



Title: Title I, Payroll/Personnel Manual

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

Bulletin: TAXES 13-7, California 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 California income tax withholdings:

- The low income exemption amount for Married with zero (0) or one (1) allowance and Single will increase from \$12,527 to \$12,769.
- The low income exemption amount for Married with two (2) or more allowances and Head of Household will increase from \$25,054 to \$25,537.
- The standard deduction for Married with zero (0) or one (1) allowance and Single will increase from \$3,769 to \$3,841.
- The standard deduction for Married with two (2) or more allowances and Head of Household will increase from \$7,538 to \$7,682.
- The Single, Married, and Head of Household withholding tables will change.
- The annual personal exemption credit will increase from \$112.20 to \$114.40.

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

California State Income Tax Information

State Abbreviation:	CA
State Tax Withholding State Code:	06
Acceptable Exemption Form:	DE-4 or W-4
Basis for Withholding:	State or Federal Exemptions
Acceptable Exemption Data:	S, M, H/Number of Regular Allowances/Number of Allowances
TSP Deferred:	Yes
Special Coding:	Determine the Total Number of Allowances Claimed field as follows: First Position - Enter the employee's marital status indicated on the allowance certificate. Enter M (married), S (single), or H (head of household). Second or Third Positions - Enter the total number of regular allowances claimed in Item 1 of the DE-4. If less than 10, precede with a 0. If no exemptions are claimed, enter 00. Determine the Additional Exemptions Claimed field as follows: First and Second Positions - Enter the number of allowances claimed in Item 2 of the DE-4. If less than 10, precede with a 0. If no allowances are claimed, enter 00.
Additional Information:	If the employee is using a W-4 in lieu of the California State DE-4, the information for the Additional Exemptions Claimed field should be notated on the W-4.

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, etc.) 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 if the employee's gross annual wages are less than or equal to the amount shown in the Low Income Exemption Table below. If so, no income tax is to be withheld.

Low Income Exemption Table

Single	▶\$12,769
Married Claiming zero (0) or one (1) exemption ¹	\$12,769
Married Claiming two (2) or more exemptions ¹	\$25,537
Head of Household	\$25,537◀

¹ Number of **regular** allowances claimed on DE-4 or W-4.

6. Determine the **additional withholding allowance for itemized deductions (AWAID)** by applying the following guideline and subtract this amount from the gross annual wages.

AWAID = \$1,000 x Number of **Itemized** Allowances Claimed for **Itemized** Deductions on DE-4 or W-4.

7. Subtract the standard deduction shown on the following table from the result of step 6 to determine the taxable income.

Standard Deduction Table

Single	▶\$3,841
Married Claiming zero (0) or one (1) exemption ¹	\$3,841
Married Claiming two (2) or more exemptions ¹	\$7,682
Head of Household	\$7,682◀

¹ Number of **regular** allowances claimed on DE-4 or W-4.

8. Apply the taxable income computed in step 7 to the following table to determine the annual California income tax withholding.

Tax Withholding Table
Single

If the Amount of Taxable Income Is:		The Amount of California Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$0	▶\$7,455	\$0	plus	1.10%	\$0
7,455	17,676	82.01	plus	2.20%	7,455
17,676	27,897	306.87	plus	4.40%	17,676

Tax Withholding Table
Single

If the Amount of Taxable Income Is:		The Amount of California Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
27,897	38,726	756.59	plus	6.60%	27,897
38,726	48,942	1,471.30	plus	8.80%	38,726
48,942	250,000	2,370.31	plus	10.23%	48,942
250,000	300,000	22,938.54	plus	11.33%	250,000
300,000	500,000	28,603.54	plus	12.43%	300,000
500,000	1,000,000	53,463.54	plus	13.53%	500,000
1,000,000	and over	121,113.54	plus	14.63%	1,000,000

Married

If the Amount of Taxable Income Is:		The Amount of California Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$0	\$14,910	\$0	plus	1.10%	\$0
14,910	35,352	164.01	plus	2.20%	14,910
35,352	55,794	613.73	plus	4.40%	35,352
55,794	77,452	1,513.18	plus	6.60%	55,794
77,452	97,884	2,942.61	plus	8.80%	77,452
97,884	500,000	4,740.63	plus	10.23%	97,884
500,000	600,000	45,877.10	plus	11.33%	500,000
600,000	1,000,000	57,207.10	plus	12.43%	600,000
1,000,000	and over	106,927.10	plus	14.63%	1,000,000

Head of Household

If the Amount of Taxable Income Is:		The Amount of California Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$0	\$14,920	\$0	plus	1.10%	\$0
14,920	35,351	164.12	plus	2.20%	14,920
35,351	45,571	613.60	plus	4.40%	35,351
45,571	56,400	1,063.28	plus	6.60%	45,571
56,400	66,618	1,777.99	plus	8.80%	56,400
66,618	340,000	2,677.17	plus	10.23%	66,618
340,000	408,000	30,644.15	plus	11.33%	340,000
408,000	680,000	38,348.55	plus	12.43%	408,000
680,000	1,000,000	72,158.15	plus	13.53%	680,000
1,000,000	and over	115,454.15	plus	14.63%	1,000,000

9. Determine the tax credit by applying the following guidelines and subtract this amount from the result in step 8.

$$\text{Tax Credit} = \$114.40 \times \text{Number of Regular Allowances Claimed on DE-4 or W-4.}$$

10. Divide the annual California income tax withholding by 26 to obtain the biweekly California income tax withholding.