



# United States Department of the Interior

INTERIOR BUSINESS CENTER  
Denver, CO 80235

D-2613

January 20, 2021

## Memorandum

To: Federal Personnel and Payroll System User Group Representatives and Client Accounting Offices

From: Christine Zertuche-Rocha, Chief //signed//  
Payroll Operations Division

Subject: Tax Changes Implemented Pay Period (PP) 2021-02 (Federal, AR, CA, IL, KY, MI, MS, MO, ND, NY, OR, RI, VT, and localities for Indiana and New York).

Please share this information with all impacted employees. The following tax changes were implemented in PP 2021-02. As a reminder, tax changes are not retroactive to employees' withholdings.

### **Federal Tax**

- The standard and high income tax tables changed for all marital statuses.

### **State Tax**

- **Arkansas State Income Tax Withholding:**
  - The flat tax rate on supplemental wages has been changed from 6.6% to 5.9%.
  - The wage threshold to adjust annual net taxable income has been changed from less than \$87,001 to less than \$88,001.
  - The standard tax table has been changed.
  - The tax credit formula for employees who qualify for the low-income tax tables has been modified.
  - The personal tax credit for each withholding exemption claimed has been changed from \$26 to \$29.
  - Datamart Query: Tax State = 05
- **California State Income Tax Withholding:**
  - The low income exemption amount for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE is increased from \$15,042 to \$15,267.
  - The low income exemption amount for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD is increased from \$30,083 to \$30,534.
  - The standard deduction for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE is increased from \$4,537 to \$4,601.
  - The standard deduction for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD is increased from \$9,074 to \$9,202.

- The SINGLE, MARRIED, and HEAD OF HOUSEHOLD withholding tables have changed.
- The annual personal exemption credit has increased from \$134.20 to \$136.40.
- Datamart Query: Tax State = 06
  
- **Illinois State Income Tax Withholding:**
  - The annual exemption amount for the basic allowances claimed for taxpayer, spouse and other dependents is increasing from \$2,325 to \$2,375.
  - Datamart Query: Tax State = 17
  
- **Kentucky State Income Tax Withholding:**
  - The annual standard deduction has increased from \$2,650 to \$2,690.
  - Datamart Query: Tax State = 21
  
- **Michigan State Income Tax Withholding:**
  - The annual amount per exemption is increasing from \$4,750 to \$4,900.
  - Datamart Query: Tax State = 26
  
- **Mississippi State Income Tax Withholding:**
  - The tax table is changing.
  - Datamart Query: Tax State = 28
  
- **Missouri State Income Tax Withholding:**
  - The standard deduction amount for employees claiming SINGLE, MARRIED FILING SEPARATE, and MARRIED AND SPOUSE WORKS have changed from \$12,400 to \$12,550.
  - The standard deduction amount for employees claiming MARRIED AND SPOUSE DOES NOT WORK has changed from \$24,480 to \$25,100.
  - The standard deduction amount for employees claiming HEAD OF HOUSEHOLD has changed from \$18,650 to \$18,800.
  - The income tax table has changed.
  - Datamart Query: Tax State = 29
  
- **North Dakota State Income Tax Withholding:**
  - The tax tables for all filing statuses are changing.
  - Datamart Query: Tax State = 38
  
- **New York State Income Tax Withholding:**
  - The SINGLE and MARRIED tax tables were updated
  - Datamart Query: Tax State = 36
  
- **Oregon State Income Tax Withholding:**
  - The standard deduction amount for Single filers claiming less than 3 allowances has increased from \$2,315 to \$2,350.
  - The standard deduction amount for Single filers claiming 3 or more allowances has increased from \$4,630 to \$4,700.

- The standard deduction amount for Married filers has increased from \$4,630 to \$4,700.
- The annual tax credit amount, per exemption, has increased from \$210 to \$213.
- The annualized deduction for federal tax withheld has increased from a maximum of \$6,950 to \$7,050.
- The tax tables have changed for all filers.
- Datamart Query: Tax State = 41
  
- **Rhode Island State Income Tax Withholding:**
  - The annualized wage threshold where the annual exemption amount is eliminated has been changed from \$231,500 to \$234,750.
  - The wage table was updated.
  - Datamart Query: Tax State = 44
  
- **Vermont State Income Tax Withholding:**
  - The annual amount per exemption is increasing from \$4,350 to \$4,400.
  - The SINGLE and MARRIED withholding tables have been changed
  - Datamart Query: Tax State = 50

**Local Tax**

- **Indiana Local Income Tax Withholding** - The Local Income tax withholding rates for the following Indiana counties are changing

LOCALITY	CODE	OLD RATE (IN200096)	NEW RATE (210040)
Martin County, IN	(18-101)	1.75%	2.50%
Owen County, IN	(18-119)	1.40%	1.60%
Randolph County, IN	(18-135)	2.25%	2.50%
Shelby County, IN	(18-145)	1.50%	1.60%
Switzerland County, IN	(18-155)	1.00%	1.25%
Union County, IN	(18-161)	1.75%	2.00%

- **New York - Yonkers Local Income Tax Withholding** - The following income tax changes were implemented for residents of the City of Yonkers:
  - The resident SINGLE and MARRIED tax tables were updated
  - Datamart Query: Tax State = 36 City Code 6820

You may execute Datamart queries to identify employees in affected state taxing areas. For Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 = (State Code above) or STE Tax State 2 = (State Code above) to the filter or prompt lines. See above for the applicable Local Tax State and/or Local Tax City Codes to add to the prompt lines (Occurrences – Other PE Pay).

The Interior Business Center Payroll website is updated frequently; you may view the state tax formulas here: <http://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/taxFormulas.cfm>.

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