



2018 Income Tax Changes Updated 6-5-18

This notice is to inform you of important tax changes which were implemented for Federal and state income tax withholdings. The United States Department of the Interior (DOI) Interior Business Center (IBC) has issued six memorandums to identify the tax changes that will be implemented. This notice was originally published February 8, 2018. The memos are attached to the end of this notice. They cover states and implementation dates as follows:

1. IBC memo dated January 30, 2018. Subject: Tax Changes Implemented for Pay Period (PP) 2018-03. Changes are effective for the following:
 - A. FEDERAL TAX
 - a. U.S. Federal Income Tax Withholding – implemented PP 2018-05
 - b. U.S. Federal Social Security (OASDI) Wage Base
 - c. U.S. 401(k) Wage Limits
 - B. STATE TAX
 - a. California State Income Tax Withholding
 - b. District of Columbia Income Tax Withholding
 - c. Maine State Income Tax Withholding
 - d. Minnesota State Income Tax Withholding
 - e. New York State Income Tax Withholding
 - f. Rhode Island State Income Tax Withholding
 - g. South Carolina State Income Tax
 - C. LOCAL TAX
 - a. New York Local Income Tax Withholding
 - b. Yonkers Local Income Tax Withholding
2. IBC memo dated February 9, 2018. Subject: Tax Changes Implemented for PP 2018-04. Changes are effective for the following:
 - A. FEDERAL TAX
 - a. U.S. Federal Income Tax Withholding
 - B. STATE TAX
 - a. Illinois State Income Tax Withholding
 - b. Kentucky State Income Tax Withholding
 - c. Mississippi State Income Tax Withholding
 - d. Missouri State Income Tax Withholding
 - C. LOCAL TAX
 - a. Indiana Local Income Tax Withholding
 - b. Kentucky Local Income Tax Withholding
 - c. Ohio Local Income Tax Withholding
 - d. Pennsylvania Local Income Tax Withholding
 - e. West Virginia Local Income Tax Withholding
3. IBC memo dated March 12, 2018. Subject: Tax Changes Implemented for PP 2018-06. Changes are effective for the following:
 - A. STATE TAX
 - a. Missouri State Income Tax Withholding

- b. Oregon State Income Tax Withholding
 - c. Vermont State Income Tax Withholding
4. IBC memo dated April 12, 2018. Subject: Tax Changes Implemented for PP 2018-08. Changes are effective for the following:
- A. STATE TAX
 - a. Louisiana State Income Tax Withholding
 - b. North Dakota State Income Tax Withholding
 - B. LOCAL TAX
 - a. Pennsylvania Local Income Tax Withholding
5. IBC memo dated May 7, 2018. Subject: Tax Changes Implemented for PP 2018-10. Changes are effective for the following:
- A. STATE TAX
 - a. Missouri State Income Tax Withholding
6. IBC memo dated May 25, 2018. Subject: Tax Changes Implemented for PP 2018-12. Changes are effective for the following:
- A. STATE TAX
 - a. Colorado State Income Tax Withholding
 - b. Michigan State Income Tax Withholding
 - c. Oklahoma State Income Tax Withholding

The above tax changes were implemented for the noted pay period and will not be retroactive to employees' withholdings. 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.

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



United States Department of the Interior

INTERIOR BUSINESS CENTER
Denver, CO 80235

D-2613

January 30, 2018

Memorandum

To: User Group Representatives and Client Accounting Offices

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

Subject: **Correction:** Changes Implemented for Pay Period (PP) 2018 03

Please share this information with all impacted employees. You may execute Datamart queries to identify employees in affected state or local taxing areas. For an OBIEE Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 or STE Tax State 2 to the filter or prompt lines. See below for the applicable Local Tax State and/or Local Tax City Codes to add to the prompt lines (Occurrences – Other PE Pay). Except as noted, the following tax changes were implemented PP 2018 03 and will not be retroactive to employees' withholdings.

Federal Tax

- **United States (U.S.) Federal Income Tax Withholding** – Will be implemented no later than PP 2018 05
- **U.S. Federal Social Security (OASDI) Wage Base** – The wage base increased from \$127,200 to \$128,400. There is no limit on Medicare wages and the Social Security and Medicare tax rates remain unchanged
- **U.S. 401(k) Wage Limits** - The 401(k) maximum exclusion limit is increasing from \$18,000 to \$18,500

State Tax

- **California State Income Tax Withholding:**
 - The low income exemption amount for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE increased from \$13,687 to \$14,048
 - The low income exemption amount for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD increased from \$27,373 to \$28,095
 - The standard deduction for MARRIED WITH 0 OR 1 EXEMPTION and SINGLE increased from \$4,129 to \$4,236
 - The standard deduction for MARRIED WITH 2 OR MORE EXEMPTIONS and HEAD OF HOUSEHOLD increased from \$8,258 to \$8,472
 - The SINGLE, MARRIED, and HEAD OF HOUSEHOLD withholding tables have changed
 - The annual personal exemption credit increased from \$122.10 to \$125.40
 - Datamart Query: Tax State = 06
- **District of Columbia Income Tax Withholding**
 - The annual personal exemption increased from \$1,775 to \$4,150
 - Datamart Query: Tax State = 11

- **Maine State Income Tax Withholding:**
 - The SINGLE and MARRIED standard deduction tables have been changed
 - The annual amount, per exemption, increased from \$4,050 to \$4,150
 - The SINGLE and MARRIED withholding tax tables have been updated
 - Datamart Query: Tax State = 23

- **Minnesota State Income Tax Withholding:**
 - The SINGLE and MARRIED income tax withholding tables have changed
 - The annual amount, per exemption, increased from \$4,050 to \$4,150
 - Datamart Query: Tax State = 27

- **New York State Income Tax Withholding:**
 - The SINGLE and MARRIED tax tables were updated
 - Datamart Query: Tax State = 36

- **Rhode Island State Income Tax Withholding:**
 - The annualized wage threshold where the annual exemption amount is eliminated has changed from \$217,350 to \$221,800
 - The wage table was updated
 - Datamart Query: Tax State = 44

- **South Carolina State Income Tax:**
 - The deduction, per personal exemption, increased from \$2,370 to \$2,440
 - The maximum standard deduction in case of any exemptions increased from \$2,860 to \$3,150
 - The table for state income tax withholding calculation has changed
 - Datamart Query: Tax State = 45

Local Tax

- **New York Local Income Tax Withholding** - The following income tax changes were implemented for residents of the City of New York:
 - The resident SINGLE and MARRIED tax tables were updated
 - The default tax method for supplemental wages paid in the same check as regular wages has been changed from Concurrent Aggregate to Flat Tax since Flat Tax is a valid option by the city. Alltax always uses Flat Tax as the default when it is allowed
 - Datamart Query: Tax State = 36, City Code 4170

- **Yonkers Local Income Tax Withholding** - The following income tax changes were implemented for residents of the City of Yonkers:
 - The resident SINGLE and MARRIED tax tables were updated
 - Datamart Query: Tax State = 36 City Code 6820

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

If you have any questions, please contact the Customer Support Center at (888) 367-1622



United States Department of the Interior

INTERIOR BUSINESS CENTER
Denver, CO 80235

D-2613

February 9, 2018

Memorandum

To: User Group Representatives and Client Accounting Offices

From: Linda Rihel-Todd, Chief *//signed for by Lisa J. Puente//*
Payroll Operations Division

Subject: Tax Changes Implemented for Pay Period (PP) 2018 04

Please share this information with all impacted employees. The following tax changes were implemented PP2018 04 and will not be retroactive to employees' withholdings.

Federal Tax

- **United States (U.S.) Federal Income Tax Withholding:**
 - The flat tax rate on supplemental wages up to \$1 Million decreased from 25% to 22%.
 - The flat tax rate on supplemental wages over \$1 Million decreased from 39.6% to 37%.
 - The annual amount to add to a nonresident alien's taxable wages prior to calculating withholding increased from \$2,300 to \$7,850.
 - The withholding allowance per exemption increased from \$4,050 to \$4,150.
 - The SINGLE (including HEAD OF HOUSEHOLD) and MARRIED tax tables have changed.

State Tax

- **Illinois State Income Tax Withholding:**
 - The annual exemption amount for the basic allowances claimed for taxpayer, spouse, and other dependents is decreasing from \$2,175 to \$2,000.
 - Datamart Query: Tax State = 17
- **Kentucky Income Tax Withholding**
 - The annual personal standard deduction increased from \$2,480 to \$2,530.
 - Datamart Query: Tax State = 21
- **Mississippi State Income Tax Withholding:**
 - The income tax withholding tax table has been updated.
 - Datamart Query: Tax State = 28
- **Missouri State Income Tax Withholding:**
 - The standard deduction amount for employees claiming SINGLE and MARRIED/SPOUSE working has changed from \$6,350 to \$6,500.
 - The standard deduction amount for employees claiming MARRIED/SPOUSE not working has changed from \$12,700 to \$13,000.
 - The standard deduction amount for employees claiming HEAD OF HOUSEHOLD has changed from \$9,350 to \$9,550.

- The flat tax rate for supplemental wages has changed from 6.0% to 5.9%.
- The income tax table has changed.
- Datamart Query: Tax State = 29

Local Tax

- **Indiana Local Income Tax Withholding** – The Taxing Authorities documentation is being updated to include the following local income tax:

County	STE/CTY	Tax Rate	Tax Disb Freq
=====			=====
Bartholomew	18-005	1.75%	M
Carroll	18-015	2.073%	M
Daviess	18-027	1.50%	M
Decatur	18-031	2.35%	M
Greene	18-055	1.75%	M
Howard	18-067	1.75%	M
Martin	18-101	1.75%	M
Montgomery	18-107	2.30%	M
Orange	18-117	1.75%	M
Putnam	18-133	2.00%	M
Scott	18-143	2.16%	M
Vanderburgh	18-163	1.20%	M

- **Kentucky Local Income Tax Withholding** –

- Boone County:
 - The taxable wage base is increasing from \$59,217 to \$60,236. The employee tax rate remains at 0.8%. The maximum annual tax is \$481.89.
 - Datamart Query: Tax State = 21 County Code 015
- Kenton County:
 - To coincide with the 2018 Federal OASDI wage base, the maximum withholding wage base is increasing from \$127,200 to \$128,400.
 - 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 \$128,400.
 - The new tax maximum for 2018 is increasing from \$289.54 to \$290.85.
 - Datamart Query: Tax State = 21 County Code 117
- City of Florence:
 - To coincide with the 2018 Federal OASDI wage base, the maximum withholding wage base is increasing from \$127,200 to \$128,400.
 - The new tax maximum for 2018 is increasing from \$2,544.00 to \$2,568.00.
 - Datamart Query: Tax State = 21 City Code 1150

- **Ohio Local Income Tax Withholding** – The Taxing Authorities documentation is being updated to include the following local income tax:

Locality	Ste-City	Rate	Tax Disb Freq
Akron	39-0070	2.50%	M
Bedford	39-0570	3.00%	M
Brunswick	39-1085	2.00%	M

- **Pennsylvania Local Income Tax Withholding** – Changes to Pennsylvania counties for local earned income tax (EIT)

Municipality (County) School District	PSD Cd	NR EIT%	Res EIT%	Mun LST	SD LST	FPPS DISB FREQ CODE	FPPS CITY OR CNTY CODE
Altoona City (Blair) Altoona Area S D	070101	1.4				B	420130

- **West Virginia Local Income Tax Withholding** –

- City of Charleston:

- The city service fee is increasing from \$2.50 per week to \$3.00 per week.
- Datamart Query: Tax State = 54 City Code 0480

You may execute Datamart queries to identify employees in affected state or local taxing areas. For an OBIEE Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 or STE Tax State 2 to the filter or prompt lines. See above for the applicable Local Tax State and/or Local Tax City Codes to add to the prompt lines (Occurrences – Other PE Pay).

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

If you have any questions, please contact the Customer Support Center at (888) 367-1622.



United States Department of the Interior

INTERIOR BUSINESS CENTER
Denver, CO 80235

D-2613

March 12, 2018

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 (PP) 2018 06

Please share this information with all impacted employees. The following tax changes were implemented PP2018 06 and will not be retroactive to employees' withholdings.

State Tax

- **Missouri State Income Tax Withholding:**

The first annual taxable wage bracket for wages between \$0 and \$102.99 at 0% tax rate has been removed.

- This table exists in step 3 in the MO State Income Tax Formula.
- Datamart Query: Tax State = 29

- **Oregon State Income Tax Withholding:**

- The standard deduction amount for Single filers claiming less than three allowances has increased from \$2,175 to \$2,215.
- The standard deduction amount for Single filers claiming three or more allowances has increased from \$4,350 to \$4,435.
- The standard deduction amount for Married filers has increased from \$4,350 to \$4,435.
- The annual tax credit amount, per exemption, has increased from \$197 to \$201.
- The annualized deduction for federal tax withheld has increased from a maximum of \$6,550 to \$6,650.
- The tax tables have changed for all filers.
- Datamart Query: Tax State = 41

- **Vermont State Income Tax Withholding:**

The Flat-Tax rate on supplemental wages less than or equal to \$1 Million has been decreased from 6.00% to 5.28%.

- Datamart Query: Tax State = 50

You may execute Datamart queries to identify employees in affected state or local taxing areas. For Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 or STE Tax State 2 to the filter or prompt lines. See above for the applicable Local Tax State and/or Local Tax City Codes to add to the prompt lines (Occurrences – Other PE Pay).

We update the Interior Business Center Payroll website frequently; you may view the state tax formulas here: <http://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/taxFormulas.cfm>.

If you have any questions, please contact the Customer Support Center at (888) 367-1622.



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D-2613

April 12, 2018

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 (PP) 2018 08

Please share this information with all impacted employees. The following tax changes were implemented PP2018 08. As a reminder, tax changes are not retroactive to employees' withholdings.

State Tax

- **Louisiana State Income Tax Withholding:**
 - The income tax tables for filers claiming two or fewer personal exemptions has changed.
 - The tax credit tables for filers claiming two or fewer personal exemptions has changed.
 - Datamart Query: Tax State = 22
- **North Dakota State Income Tax Withholding:**
 - The annual amount per exemption has increased from \$4,050 to \$4,150.
 - The tax tables have changed for all filers.
 - Datamart Query: Tax State = 38

Local Tax

- **Pennsylvania Local Income Tax Withholding:**
 - The following locations increased the Non Resident EIT rate.
 - Datamart Query: See FPPS City Code Column

Municipality (County) School District	FPPS CITY CODE	PSD Cd	NR EIT%	Res EIT%
Murrysville Boro (Westmoreland) Franklin	42 5645	650403	0.5	1.0
North Huntingdon Twp (Westmoreland) Norwin	42 6087	651402	1.0	1.0
South Huntingdon Twp (Westmoreland) Yough	42 7892	651705	0.5	1.0
Summerhill Boro (Cambria) Forest Hills	42 8240	110605	1.0	1.0

You may execute Datamart queries to identify employees in affected state or local taxing areas. For Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 or STE Tax State 2 to the filter or prompt lines. See above for the applicable Local Tax State and/or Local Tax City Codes to add to the prompt lines (Occurrences – Other PE Pay).

We update the Interior Business Center Payroll website frequently; you may view the state tax formulas here: <http://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/taxFormulas.cfm>.

If you have any questions, please contact the Customer Support Center at (888) 367-1622.



United States Department of the Interior

INTERIOR BUSINESS CENTER
Denver, CO 80235

D-2613

May 7, 2018

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 (PP) 2018 10

Please share this information with all impacted employees. The following tax changes were implemented PP2018 10. As a reminder, tax changes are not retroactive to employees' withholdings.

State Tax

- **Missouri State Income Tax Withholding:**
 - The standard deduction amount for employees claiming SINGLE and MARRIED/SPOUSE WORKING has changed from \$6,500 to \$12,000.
 - The standard deduction amount for employees claiming MARRIED/SPOUSE NOT WORKING has changed from \$13,000 to \$24,000.
 - The standard deduction amount for employees claiming HEAD OF HOUSEHOLD has changed from \$9,550 to \$18,000.
 - The personal and dependent exemption has been removed.

You may execute Datamart queries to identify employees claiming Missouri. For a Combined File Ad-Hoc query/analysis add STE Tax State 1 = "29" or STE Tax State 2 = "29" to the filter or prompt lines.

We update the Interior Business Center Payroll website frequently; you may view the state tax formulas here: <http://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/taxFormulas.cfm>.

If you have any questions, please contact the Customer Support Center at (888) 367-1622.



United States Department of the Interior

INTERIOR BUSINESS CENTER
Denver, CO 80235

D-2613

May 25, 2018

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 (PP) 2018 12

Please share this information with all impacted employees. The following tax changes will be implemented PP2018 12. As a reminder, tax changes are not retroactive to employees' withholdings.

State Tax

- **Colorado State Income Tax Withholding:**
 - The income tax withholding formula for the State of Colorado is changing reducing the annual allowance amount per exemption claimed for employees who claim seven or more exemptions.
 - Datamart Query: Tax State = 08
- **Michigan State Income Tax Withholding:**
 - The annual amount, per exemption has increased from \$4,000 to \$4,050.
 - Datamart Query: Tax State = 26
- **Oklahoma State Income Tax Withholding:**
 - The marital status has been updated to include only Single, Married, and Married but withhold at the higher single rate. The Oklahoma W-4 may be downloaded at <https://www.ok.gov/tax/documents/OK-W-4.pdf>
 - Datamart Query: Tax State = 40

You may execute Datamart queries to identify employees in affected state taxing areas. For Combined File Ad-Hoc query/analysis of applicable States: add STE Tax State 1 = (state code above) or STE Tax State 2 = (state code above) to the filter or prompt lines.

We update the Interior Business Center Payroll website frequently; you may view the state tax formulas here: <http://www3.ibc.doi.gov/services/hr/payroll/payrolltopics/taxFormulas.cfm>.

If you have any questions, please contact the Customer Support Center at (888) 367-1622.