

2022 Missouri Withholding Tax Formula

Step 1—Using Annual Amounts

(Refer to Federal Publication 15 for questions concerning gross taxable income.)

1. **Gross Taxable Income** — Determine the employee's total wages for the payroll period. Multiply this amount by the number of payroll periods you have in a year. The result is the employee's annual wage. (Multiply by: 260 if you pay daily, 52 if you pay weekly, 26 if you pay bi-weekly, 24 if you pay semi-monthly, or 12 if you pay monthly.)

Note: If the employee has supplemental or overtime pay, see the withholding procedures outlined below.

2. **Filing Status** - Standard Deduction (annual amounts)

Single: \$12,950

Married and Spouse Works: \$12,950

Married Filing Separate: \$12,950

Married and Spouse Does Not Work (this is determined by the check box on Form MO W-4, Line 1, and is not a separate filing status): \$25,900

Head of Household: \$19,400

3. **Missouri Taxable Income** — Subtract the annual Standard Deduction from the annual gross taxable income. The result is the employee's Missouri taxable income.

Step 2

1. **Missouri Withholding Tax** — Multiply the employee's Missouri taxable income by the applicable annual payroll period rate. Begin at the lowest rate and accumulate the total withholding amount for each rate. The result is the employee's annual Missouri withholding tax.
2. **Missouri Withholding Tax Per Payroll Period** — Divide the employee's annual Missouri withholding amount by: 260 if you pay daily, 52 if you pay weekly, 26 if you pay bi-weekly, 24 if you pay semi-monthly, 12 if you pay monthly. The result is the employee's Missouri withholding tax per pay period.

Rounding on Missouri Withholding Reports. You must round the amounts that you withhold from your employees to the nearest whole dollar.

Visit

<https://mytax.mo.gov/rptp/portal/home/withholding-calculator> to access our online withholding tax calculator.

In the 2018 legislative session, House Bill 2540 was passed and amended Section 143.171, RSMo, related to the federal tax deduction. Effective for tax year 2019, the federal income tax deduction taxpayers may claim is prorated based on the taxpayer's Missouri adjusted gross income. In an attempt to ease implementation of the new withholding formula, the Department of Revenue chose to remove the federal tax deduction from the withholding tax calculation. This change may result in a small increase to the amount withheld from employee's paychecks. Any withholding in excess of the tax owed will be refunded after the taxpayer files their individual income tax return.

The Department of Revenue encourages all employees to review their W-4 and to make corresponding changes based on their filing status. There are no longer allowances in the Missouri withholding tables. Employees can no longer increase or decrease the amount withheld from their paychecks by claiming allowances that are not consistent with their specific filing situation. If the employee needs additional amounts withheld, they should add the additional amount on line 2 of the W-4.

Supplemental Pay Withholding

If the employee has supplemental or overtime pay, and the payment is included with normal wages, apply the withholding formula to the total payment as if it was a regular payroll wage payment.

If the employee has supplemental or overtime pay and the overtime wages are paid separately from regular wages, you may withhold based upon one of the following two methods.

- Withhold a flat percentage rate of 5.3 percent of the supplemental wages; or
- Add the supplemental wages to the regular wages paid for the payroll period and apply the withholding formula to the total amount as if it was a regular payroll wage payment. Then subtract the tax already withheld from the regular wage payment and withhold the remaining tax from the supplemental payment.

Income Tax Withholding Percentage Tax

Rates	Daily Payroll	Weekly Payroll	Bi-Weekly Payroll
1.5%	\$ 0.00 to \$ 4.00	\$ 0.00 to \$ 22.00	\$ 0.00 to \$ 43.00
2.0%	4.01 to 9.00	22.01 to 43.00	43.01 to 86.00
2.5%	9.01 to 13.00	43.01 to 65.00	86.01 to 129.00
3.0%	13.01 to 17.00	65.01 to 86.00	129.01 to 172.00
3.5%	17.01 to 22.00	86.01 to 108.00	172.01 to 216.00
4.0%	22.01 to 26.00	108.01 to 129.00	216.01 to 259.00
4.5%	26.01 to 30.00	129.01 to 151.00	259.01 to 302.00
5.0%	30.01 to 34.00	151.01 to 172.00	302.01 to 345.00
5.3%	\$34.01 and over	172.01 and over	345.01 and over

Rates	Semi-Monthly Payroll	Monthly Payroll	Annual Payroll
1.5%	\$ 0.00 to \$ 47.00	\$ 0.00 to \$ 93.00	\$ 0.00 to \$1,121.00
2.0%	47.01 to 93.00	93.01 to 187.00	1,121.01 to 2,242.00
2.5%	93.01 to 140.00	187.01 to 280.00	2,242.01 to 3,363.00
3.0%	140.01 to 187.00	280.01 to 374.00	3,363.01 to 4,484.00
3.5%	187.01 to 234.00	374.01 to 467.00	4,484.01 to 5,605.00
4.0%	234.01 to 280.00	467.01 to 561.00	5,605.01 to 6,726.00
4.5%	280.01 to 327.00	561.01 to 654.00	6,726.01 to 7,847.00
5.0%	327.01 to 374.00	654.01 to 747.00	7,847.01 to 8,968.00
5.3%	374.01 and over	747.01 and over	8,968.01 and over

Note: By agreement between the employee and the employer, the employee may designate additional withholding per pay period if he or she expects to owe more than the amount withheld. Additional amount of withholding may be claimed on Line 2, of the Employer's Withholding Certificate (Form MO W-4).

Missouri Withholding Formula Example

Employee is married (spouse works)

Annual Gross Taxable Income \$35,000.00

Annual Standard Deduction - 12,950.00

Missouri Taxable Income 22,050.00

Income Tax Withholding Percentage Table (Annual Payroll Period)

$\$ 1,121.00 \times 1.5\% = \$ 17.00$	$\$ 22,050.00$	
$1,121.00 \times 2.0 = 22.00$	$= 8,968.00$	
$1,121.00 \times 2.5 = 28.00$	$\$ 13,082.00$	<i>EXCESS</i>
$1,121.00 \times 3.0 = 34.00$	$\times 5.3\%$	
$1,121.00 \times 3.5 = 39.00$	$\$ 693.35$	
$1,121.00 \times 4.0 = 45.00$	$\$ 693.35$	
$1,121.00 \times 4.5 = 50.00$	$\$ 693.35$	
$1,121.00 \times 5.0 = 56.00$	$+ 291.00$	
<u>8,968.00</u>	<u>291.00</u>	$\$ 984.35$ <i>Annual Missouri Withholding</i>

$\$984.35 \div 12 = \82.00 *Monthly Missouri Withholding*
(Rounded to the nearest whole dollar.)

Tips

- Make employees aware of their option to change or update their Form MO W-4.
- If employees have overtime pay, use the appropriate formula for supplemental pay withholding.
- If the employee is married, but spouse does not work, apply the full standard deduction.