



Iowa Withholding Formula For Wages Paid Beginning January 1, 2023

NEW FOR 2023: For 2023 Iowa withholding calculations, federal withholding is no longer subtracted from taxable wages. The amounts of the standard deduction (in Step 1), rates, and brackets (in Step 2) have been updated for 2023.

To determine how much to withhold for Iowa individual income tax for wages paid beginning January 1, 2023, use the formula (Step 1 - Step 4) below. Alternatively, withholding tables provided at tax.iowa.gov/withholding-tax-information can be used.

Step 1: T1 = G - S

(G: Gross taxable wages for the pay period; S: Standard deduction for the pay period)

Determine the gross taxable wages for the pay period and subtract the appropriate standard deduction amount shown below. Certain payments made by the employer into employee retirement plans or for employee health insurance are not considered taxable wages and are not included in the calculations of withholding tax.

Standard Deduction Amounts by Pay Period (Denoted as S)

Payroll Period	Number of Total Withholding Allowances Claimed on IA W-4		Payroll Period	Number of Total Withholding Allowances Claimed on IA W-4	
	0 or 1	2 or more		0 or 1	2 or more
Daily	\$53.27	\$106.54	Semimonthly	\$577.08	\$1,154.17
Weekly	\$266.35	\$532.69	Monthly	\$1,154.17	\$2,308.33
Biweekly	\$532.69	\$1,065.38	Annually	\$13,850.00	\$27,700.00

Step 2: T2 = T1 x R

(R: Withholding tax rates)

Multiply T1 by the appropriate tax rate (R) shown in Chart 1 “Withholding Tax Rates and Brackets by Pay Period for Tax Year 2023” on page 3.

Step 3: T3 = T2 - C x N

(C: Deduction amount per allowance for the pay period; N: Number of total allowances claimed on the IA W-4)

Multiply the deduction amount per allowance for the pay period by the number of total allowances on the IA W-4. Subtract this amount from T2. Deduction amounts per allowance by pay period are provided in the table on page 2:

Iowa Individual Income Tax Withholding Formula Effective January 1, 2023

Deduction Amount Per Allowance by Pay Period (Denoted as C)

Payroll Period	Deduction Amount Per Allowance	Payroll Period	Deduction Amount Per Allowance
Daily	\$0.15	Semimonthly	\$1.67
Weekly	\$0.77	Monthly	\$3.33
Biweekly	\$1.54	Annually	\$40.00

Step 4: T4 = T3 + A

(A: Additional withholding requested per pay period on the IA W-4)

Add the additional amount of withholding requested for each pay period on the employee's IA W-4 to T3 to get Iowa withholding for the pay period.

Please find Chart 1 for Step 2 "Withholding Tax Rates and Brackets by Pay Period for Tax Year 2023" on page 3.

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Chart 1 for Step 2. Withholding Tax Rates and Brackets by Pay Period for Tax Year 2023

Daily Pay Period					Semimonthly Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over	Rate	of Excess Over		Over	But Not Over	Rate	of Excess Over	
\$0.00	\$18.46	\$0.00 plus 4.40%	\$0.00		\$0.00	\$200.00	\$0.00 plus 4.40%	\$0.00	
\$18.46	\$92.31	\$0.81 plus 4.82%	\$18.46		\$200.00	\$1,000.00	\$8.80 plus 4.82%	\$200.00	
\$92.31	\$192.31	\$4.37 plus 5.70%	\$92.31		\$1,000.00	\$2,083.33	\$47.36 plus 5.70%	\$1,000.00	
\$192.31	or over	\$10.07 plus 6.00%	\$192.31		\$2,083.33	or over	\$109.11 plus 6.00%	\$2,083.33	

Weekly Pay Period					Monthly Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over	Rate	of Excess Over		Over	But Not Over	Rate	of Excess Over	
\$0.00	\$92.31	\$0.00 plus 4.40%	\$0.00		\$0.00	\$400.00	\$0.00 plus 4.40%	\$0.00	
\$92.31	\$461.54	\$4.06 plus 4.82%	\$92.31		\$400.00	\$2,000.00	\$17.60 plus 4.82%	\$400.00	
\$461.54	\$961.54	\$21.86 plus 5.70%	\$461.54		\$2,000.00	\$4,166.67	\$94.72 plus 5.70%	\$2,000.00	
\$961.54	or over	\$50.36 plus 6.00%	\$961.54		\$4,166.67	or over	\$218.22 plus 6.00%	\$4,166.67	

Biweekly Pay Period					Annual Pay Period				
If T1 Amount Is:		The T2 Amount Is:			If T1 Amount Is:		The T2 Amount Is:		
Over	But Not Over	Rate	of Excess Over		Over	But Not Over	Rate	of Excess Over	
\$0.00	\$184.62	\$0.00 plus 4.40%	\$0.00		\$0.00	\$4,800.00	\$0.00 plus 4.40%	\$0.00	
\$184.62	\$923.08	\$8.12 plus 4.82%	\$184.62		\$4,800.00	\$24,000.00	\$211.20 plus 4.82%	\$4,800.00	
\$923.08	\$1,923.08	\$43.71 plus 5.70%	\$923.08		\$24,000.00	\$50,000.00	\$1,136.64 plus 5.70%	\$24,000.00	
\$1,923.08	or over	\$100.71 plus 6.00%	\$1,923.08		\$50,000.00	or over	\$2,618.64 plus 6.00%	\$50,000.00	

Pay period not provided:

If your employee has a pay frequency other than those provided, multiply wages for each pay period by the number of pay periods in a calendar year to get annual wages. Calculate withholding using the annual pay period tax rates and brackets. Then divide T4 by the number of pay periods in the year to get withholding for each pay period.

For example, for a quarterly pay period, use annual payroll formulas to get T4 and then divide by 4 to get Iowa withholding on each paycheck. For a semiannual pay period, use annual payroll formulas to get T4 and then divide by 2 to get Iowa withholding on each paycheck.

Examples:

Two examples are provided on next page for using the formula to come up with Iowa withholding amounts for 2023.

Iowa Individual Income Tax Withholding Formula Effective January 1, 2023

**Example 1: Biweekly wages of \$2,100.00
(Three total withholding allowances claimed, no additional amount requested)**

T1 = G - S	T1 =	\$2,100.00	-	\$1,065.38	=	\$1,034.62
T2 = T1 x R	T2:	<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
		\$0.00	\$184.62	\$0.00 plus	4.40% x	\$0.00
		\$184.62	\$923.08	\$8.12 plus	4.82% x	\$184.62
		\$923.08	\$1,923.08	\$43.71 plus	5.70% x	\$923.08
		\$1,923.08	or over	\$100.71 plus	6.00% x	\$1,923.08
	T2 =	\$43.71 + 5.70% x (\$1,034.62 - \$923.08) =				\$50.07
T3 = T2 - C x N	T3 =	\$50.07	-	\$1.54 x	3 =	\$45.45
T4 = T3 + A	T4 =	\$45.45	+	\$0.00	=	\$45.45
		Iowa tax to be withheld =				\$45.45

**Example 2: Monthly Wages of \$4,200.00
(Four total withholding allowances claimed, no additional amount requested)**

T1 = G - S	T1 =	\$4,200.00	-	\$2,308.33	=	\$1,891.67
T2 = T1 x R	T2:	<u>Over</u>	<u>But Not Over</u>		<u>Rate</u>	<u>of Excess Over</u>
		\$0.00	\$400.00	\$0.00 plus	4.40% x	\$0.00
		\$400.00	\$2,000.00	\$17.60 plus	4.82% x	\$400.00
		\$2,000.00	\$4,166.67	\$94.72 plus	5.70% x	\$2,000.00
		\$4,166.67	or over	\$218.22 plus	6.00% x	\$4,166.67
	T2 =	\$17.60 + 4.82% x (\$1,891.67 - \$400.00) =				\$89.50
T3 = T2 - C x N	T3 =	\$89.50	-	\$3.33 x	4 =	\$76.18
T4 = T3 + A	T4 =	\$76.18	+	\$0.00	=	\$76.18
		Iowa tax to be withheld =				\$76.18