# Tax Changes Implemented Pay Period 2021-07 (Colorado and Maryland)

## The following tax changes were implemented in PP 2021-07. As a reminder, tax changes are not retroactive to employees’ withholdings.

## Colorado

**State Income Tax Withholding:**

* The flat tax rate on supplemental wages has changed from 4.63% to 4.55%.
* The tax rate on wages paid to all filers when using the annual withholding formula has changed from 4.63% to 4.55%.
* Tax withholdings for employees who completed a 2019 or prior W-4 and utilized exemptions are no longer valid.

## Maryland

**State and County Income Tax Withholding:**

* The maximum amount for the standard deduction has increased from $2,300 to $2,350.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Resources

[Federal, State and Territorial Income Tax Withholding Formulas](https://ibc.doi.gov/HRD/FedStateTerritorial)

## Questions?

If there are any questions, please call the IBC Customer Support Center at 1-720-673-9958 or by email at [Payroll\_Helpdesk@ios.doi.gov](mailto:Payroll_Helpdesk@ios.doi.gov).