

**LESSON 2-1**

**Federal Income Tax**

Employers are required by law to withhold a certain amount of your pay for federal income tax (FIT). The Internal Revenue Service provides employers with tables that show how much money to withhold. The amount withheld depends on your income, marital status, and withholding allowances. You may claim one allowance for yourself and one for your spouse if you are married. You may claim additional allowances for any others you support.

Use the tables below to find the amount withheld.

WEEKLY PAYROLL SINGLE					
Wages		Allowances			
At least	But Less than	0	1	2	3
195	200	26	20	14	7
200	210	27	21	15	9
210	220	29	22	16	10
220	230	30	24	18	12
230	240	32	25	19	13
240	250	33	27	21	15
250	260	35	28	22	16
260	270	36	30	24	18
270	280	38	31	25	19
280	290	39	33	27	21

WEEKLY PAYROLL MARRIED					
Wages		Allowances			
At least	But Less than	0	1	2	3
190	195	19	12	6	0
195	200	19	13	7	1
200	210	21	14	8	2
210	220	22	16	10	3
220	230	24	17	11	5
230	240	25	19	13	6
240	250	27	20	14	8
250	260	28	22	16	9
260	270	30	23	17	11
270	280	31	25	19	12

- Beverly Hibbs earns \$224.46 a week. She is single and claims 2 allowances. What amount is withheld weekly for federal income tax? \_\_\_\_\_
- Kent Beals earns \$274.10 a week. He is married and claims 3 allowances. What amount is withheld weekly for federal income tax? \_\_\_\_\_
- Pam Edie earns \$255.00 per week as a manager at Marlin Department Store. She is married and claimed 1 allowance last year. She hopes to receive a refund on her next tax return by claiming no allowances this year. How much more in withholdings will be deducted weekly if she claims no allowances? \_\_\_\_\_
- Andrew Kendall's gross pay for the week is \$251.50. He is married and claims 2 allowances. Starting next week he will receive \$20 more per week. How much more per week will he pay in federal income taxes? \_\_\_\_\_
- Roxanne Ray earns \$210.50 per week as a sales assistant. Next week she will be promoted to assistant manager. She will then earn \$254.00 per week. She is single and claims 1 allowance. How much more will she pay in federal income tax? \_\_\_\_\_
- You are an apprentice plumber for Pointer Plumbing. You are earning an annual salary of \$13,936. You are married and claim 3 allowances. What amount is withheld from your weekly pay for federal income tax? \_\_\_\_\_
- You are single and claim 1 allowance. You presently earn \$221 per week. Starting next week you will receive a 5% increase in pay and will earn \$232.05. How much more will you have withheld from your weekly pay for federal income tax purposes? \_\_\_\_\_
- Nico Joven presently earns \$206.80 per week. He claims himself and his mother as allowances. He is single. He is to get a new job classification which will result in a 15% increase in pay. He also plans to marry. After his marriage, he will claim his wife, himself, and his mother as allowances. How much less will be withheld weekly for federal income tax purposes? \_\_\_\_\_