

## 2017 Income Tax Changes Updated 10-17-17



This notice is to inform you of important tax changes which were implemented for Federal, state, and local income tax withholdings. The United States Department of the Interior (DOI) Interior Business Center (IBC) has issued five memorandums to identify the tax changes that will be implemented. This notice was last updated September 29, 2017, and will be updated as new memorandums are issued by IBC. The current memos are attached to the end of this notice. They cover different states and implementation dates as follows:

1. IBC memo dated January 27, 2017. Subject: Tax Changes Implemented for Pay Period (PP) 2017-03. Changes are effective for the following:
  - A. FEDERAL TAX
    - a. U.S. Federal Income Tax Withholding
    - b. U.S. Federal Social Security (OASDI) wage base
    - c. Puerto Rico Income Tax Withholding
  - B. STATE TAX
    - a. California State Income Tax
    - b. Indiana State Income Tax
    - c. Kentucky State Income Tax
    - d. Maine State Income Tax
    - e. Minnesota State Income Tax
    - f. Missouri State Income Tax
    - g. Nebraska State Income Tax
    - h. New Mexico State Income Tax
    - i. New York State Income Tax
    - j. North Carolina State Income Tax
    - k. North Dakota State Income Tax
    - l. Oklahoma State Income Tax
    - m. Oregon State Income Tax
    - n. Rhode Island State Income Tax
    - o. South Carolina State Income Tax
    - p. Vermont State Income Tax
  - C. LOCAL TAX
    - a. Indiana County Income Tax
    - b. Kentucky Local Income Tax
    - c. Maryland County Income Tax
    - d. New York Local Income Tax
    - e. Ohio Local Income Tax
    - f. Pennsylvania Local Income Tax
2. IBC memo dated February 23, 2017, Subject: Tax Change Implemented for Pay Period 2017-05. Changes are effective for the following:
  - A. STATE TAX
    - a. Colorado State Income Tax

3. IBC memo dated March 17, 2017, Subject: Tax Changes Implemented for Pay Period 2017-06. Changes are effective for the following:
  - A. LOCAL TAX
    - a. Pennsylvania Local Income Tax
4. IBC memo dated July 26, 2017, Subject: Tax Changes Implemented for Pay Period 2017-16. Changes are effective for the following:
  - A. STATE TAX
    - a. Pennsylvania Table Update
  - B. LOCAL TAX
    - a. New York City Income Tax Withholding
    - b. Ohio Local Income Tax Withholding
5. IBC memo dated September 29, 2017, Subject: Tax Changes Implemented for Pay Period 2017-21. Changes are effective for the following:
  - A. STATE TAX
    - a. Maine State Income Tax Withholding

To determine if any of these changes will affect you, you may review the attached IBC memorandums. You may also review the IBC payroll withholding formulas on the [IBC Payroll Operations](#) Web page. This page may also be located by using the following steps:

1. Access the IBC – Customer Central Web site at: <http://www3.ibc.doi.gov/>.
2. Under the **Human Resources and Payroll** heading, click the **Payroll Operations** link.
3. Click the **Payroll Topics** tab.
4. Click the **Federal, State and Territorial Income Tax Withholding Formulas** link.

These changes were implemented into the Federal Personnel/Payroll System (FPPS) in Pay Period (PP) 2017-03, PP 2017-05, PP 2017-06, PP 2017-16, and PP 2017-21. Retroactive adjustments will not be made to employees' withholding.

### **Tax-related Questions**

If you have pay questions related to these tax changes, please call the DOI IBC Customer Support Center at: 1-888-367-1622. For Payroll assistance, choose **option 3** (Assistance with Personnel, Payroll, Time & Attendance, or Training & Learning Systems), and then choose **option 2** (Payroll Assistance).

For questions concerning this notice, contact:  
**NASA Shared Services Center (NSSC) Customer Contact Center**  
1-877-677-2123 (1-877-NSSC123) or [nssc-contactcenter@nasa.gov](mailto:nssc-contactcenter@nasa.gov)



United States Department of the Interior  
Office of the Secretary



D-2600

January 27, 2017

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed//*  
Payroll Operations Division

Subject: Tax Changes Implemented for Pay Period 2017-03

Please share this information with all impacted employees. You may execute Datamart queries to identify employees in affected state or local taxing areas. Except as noted, the following tax changes were effective January 1, 2017.

**Federal Tax**

- **United States (U.S.) Federal Income Tax Withholding** - The SINGLE (including HEAD OF HOUSEHOLD) and MARRIED tax tables have changed.
- **U.S. Federal Social Security (OASDI) wage base** – The wage base increased from \$118,500 to \$127,200. There is no limit on Medicare wages and the Social Security and Medicare tax rates remain unchanged.
- **Puerto Rico Income Tax Withholding** - The exemption from withholding for all employees whose estimated annual wages do not exceed \$20,000 was eliminated.

**State Tax**

- **California State Income Tax Withholding:**
  - The low income exemption amount for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE increased from \$13,419 to \$13,687
  - The low income exemption amount for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD increased from \$26,838 to \$27,373
  - The standard deduction for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE increased from \$4,044 to \$4,129
  - The standard deduction for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD increased from \$8,088 to \$8,258
  - The SINGLE, MARRIED, and HEAD OF HOUSEHOLD withholding tables have changed
  - The annual personal exemption credit increased from \$119.90 to \$122.10
- **Indiana State Income Tax Withholding** - The state income tax withholding rate decreased from 3.3% to 3.23%.
- **Kentucky State Income Tax Withholding** - The annual standard deduction increased from \$2,460 to \$2,480.

- **Maine State Income Tax Withholding:**
  - The standard deduction calculation has changed
  - The SINGLE tax table was updated
  - The MARRIED tax table was updated
  
- **Minnesota State Income Tax Withholding** - The SINGLE and MARRIED income tax withholding tables have changed.
  
- **Missouri State Income Tax Withholding:**
  - The standard deduction amount for employees claiming SINGLE and MARRIED/SPOUSE working changed from \$6,300 to \$6,350
  - The standard deduction amount for employees claiming MARRIED/SPOUSE not working changed from \$12,600 to \$12,700
  - The standard deduction amount for employees claiming HEAD OF HOUSEHOLD changed from \$9,300 to \$9,350
  - The Income Tax Withholding Percentage Tax tables have changed
  
- **Nebraska State Income Tax Withholding:**
  - The annual amount per withholding allowance increased from \$1,900 to \$1,960
  - The SINGLE and HEAD OF HOUSEHOLD withholding table changed
  - The MARRIED withholding table changed
  
- **New Mexico State Income Tax Withholding** - The SINGLE (including HEAD of HOUSEHOLD) and MARRIED withholding income tax has changed.
  
- **New York State Income Tax Withholding:**
  - The standard deduction for MARRIED filers changed from \$7,900 to \$7,950
  - The SINGLE and MARRIED tax tables were updated
  
- **North Carolina State Income Tax:**
  - The flat tax rate for supplemental wages decreased from 5.85% to 5.599%
  - The state withholding tax rate decreased from 5.85% to 5.599%
  - The standard deduction for SINGLE, MARRIED, and SURVIVING SPOUSE filers increased from \$7,750 to \$8,750
  - The standard deduction for HEAD OF HOUSEHOLD filers increased from \$12,400 to \$14,000
  - The adjustment based on the minimum additional withholding amount required to be claimed by nonresident aliens has changed
  
- **North Dakota State Income Tax Withholding** - The SINGLE (including HEAD OF HOUSEHOLD) and MARRIED income tax withholding formula has changed.
  
- **Oklahoma State Income Tax Withholding** - The SINGLE and MARRIED income tax table and withholding formula has changed.
  
- **Oregon State Income Tax Withholding:**
  - The standard deduction amount for Single filers claiming less than three allowances increased from \$2,155 to \$2,175

- The standard deduction amount for Single filers claiming three or more allowances increased from \$4,315 to \$4,350
- The standard deduction amount for Married filers increased from \$4,315 to \$4,350
- The annual tax credit amount, per exemption, increased from \$195 to \$197
- The maximum annualized deduction for federal tax withheld increased from \$6,500 to \$6,550
- The tax tables have changed for all filers
- **Rhode Island State Income Tax Withholding:**
  - The annualized wage threshold where the annual exemption amount is eliminated has changed from \$215,800 to \$217,350
  - The wage table was updated
- **South Carolina State Income Tax:**
  - The deduction, per personal exemption, increased from \$2,300 to \$2,370
  - The maximum standard deduction in case of any exemptions increased from \$2,600 to \$2,860
  - The table for state income tax withholding calculation has changed
- **Vermont State Income Tax Withholding** - The SINGLE and MARRIED income tax withholding formula and tax tables have changed.

### Local Tax

- **Indiana County Income Tax Withholding** - The income tax withholding formulas have changed. The CAGIT, COIT, and CEDIT taxes are being combined into one local tax. There will be only one tax rate, per locality, that will be imposed on both residents and nonresidents who are subject to the county tax. Nonresidents will no longer be subject to a different rate. The following changes have been implemented:
  - The Taxing Authorities documentation was updated to remove each county's nonresident tax rate. The new combined single tax rate is equal to the current resident tax rate
  - Both residents and nonresidents are now taxed using the county's single tax rate
  - Employee resident status is ignored in the calculation of Indiana county income tax
  - The Taxing Authorities documentation was updated to include the following local income tax changes:
    - Boone County tax rate is 1.500%
    - Brown County tax rate is \*2.523%
    - Jackson County tax rate is 2.100%
    - Jennings County tax rate is 2.500%
    - Noble County tax rate is 1.7500%
    - Tipton County tax rate is 2.600%

\* This rate is truncated to 5-decimal positions, which is the maximum rate supported by Infor. Infor has received approval from the Indiana Department of Revenue, Software Vendor Approval Department, to truncate rates that exceed 5-decimal positions.
- **Kentucky Local Income Tax Withholding:**
  - The occupational tax formula for Boone County, Kentucky has changed. The taxable wage base increased from \$58,727 to \$59,217. The employee tax rate remains at 0.8% and the maximum annual tax is \$473.74

- The income tax withholding for Florence, Kentucky has changed. The maximum withholding wage base increased from \$118,500 to \$127,200 to coincide with the 2017 Federal OASDI wage base. The payroll tax rate remains at 2.00% and the new tax maximum for 2017 increased from \$2,370.00 to \$2,544.00
- The income tax withholding for Kenton County, Kentucky has changed. The maximum withholding wage base increased from \$118,500 to \$127,200 to coincide with the 2017 Federal OASDI wage base. The lower taxable wage base limit remains \$25,000. The payroll tax rates remain 0.7097% on wages up to \$25,000 and 0.1097% on wages greater than \$25,000 and up to the OASDI wage maximum of \$127,200. The new tax maximum for 2017 increased from \$280.00 to \$289.54
- **Maryland County Income Tax Withholding** - The Maryland State and Counties Taxing Authorities implemented the following changes:
  - Calvert County Personal Income Tax Rate is 3.00%; Alternative Withholding Rate is 3.00%
  - Somerset County Personal Income Tax Rate is 3.20%; Alternative Withholding Rate is 3.20%
- **New York Local Income Tax Withholding** - The following income tax changes were implemented for residents of the City of Yonkers:
  - The standard deduction for MARRIED filers changed from \$7,900 to \$7,950
  - The resident SINGLE and MARRIED tax tables were updated
- **Ohio Local Income Tax Withholding** – The Taxing Authorities implemented the following local income tax locality rate changes:
 

○ Athens	1.85%
○ Cleveland	2.50%
○ Dayton	2.50%
○ Seven Hills	2.50%
○ Warren	2.50%
- **Pennsylvania Local Income Tax Withholding** – As of December 20, 2016, the Tincum Township, Delaware County, Interboro School District Local Services tax rate is \$52.

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

Retroactive adjustments will not be made to employee's withholding. If you have any questions, please contact the Customer Support Center at (888) 367-1622. -.



United States Department of the Interior  
Office of the Secretary



D-2600

February 23, 2017

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed//*  
Payroll Operations Division

Subject: Tax Change Implemented for Pay Period 2017-05

Please share this information with all impacted employees. You may execute Datamart queries to identify affected employees in the state taxing area. The following change was effective January 1, 2017.

**State Tax**

- **Colorado State Income Tax Withholding:**
  - The MARRIED withholding table has changed
  - The annual allowance per exemption claimed has increased from \$4,000 to \$4,050

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

Retroactive adjustments will not be made to employee's withholding. If you have any questions, please contact the Customer Support Center at (888) 367-1622.



United States Department of the Interior  
Office of the Secretary



D-2600

March 17, 2017

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed//*  
Payroll Operations Division

Subject: Tax Changes Implemented for Pay Period 2017-06

Please share this information with all impacted employees. The following tax changes were effective January 1, 2017.

**Local Tax**

- **Pennsylvania Local Income Tax Withholding** – The following local earned income tax (EIT) rates have changed:

<u>Municipality</u>	<u>(County)</u>	<u>Local City Tax Code</u>	<u>PSD Cd</u>	<u>NR EIT%</u>	<u>Res EIT%</u>	<u>Mun LST</u>	<u>SD LST</u>
Allentown City	(Lehigh)	0110	390101		1.975		
Johnstown City	(Cambria)	4010	110702	1.1	2.0		
South Park Twp	(Allegheny)	7912	731401	1.0			

You may execute Datamart queries to identify employees in affected local taxing areas. For a Hyperion or OBIEE Combined File Ad-Hoc query/analysis, add the Local Tax State (Code 42) and Local Tax City Code (see table above) to the filter (Pay Occurrences) or prompt lines (Occurrences – Other PE Pay).

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

Retroactive adjustments will not be made to employee's withholding. If you have any questions, please contact the Customer Support Center at (888) 367-1622.





United States Department of the Interior  
Office of the Secretary



D-2600

July 26, 2017

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed//*  
Payroll Operations Division

Subject: Tax Changes Implemented for Pay Period 2017 16

Please share this information with all impacted employees. The following tax changes were implemented Pay Period 2017 16.

**State Tax**

- **Pennsylvania Table update**
  - Pennsylvania table updated to include Health Savings Account as a Pre-Tax item
  - Datamart Query: Tax State = 42

**Local Tax**

- **New York City Income Tax Withholding:**
  - The Resident Single and Married Tax Tables have changed
  - Datamart Query: Local Tax State = 36  
Local Tax City Code = 4170
- **Ohio Local Income Tax Withholding**
  - Springfield 2.4%
  - Datamart Query: Local Tax State = 39  
Local Tax City Code = 7800

You may execute Datamart queries to identify employees in applicable affected taxing areas. For a Hyperion or OBIEE Combined File Ad-Hoc query/analysis, add the Local Tax State (see above) and/or the Local Tax City Code (see above) to the filter (Pay Occurrences) or prompt lines (Occurrences – Other PE Pay).

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

We will not make retroactive adjustments to employee's withholding. If you have any questions, please contact the Customer Support Center at (888) 367-1622.



United States Department of the Interior  
Office of the Secretary



D-2600

September 29, 2017

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed//*  
Payroll Operations Division

Subject: Tax Changes Implemented for Pay Period 2017 21

Please share this information with all impacted employees. The following tax changes were implemented Pay Period 2017 21.

**State Tax**

- **Maine State Income Tax Withholding**
  - The SINGLE and MARRIED withholding tables have changed, removing the highest tax rate category
  - Datamart Query: Tax State = 23

You may execute Datamart queries to identify employees in applicable affected taxing areas. For a Hyperion or OBIEE Combined File Ad-Hoc query/analysis, add the State Code STE Tax State 1 or STE Tax State 2 (Pay and Leave History Facts - see above) to the filter or prompt lines.

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

We will not make retroactive adjustments to employee's withholding. If you have any questions, please contact the Customer Support Center at (888) 367-1622.