



Withholding Formula for Wages Paid Beginning January 1, 2019

To determine how much to withhold for Iowa individual income tax for wages paid beginning January 1, 2019, use the formula below. Alternatively, withholding tables provided at tax.iowa.gov/withholding-tax-information can be used.

Step 1: T1 = G - W

(G: Gross taxable wages for the pay period; W: Federal withholding amount for the pay period)
Determine the gross taxable wages for the pay period and subtract the actual federal withholding amount. 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.

Step 2: T2 = T1 - S

(S: Standard deduction for the pay period)

Subtract the standard deduction from T1. Standard deduction amounts can be found below.

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	\$6.50	\$16.00	Semimonthly	\$70.42	\$173.33
Weekly	\$32.50	\$80.00	Monthly	\$140.83	\$346.67
Biweekly	\$65.00	\$160.00	Annually	\$1,690.00	\$4,160.00

Step 3: T3 = T2 x R

(R: Withholding tax rates)

Multiply T2 (taxable income) by the appropriate tax rates (R) shown in Chart 1 on the next page:

Step 4: T4 = T3 - C x N

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

Subtract the total withholding allowance amounts from T3, where deduction amount per allowance by pay period are below:

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 5: T5 = T4 + A

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

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

Chart 1 for Step 3. Withholding Tax Rates and Brackets by Pay Period

Daily Pay Period					Semimonthly Pay Period				
If T2 Amount Is:		The T3 Amount Is:			If T2 Amount Is:		The T3 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$5.13	\$0.00 plus	0.33%	\$0.00	\$0.00	\$55.54	\$0.00 plus	0.33%	\$0.00
\$5.13	\$10.25	\$0.02 plus	0.67%	\$5.13	\$55.54	\$111.08	\$0.18 plus	0.67%	\$55.54
\$10.25	\$20.50	\$0.05 plus	2.25%	\$10.25	\$111.08	\$222.13	\$0.55 plus	2.25%	\$111.08
\$20.50	\$46.13	\$0.28 plus	4.14%	\$20.50	\$222.13	\$499.79	\$3.05 plus	4.14%	\$222.13
\$46.13	\$76.89	\$1.34 plus	5.63%	\$46.13	\$499.79	\$833.00	\$14.55 plus	5.63%	\$499.79
\$76.89	\$102.52	\$3.07 plus	5.96%	\$76.89	\$833.00	\$1,110.67	\$33.31 plus	5.96%	\$833.00
\$102.52	\$153.78	\$4.60 plus	6.25%	\$102.52	\$1,110.67	\$1,666.00	\$49.86 plus	6.25%	\$1,110.67
\$153.78	\$230.68	\$7.80 plus	7.44%	\$153.78	\$1,666.00	\$2,499.00	\$84.57 plus	7.44%	\$1,666.00
\$230.68	or over	\$13.52 plus	8.53%	\$230.68	\$2,499.00	or over	\$146.55 plus	8.53%	\$2,499.00

Weekly Pay Period					Monthly Pay Period				
If T2 Amount Is:		The T3 Amount Is:			If T2 Amount Is:		The T3 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$25.63	\$0.00 plus	0.33%	\$0.00	\$0.00	\$111.08	\$0.00 plus	0.33%	\$0.00
\$25.63	\$51.27	\$0.08 plus	0.67%	\$25.63	\$111.08	\$222.17	\$0.37 plus	0.67%	\$111.08
\$51.27	\$102.52	\$0.25 plus	2.25%	\$51.27	\$222.17	\$444.25	\$1.11 plus	2.25%	\$222.17
\$102.52	\$230.67	\$1.40 plus	4.14%	\$102.52	\$444.25	\$999.58	\$6.11 plus	4.14%	\$444.25
\$230.67	\$384.46	\$6.71 plus	5.63%	\$230.67	\$999.58	\$1,666.00	\$29.10 plus	5.63%	\$999.58
\$384.46	\$512.62	\$15.37 plus	5.96%	\$384.46	\$1,666.00	\$2,221.33	\$66.62 plus	5.96%	\$1,666.00
\$512.62	\$768.92	\$23.01 plus	6.25%	\$512.62	\$2,221.33	\$3,332.00	\$99.72 plus	6.25%	\$2,221.33
\$768.92	\$1,153.38	\$39.03 plus	7.44%	\$768.92	\$3,332.00	\$4,998.00	\$169.14 plus	7.44%	\$3,332.00
\$1,153.38	or over	\$67.63 plus	8.53%	\$1,153.38	\$4,998.00	or over	\$293.09 plus	8.53%	\$4,998.00

Biweekly Pay Period					Annual Pay Period				
If T2 Amount Is:		The T3 Amount Is:			If T2 Amount Is:		The T3 Amount Is:		
Over	But Not Over		Rate	of Excess Over	Over	But Not Over		Rate	of Excess Over
\$0.00	\$51.27	\$0.00 plus	0.33%	\$0.00	\$0.00	\$1,333.00	\$0.00 plus	0.33%	\$0.00
\$51.27	\$102.54	\$0.17 plus	0.67%	\$51.27	\$1,333.00	\$2,666.00	\$4.40 plus	0.67%	\$1,333.00
\$102.54	\$205.04	\$0.51 plus	2.25%	\$102.54	\$2,666.00	\$5,331.00	\$13.33 plus	2.25%	\$2,666.00
\$205.04	\$461.35	\$2.82 plus	4.14%	\$205.04	\$5,331.00	\$11,995.00	\$73.29 plus	4.14%	\$5,331.00
\$461.35	\$768.92	\$13.43 plus	5.63%	\$461.35	\$11,995.00	\$19,992.00	\$349.18 plus	5.63%	\$11,995.00
\$768.92	\$1,025.23	\$30.75 plus	5.96%	\$768.92	\$19,992.00	\$26,656.00	\$799.41 plus	5.96%	\$19,992.00
\$1,025.23	\$1,537.85	\$46.03 plus	6.25%	\$1,025.23	\$26,656.00	\$39,984.00	\$1,196.58 plus	6.25%	\$26,656.00
\$1,537.85	\$2,306.77	\$78.07 plus	7.44%	\$1,537.85	\$39,984.00	\$59,976.00	\$2,029.58 plus	7.44%	\$39,984.00
\$2,306.77	or over	\$135.28 plus	8.53%	\$2,306.77	\$59,976.00	or over	\$3,516.98 plus	8.53%	\$59,976.00

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 T5 by the number of pay periods in the year to get withholding for each pay period.

For example, for quarterly pay period, use annual payroll formulas to get T5 and then divide by 4 to get Iowa withholding on each paycheck. For semiannual pay period, use annual payroll formulas to get T5 and then divide by 2 to get Iowa withholding on each paycheck.

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

T1 = G - W	T1 =	\$2,100.00	-	\$124.70	=	\$1,975.30	
T2 = T1 - S	T2 =	\$1,975.30	-	\$160.00	=	\$1,815.30	
		<i>Over</i>	<i>But Not Over</i>			<i>of excess over</i>	
T3 = T2 x R	T3:	\$0.00	\$51.27	\$0.00	plus 0.33%	\$0.00	
		\$51.27	\$102.54	\$0.17	plus 0.67%	\$51.27	
		\$102.54	\$205.04	\$0.51	plus 2.25%	\$102.54	
		\$205.04	\$461.35	\$2.82	plus 4.14%	\$205.04	
		\$461.35	\$768.92	\$13.43	plus 5.63%	\$461.35	
		\$768.92	\$1,025.23	\$30.75	plus 5.96%	\$768.92	
		\$1,025.23	\$1,537.85	\$46.03	plus 6.25%	\$1,025.23	
		\$1,537.85	\$2,306.77	\$78.07	plus 7.44%	\$1,537.85	
	T3 =	\$78.07 + 7.44% x (\$1,815.30 - \$1,537.85)				=	\$98.71
T4 = T3 - C x N	T4 =	\$98.71	-	\$1.54 x	3 =	\$94.09	
T5 = T4 + A	T5 =	\$94.09	+	\$0.00	=	\$94.09	
		lowa tax to be withheld =				=	\$94.09

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

T1 = G - W	T1 =	\$4,200.00	-	\$186.17	=	\$4,013.83	
T2 = T1 - S	T2 =	\$4,013.83	-	\$346.67	=	\$3,667.16	
		<i>Over</i>	<i>But Not Over</i>			<i>of excess over</i>	
T3 = T2 x R	T3:	\$0.00	\$111.08	\$0.00	plus 0.33%	\$0.00	
		\$111.08	\$222.17	\$0.37	plus 0.67%	\$111.08	
		\$222.17	\$444.25	\$1.11	plus 2.25%	\$222.17	
		\$444.25	\$999.58	\$6.11	plus 4.14%	\$444.25	
		\$999.58	\$1,666.00	\$29.10	plus 5.63%	\$999.58	
		\$1,666.00	\$2,221.33	\$66.62	plus 5.96%	\$1,666.00	
		\$2,221.33	\$3,332.00	\$99.72	plus 6.25%	\$2,221.33	
		\$3,332.00	\$4,998.00	\$169.14	plus 7.44%	\$3,332.00	
	T3 =	\$169.14 + 7.44% x (\$3,667.16 - \$3,332.00)				=	\$194.08
T4 = T3 - C x N	T4 =	\$194.08	-	\$3.33 x	4 =	\$180.76	
T5 = T4 + A	T5 =	\$180.76	+	\$0.00	=	\$180.76	
		lowa tax to be withheld =				=	\$180.76

Disclaimer:

In the above two examples, federal withholding amounts are estimated using married joint withholding brackets. It is necessary to estimate federal 2019 withholding parameters (brackets, rates, and amount for each allowance) because the IRS had not released those parameters when this document was prepared.