minnesota tax withholding.