

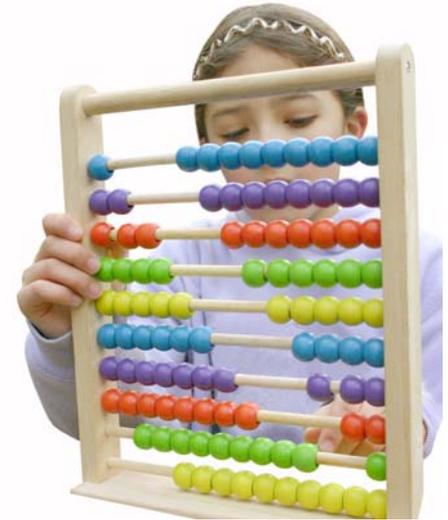
*Gross or Net Income Basis of Child Support Guidelines Using the Income Shares Model

Presented to:

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Presenter:

Jane Venohr, Ph.D.
Economist/Research Associate
Center for Policy Research, Denver, CO



Points of view expressed in this document are those of Dr. Venohr. They do not necessarily represent the official position of the other presenters, the Illinois Department of Healthcare and Family Services, or the Child Support Advisory Committee.

*Basis of Income Shares Guidelines

38 states base their guidelines on the income shares model

- ✓ 26 states use gross income
- ✓ 12 states use net income
- ✓ Categorization of “gross” and “net” is muddy because...
 - Some net-income guidelines start with gross income and provide how to calculate after-tax income available for child support
 - The calculation methods vary and range from sophisticated/detailed methods to those assuming single taxpayer status for each party
 - “Standardized net” is useful when party’s gross income is only available, can produce more consistency in order amounts, lends itself well to computer programming
 - Many gross-income guidelines use measurements of child-rearing expenditures that relate to net income, then use federal and state tax formulae to convert measurements to gross income.

*Examples of Standardized Gross-to-After Tax Income Calculations in Net-Income Guidelines

California

- Provides for actual tax consequences (year-end IRS1040 tax filing)
- Provides gross-to-net calculator (IRS1040 method) as part of guidelines calculator

Iowa

- Prescribes gross-to-net conversion based on actual tax filing status and assigning one exemption for self to each parent plus the number of children to the custodial parent in sole custody cases, then uses IRS and State Employer 1040 and employer income withholding formulae
- Provides that other calculations of after-tax income can be used if the amount of federal and/or state income tax actually being paid by the parent differs substantially from the guideline method of computing taxes
- State incorporates automated gross-to-net income calculator (IW method) into guidelines calculator

New Jersey

- Provides for four options, including gross-to-net income tables based on IRS and State W4 and Employer Withholding formulae
- The gross-to-net income conversion are part of the automated guidelines calculator used by the State
- The guidelines also provides tables such that it can be calculated manually



Useful Excerpts from Other States

[Back to Child Support Home](#)

Iowa Child Support Estimator

Your actual child and medical support amount may differ from the results you get from this estimator. The support amount varies depending upon many factors. Each situation is different.

Children

Number of Children

Custody

1

I have primary physical care

Other parent has primary physical care

* Please note the estimator does not support other custody options such as joint physical care.

Income

Calculate taxes and FICA deductions for me?

| Monthly Income | My Amounts | Other Parent's Amounts |
|---|---|---|
| Gross Monthly Income (before taxes and deductions) <input type="text"/> | \$ | \$ |
| Monthly Deductions | | |
| Calculate taxes and FICA deductions for me? <input type="text"/> | <input type="button" value="My Taxes"/> | <input type="button" value="Other Parent's Taxes"/> |
| Federal Income Tax <input type="text"/> | \$ | \$ |
| State Income Tax <input type="text"/> | \$ | \$ |
| Social Security (FICA) <input type="text"/> | \$ | \$ |
| Other Monthly Deductions | | |
| Mandatory Pension <input type="text"/> | \$ | \$ |



NJ Child Support Guidelines

QuickCalc

| | | | |
|---|---|---|--|
| Number Of Children | <input type="text" value="1"/> | | |
| Worksheets | <input checked="" type="radio"/> Sole <input type="radio"/> Shared | Single, Married or Head of Household? | |
| NCP Percent Parenting Time | 0.00 % | | |
| | CP | NCP | |
| Gross Taxable Income (weekly) | \$ 400 | \$ 400 | |
| Prior Support Orders (weekly) | \$ 0 | \$ 0 | |
| Filing Status | <input type="radio"/> Single <input type="radio"/> Married <input checked="" type="radio"/> HOH | <input checked="" type="radio"/> Single <input type="radio"/> Married <input type="radio"/> HOH | |
| Withholding Allowances are computed as described in rule 5:64 | | | |
| Calculated Amount is | \$82 (weekly) | Calculate Support Amount | |

Gross Taxable Income

Single, Married or Head of Household?

Gross Taxable Income (weekly)

Prior Support Orders (weekly)

Calculated Amount is \$82 (weekly)

Order = \$82/week

Important: This Child Support Guidelines Calculator is for informational purposes only and is not a guarantee of the amount of child support that will be ordered. The results obtained are only an estimate of the amount of child support that will be ordered by other factors. The Court has the final authority to determine the amount of the child support.

The complete text and charts of the Guidelines is more than 100 pages (in full-size type). In New Jersey, the Guidelines are set by Court Rule. The Rule number is 5:64A (the actual charts are an Appendix to the Rule, in the back of the Court Rules Book). Most major libraries in the State have a copy that you can read or photocopy. All law libraries in the courthouses have public copies. The Guidelines are also available on the Internet at: <http://www.njchildsupport.org/ask-questions.html>.

The tax calculation method is assumed to be DI-H. If the Gross Taxable Income of the CP or NCP includes non-FICA or business income items, then the calculated amount will not include accurate taxation. You must run a full guideline to get the proper amount.

Excerpt from New Jersey Child Support Guidelines Appendix IX-H
 (Manual Calculation) <http://www.judiciary.state.nj.us/csguide/app9h.pdf>

Includes Federal, State Social Security and Medicare Income Tax Withholding Rates

Weekly Payroll Period – Single Person and Married Living Apart

These tables should not be used for certain income situations- see notes at end of tables

APPENDIX IX-H - COMBINED TAX WITHHOLDING TABLES FOR USE WITH THE SUPPORT GUIDELINES

Includes Federal, State, Social Security and Medicare Income Tax Withholding Rates

Weekly Payroll Period - Single Persons and Married Living Apart - For Wages Paid After January 1, 2012

These Tables should not be used for certain income situations - see notes at end of tables.

| Weekly Gross Income | | And the number of withholding allowances claimed is | | | | | | | | | |
|---------------------|---------------|---|----|----|----|----|----|----|----|----|--|
| At least | But less than | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | |
| 100 | 110 | 14 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | |
| 110 | 120 | 16 | 8 | 8 | 7 | 7 | 7 | 6 | 6 | 6 | |
| 120 | 130 | 17 | 10 | 8 | 8 | 8 | 7 | 7 | 7 | 7 | |
| 130 | 140 | 19 | 11 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | |
| 140 | 150 | 21 | 13 | 10 | 10 | 9 | 9 | 9 | 8 | 8 | |
| 150 | 160 | 22 | 15 | 11 | 10 | 10 | 10 | 9 | 9 | 9 | |
| 160 | 170 | 24 | 17 | 11 | 11 | 11 | 10 | 10 | 10 | 9 | |
| 170 | 180 | 26 | 18 | 12 | 12 | 11 | 11 | 11 | 10 | 10 | |
| 180 | 190 | 28 | 20 | 13 | 12 | 12 | 12 | 11 | 11 | 11 | |

COMMENTS ON THE USE OF THE COMBINED TAX TABLES

Limitations of this Table - This table should not be used if either parent: (1) has income from non-wage income that is not subject to the same taxes as wages (such as alimony or Social Security disability - see Appendix IX-B), (2) claims mandatory retirement contributions, or (3) has a married marital status for tax withholding purposes.

Withholding Taxes vs. Year-End Tax Obligations - This table is based on withholding rates. It is meant to provide an estimate of how much after-tax income an individual has available to pay child support at the end of each week. Year-end tax obligations, adjustments, credits, and tax refunds (e.g., earned income credit, filing as head of household, personal deductions for children) are not considered in this table and may result in taxes that differ from the amount withheld by an employer. When applying the support guidelines, withholding taxes and/or net income should be adjusted based on yearend tax obligations after reviewing tax returns if such an adjustment would more accurately reflect net income available to either parent in future years.

In other words, if better info is available, use it!

Withholding Allowances - For assumptions regarding the number of withholding allowances permitted by an individual, see Appendix IX-B, Line 2a.

Self-Employed Persons - This table gives the withholding tax for employees who are paid wages for their services. It assumes that the employer is paying a portion of the Social Security and Medicare taxes for the employee (7.65%). To estimate the combined tax for self-employed persons earning less than \$110,100 multiply gross taxable income by 0.0765 and add the result to the table amount. For persons earning above \$110,100 , multiply gross income by .0145 (Medicare), add \$131 (FICA max), and add the sum to the table amount. IMPORTANT: Although this formula will provide an estimate of self-employment income taxes, a careful review of the most recent personal and business tax returns will provide a more accurate tax figure for self-employed persons. Also, see IRS Pubs 505 and SE and App. IX-B

Non-Taxable Income - Some forms of income (e.g., Social Security, VA, Worker's Comp) are not subject to state or federal income tax. Such income is added to taxable income after combined withholding taxes are deducted. Do not combine non-taxable income with gross taxable income when using these tables. (See Appendix IX-B – Determining Income).

Alimony Income - Alimony received is subject to federal and state income tax, but not FICA or Medicare tax. If the combined tax tables are used for gross income that includes alimony, deduct the FICA/Medicare tax for the amount of the alimony (0.0765) from the combined withholding tax.

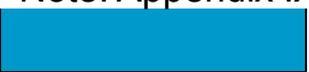
Social Security Tax (FICA) - This table gives the correct amount of combined withholding tax only if wages for income tax and Social Security are the same. The Social Security tax withholding rate for wage earners is 0.042. The maximum amount of FICA tax for one year (\$4,624/year or \$89/week) is averaged into the table for income ranges above \$110,100. Refer to IRS Publication 15 for more information. Note that some forms of income are not subject to FICA and Medicare tax (interest income, rents, dealing in property). These forms of income should be excluded from gross income when estimating a parent's taxes. Also, self-employed persons must pay the full FICA/Medicare tax on 92.35% of their gross income (See IRS Form Schedule SE).

Medicare Tax - The Medicare tax withholding rate for wage earners is 0.0145 for all incomes.

Federal Income Tax - This table includes federal income tax withholding rates as published by the IRS (see Publication 15-T, Revised December 2010). To determine the amount of federal income tax for incomes greater than those shown in this table, refer to these IRS Publications.

New Jersey Income Tax - This table includes tax withholding rates published by the NJ Division of Taxation (see NJWT, effective January 2009). To determine New Jersey withholding tax for incomes greater than those shown on this table, refer to Publication N.J-WT and New Withholding Rate tables.

Note: Appendix IX-H amended April 24, 2012 to be effective immediately.



Line 2a. Withholding Tables

Enter each parent's combined weekly federal, state, and local withholding taxes in the appropriate Line 2a column. Once the taxable portion of gross income is determined, the combined federal, state, city (if applicable), Social Security, and Medicare withholding taxes are deducted. As set forth below, **four methods** are available to determine the amount of combined income tax withholding to be deducted from gross income.

1. **Combined Income Tax Withholding Tables** (Appendix IX-H) - To use the combined tax withholding tables, the gross taxable income and the number of withholding allowances claimed must be known.
 - a. Income tax withholding is meant to be consistent with end-of-year tax obligations to avoid the need for payments or refunds. Generally, individuals may claim from zero to two withholding allowances for themselves, one for a spouse, and one for each dependent. Starting in the 1998 tax year, additional allowances may be claimed to accommodate the new child tax credit (see paragraph b). The number of withholding exemptions claimed may vary with the taxpayer's marital status, number of jobs held, estimated adjustments to income, and the employment status of the taxpayer's spouse (see Section 3402 of the Internal Revenue Code, IRS Form W-4, or IRS Pub. 505).

- b. Individuals must justify claiming fewer withholding exemptions than allowed since this may result in less available gross income per payroll period and may provide the taxpayer with a substantial refund at the end of the year that will not be considered when determining the child support award. Unless a party can show good cause for claiming fewer withholding allowances than permitted, the following standards shall be used to determine withholding taxes from the Appendix IX-H Combined Tax Withholding Tables: (1) one withholding allowance for the parent; (2) one withholding allowance for a current spouse; (3) one withholding allowance for each dependent child; and (a) for incomes less than \$61,000.....

2. End-of-Year Tax Obligations....

3. Year-to-Date Calculation....

- 4. Self-Employed Persons** - For persons whose income is derived from self-employment or the operation of a business, the court should carefully review personal and business income tax returns (State and federal) and IRS-1099 statements from the most recent tax year to determine the amount of taxes to be deducted from gross income. Note: the method of determining withholding taxes and each parent's number of allowances and marital status must be documented in the Comments section (Line 6) of the worksheet.

Example of IA Standardized Net Income

<https://secureapp.dhs.state.ia.us/childsupport/includes/PDFfiles/Court%20Rules.pdf>

Rule 9.6 Guideline method for computing taxes. For purposes of computing the taxes to be deducted from a parent's gross income, the following uniform rules shall be used:

9.6(1) An unmarried parent shall be assigned either single or head of household filing status. Head of household filing status shall be assigned if a parent is the custodial parent of one or more of the mutual children of the parents.

•9.6(2) A married parent shall be assigned married filing separate status.

•9.6(3) If the parents have joint (equally shared) physical care of their mutual children, an unmarried parent shall be assigned head of household filing status and a married parent shall be assigned married filing separate status.

9.6(4) The standard deduction applicable to the parent's filing status under rule 9.6(1), 9.6(2) or 9.6(3) shall be used.

9.6(5) Each parent shall be assigned one personal exemption for the parent. The custodial parent shall be assigned one additional dependent exemption for each mutual child of the parents, unless a parent provides information that the noncustodial parent has been allocated the dependent exemption for such child. In cases of joint (equally shared) or split physical care, the dependent exemption(s) for the mutual child(ren) of the parties shall be assigned according to the order or decree establishing the joint or split care arrangement. If the amount of federal and/or state income tax actually being paid by the parent differs substantially from the amount(s) determined by the guideline method of computing taxes, the court may consider whether the difference is sufficient reason to adjust the child support under the criteria in rule 9.11. This rule does not preclude alternate methods of computation by the Child Support Recovery Unit as authorized by Iowa Code section

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[State Disbursement Unit](#)

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[Frequently Asked Questions \(FAQ\)](#)

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[Brochures](#)

[Getting Calculator](#)

[About DCSS](#)



Supporting California's Children

Dependent Information

| Name | Prior Period Date Range | Time with Parent 1 (%) |
|--|--------------------------------|---------------------------------|
| <input checked="" type="checkbox"/> FIRST-BORN | Not Applicable | 20.0 Advanced |

Parents Living Together Without Custody of Children

Check here if Parent 1 and Parent 2 are living together and neither have custody of the children. (Child(ren) in foster care or other non-parent custody)

Tax Information

Tax Year: 2012

Federal Income Taxes:

Federal Tax Filing Status: SINGLE

Federal Tax Exemptions: 1

State Income Taxes: California

California Tax Filing Status (Registered Domestic Partner Only): SAME AS FEDERAL

Parent 2:

HEAD OF HOUSEHOLD

2

California

SAME AS FEDERAL

Other Tax Settings

Monthly Income Information

Wages/Salary:

MONTHLY

MONTHLY

Calculate Wages/Salary

Self-Employment Income:

Unemployment Compensation:

Disability (Taxable):

Other Taxable Income

Other Non-Taxable Income:

Other Non-Taxable Income Details

New Spouse Wages/Salary:

New-Spouse Other Income and Deductions

Public Assistance and Child Support Received

Monthly Deduction Information

Child Support Paid (Other Relationships):

Spousal Support Paid This Relationship:

Property Tax:

:

FAMILY.CODE SECTION 4050-4076

4059. The annual net disposable income of each parent shall be computed by deducting from his or her annual gross income the actual amounts attributable to the following items or other items permitted under this article: (a) The state and federal income tax liability resulting from the parties' taxable income. Federal and state income tax deductions shall bear an accurate relationship to the tax status of the parties (that is, single, married, married filing separately, or head of household) and number of dependents. State and federal income taxes shall be those actually payable (not necessarily current withholding) after considering appropriate filing status, all available exclusions, deductions, and credits. Unless the parties stipulate otherwise, the tax effects of spousal support shall not be considered in determining the net disposable income of the parties for determining child support, but shall be considered in determining spousal support consistent with Chapter 3 (commencing with Section 4330) of Part 3. (b) Deductions attributed to the employee's contribution or the self-employed worker's contribution pursuant to the Federal Insurance Contributions Act (FICA), or an amount not to exceed that allowed under FICA for persons not subject to FICA, provided that the deducted amount is used to secure retirement or disability benefits for the parent.

Example of Michigan's Standardized Net

2.07(B) Income and FICA/Medicare Taxes

- (1) Deduct a parent's actual income taxes from income.
- (2) If tax returns are not made available, taxes should be estimated based on the best available information and the estimation procedures described below.
- (3) In the absence of an explicit written agreement or order to the contrary, presume that the person with whom the child resides for the majority of a calendar year claims the dependent tax exemption for that child.
 - (a) In determining filing status (Single or Married), presume the status most consistent with each parent's situation.
 - (b) Use income tax guides to determine the taxes deducted from gross earnings for a parent's actual number of dependent exemptions.
 - (c) To the extent possible, estimate taxes at rates that the parent would likely pay for the income types attributed to that parent

Michigan counties use different automated guidelines calculators, some are available from private vendors

25-7-6.7. Allowable deductions from monthly gross income. Deductions from monthly gross income shall be allowed as follows:

- (1) Income taxes payable based on the applicable tax rate for a single taxpayer with one withholding allowance and a monthly payroll period rather than the actual tax rate;
- (2) Social security and medicare taxes based on the applicable tax rate for an employee or a self-employed taxpayer;
- (3) Contributions to an IRS qualified retirement plan not exceeding ten percent of gross income;
- (4) Actual business expenses of an employee, incurred for the benefit of his employer, not reimbursed;
- (5) Payments made on other support and maintenance orders.

Example of a simple assumption that could be invisibly included into a gross-income based schedule

Chapter 11: ANNULMENT AND DIVORCE 15 V.S.A. § 653. Definitions

VT uses 1040-ES,
updates its tables
every 4 yrs

- (1) "Available income" means gross income, less
- (C) FICA taxes (7.65 percent for regular wage earners and 15.3 percent for self-employed, or any amount subsequently set by federal law as FICA tax);
 - (D) state and federal income taxes, calculated as follows:
 - (i) for custodial parents, using the standard deduction, head of household filing status and exemptions for the parent and for each of the children who are the subject of the order (not to exceed five children), plus earned income tax credits if applicable;
 - (ii) for noncustodial parents, using the standard deduction, single filing status and one exemption;
 - (iii) for parents who share custody as defined in section 657 of this title, using the standard deduction, head of household filing status and one exemption for the parent and an equal share of the exemptions attributable to the children who are the subject of the order, plus earned income tax credits if applicable.

Example of Vermont's Standardized Net

**Step 1:
Find each
parent's
after tax
income**

| Gross Monthly Income | Custodial Parent After Tax Income | | | | | Noncustodial Parent After Tax Income |
|----------------------|-----------------------------------|--------------|----------------|---------------|---------------|--------------------------------------|
| | One Child | Two Children | Three Children | Four Children | Five Children | |
| 2500 | 2231 | 2422 | 2461 | 2488 | 2514 | 2063 |
| 2550 | 2265 | 2454 | 2494 | 2523 | 2549 | 2102 |
| 2600 | 2304 | 2483 | 2527 | 2559 | 2585 | 2140 |
| 2650 | 2342 | 2511 | 2560 | 2595 | 2621 | 2179 |
| 2700 | 2381 | 2539 | 2593 | 2630 | 2656 | 2218 |
| 2750 | 2420 | 2567 | 2627 | 2665 | 2692 | 2256 |
| 2800 | 2459 | 2595 | 2660 | 2699 | 2727 | 2295 |
| 2850 | 2497 | 2623 | 2693 | 2732 | 2763 | 2334 |
| 2900 | 2536 | 2658 | 2733 | 2771 | 2805 | 2372 |
| 2950 | 2575 | 2697 | 2776 | 2815 | 2851 | 2411 |
| 3000 | 2613 | 2735 | 2820 | 2859 | 2897 | 2450 |

**Step 2: Plug
combined
after tax
income into
schedule**

| Combined Monthly Net Income | One Child | Two Children | Three Children | Four Children | Five Children |
|-----------------------------|-----------|--------------|----------------|---------------|---------------|
| | 2500.00 | 615 | 854 | 980 | 1093 |
| 2550.00 | 627 | 870 | 999 | 1114 | 1225 |
| 2600.00 | 639 | 886 | 1018 | 1135 | 1248 |
| 2650.00 | 651 | 903 | 1036 | 1155 | 1271 |
| 2700.00 | 662 | 919 | 1055 | 1176 | 1294 |
| 2750.00 | 674 | 935 | 1073 | 1197 | 1316 |
| 2800.00 | 686 | 952 | 1092 | 1218 | 1339 |



Summary of Challenges to Gross-to-After Tax Income Conversions

*Challenges to Calculating Net Income from Gross Income

✓ What to use?

- IRS/State income withholding (IW) formulae with
 - W-4 instructions for # of withholding allowances???
 - Actual # of withholding allowances/exemptions from other source???
- IRS/State 1040-ES (estimated tax) form instructions
 - Include/exclude Earned Income Tax Credit???

✓ Individual Use of W-4 instructions

| | IRS W-4 Instructions | Illinois DOR W-4 Instructions |
|-----------------------------------|---|-------------------------------|
| Single taxpayer, no dependents | 2 withholding allowances | 1 withholding allowance |
| Head-of-household w/ 2 dependents | 9 withholding allowances if income < \$61K, 5 withholding allowances if income > \$61K | 3 withholding allowances |

- ✓ Trade-offs between simplicity and precision, and consistency and flexibility.

*Differences in IRS Employer Withholding Formula and 1040 Tax Filing Instructions

| | IRS Circular E (Employer Withholding) | 1040 Year-End Individual Filings |
|-------------------------|--|---|
| Premise | Actual amount in paycheck | Accurate tax consequences |
| Use in State Guidelines | <ul style="list-style-type: none"> • Most gross-income guidelines are based on child-rearing expenditures that relate to net incomes, but rely on Circular E to convert back to gross income • Some net-income guidelines calculators use Circular E | <ul style="list-style-type: none"> • Some guidelines specifically state actual tax filing should be used, but parties often do not provide copies of tax filings |
| Taxable Income | Subtract: \$316.67/mo per allowance (2012 IRS) \$4.17/mo per allowance (2012 Illinois DOR) | Subtract: \$316.67/mo per exemption (2012 IRS) Standard deduction of \$496-\$992/mo depending on single, HH or married (2012 IRS) |
| Head of Household | Formula is the same for single | Head of household and single formulas differ |
| EITC | Not advanced | Full EITC: \$3,094/yr for 1 child & \$5,112/yr for 2 children |
| Child Tax Credit | Not advanced | Full credit is \$1,000/yr |



Gross-income Based Income Shares Schedules

*Tax Assumptions: Schedule Is Backed into Gross Income, Child Amounts Calculated from Hidden, After-Tax Income Column

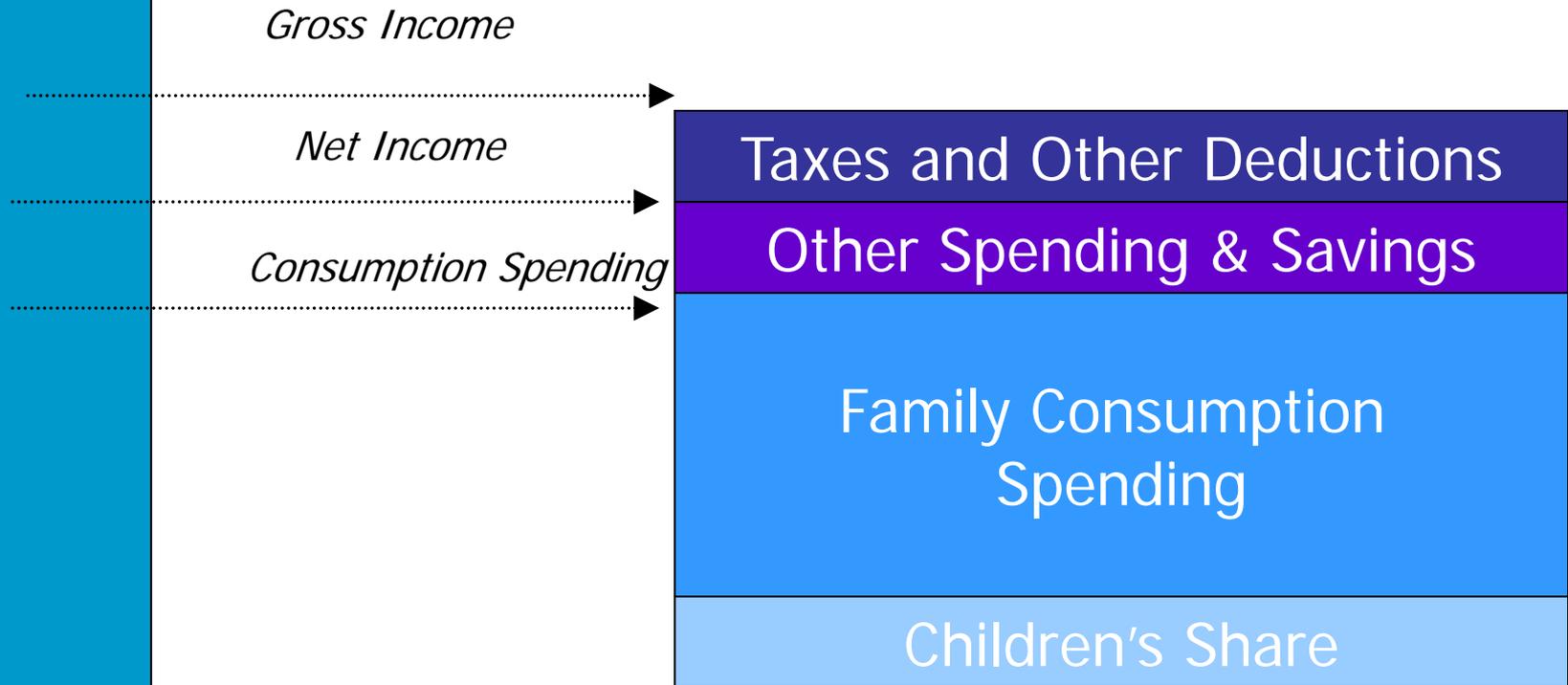
| Hidden Net Income Column | Combined Gross Income | | One Child | Two Children | Three Children | Four Children | Five + Children |
|--------------------------|-----------------------|--|-----------|--------------|----------------|---------------|-----------------|
| 2035.00 | 2500.00 | | 510 | 712 | 821 | 916 | 1007 |
| 2073.67 | 2550.00 | | 518 | 724 | 834 | 930 | 1023 |
| 2112.35 | 2600.00 | | 527 | 735 | 847 | 945 | 1039 |
| 2151.02 | 2650.00 | | 536 | 747 | 860 | 959 | 1055 |
| 2189.70 | 2700.00 | | 544 | 758 | 873 | 973 | 1070 |
| 2228.37 | 2750.00 | | 553 | 770 | 886 | 987 | 1086 |
| 2267.05 | 2800.00 | | 561 | 781 | 898 | 1002 | 1102 |
| 2303.26 | 2850.00 | | 569 | 792 | 911 | 1015 | 1117 |
| 2336.93 | 2900.00 | | 577 | 802 | 922 | 1028 | 1130 |
| 2370.61 | 2950.00 | | 584 | 812 | 933 | 1040 | 1144 |
| 2404.28 | 3000.00 | | 592 | 822 | 945 | 1053 | 1159 |
| 2437.96 | 3050.00 | | 600 | 833 | 957 | 1067 | 1174 |
| 2471.63 | 3100.00 | | 608 | 844 | 970 | 1081 | 1190 |
| 2505.31 | 3150.00 | | 616 | 855 | 982 | 1095 | 1205 |
| 2538.98 | 3200.00 | | 624 | 866 | 995 | 1109 | 1220 |

*Use of Betson-Rothbarth Measurements Requires Tax Assumptions to Develop Gross-Income Based Schedule

28 states and Guam rely on Betson-Rothbarth measurements

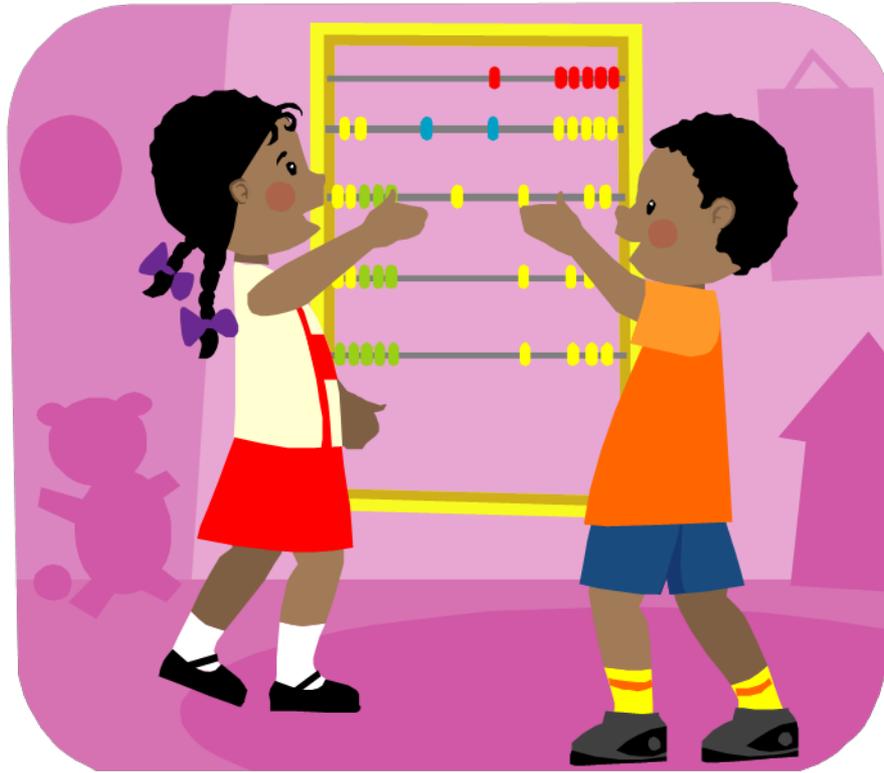
- Most convert gross income by using employer withholding formula for single taxpayer
 - DC uses employer withholding formula for family with same family size
 - DC approach results in more after-tax income & more income available for child support.

Allocation of Income



Example of Transparency of Tax Consequences in Gross-Income Guidelines from Arizona

The Schedule of Basic Child Support Obligations is based on net income and converted to gross income for ease of application. The impact of income taxes has been considered in the Schedule (Federal Tax including Earned Income Tax Credit, Arizona State Tax, and FICA).



Case Examples

Cook County Case Example 1: One Child

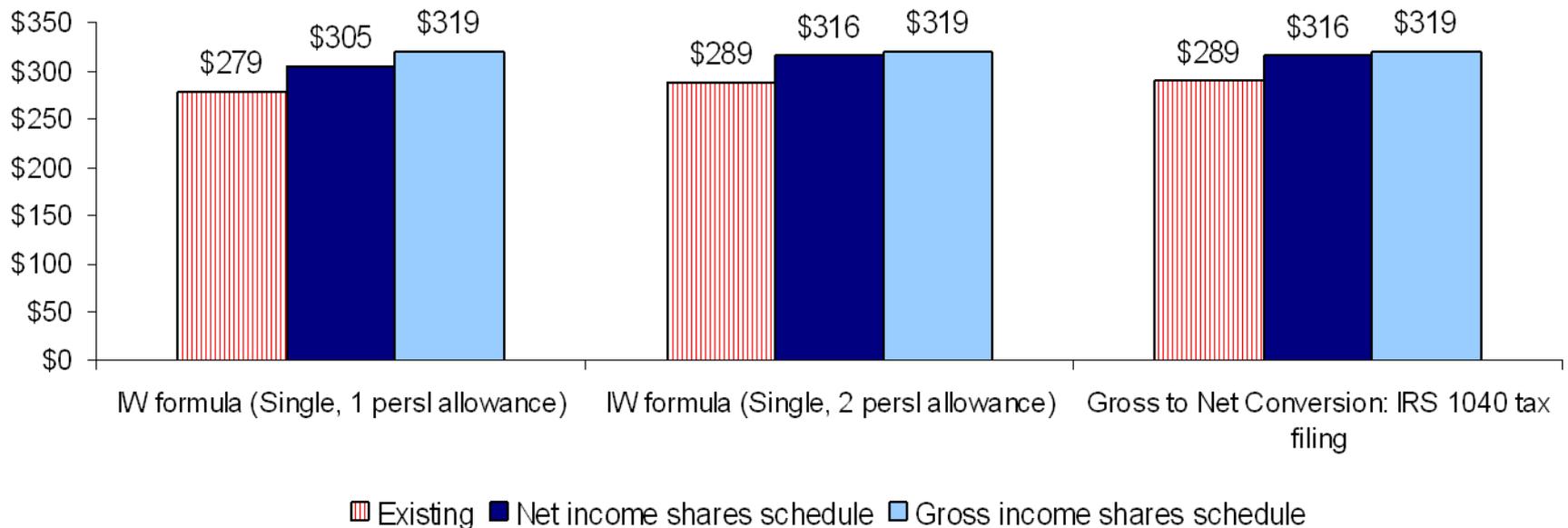
Obligor Monthly Gross Income = \$1,751

Obligor Mandatory Retirement = \$25

Obligor's tax filing status is single with no dependents

Obligee Income = \$0 (TANF)

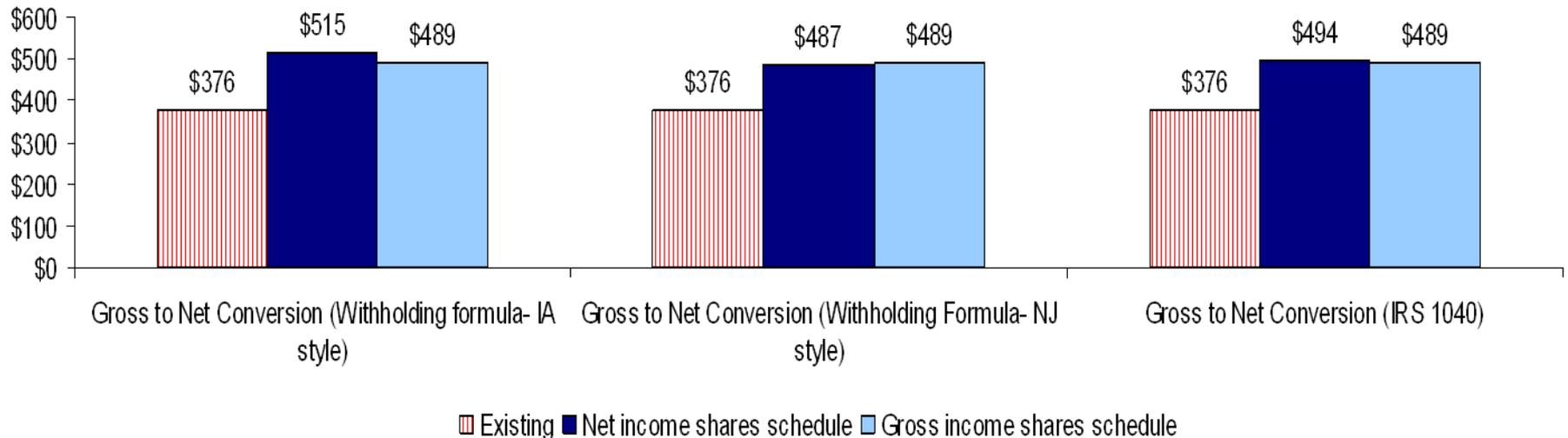
Monthly Child Support Order



Cook County Case Example 2: Two Children

| | Parent A (Obligor) | Parent B (Obligee) |
|-----------------------------------|-----------------------|--------------------|
| Gross monthly income | \$1,614 | \$3,055 |
| Tax filing | Single, no dependents | HH, 2 children |
| Mandatory retirement contribution | \$23 | \$0 |
| Childcare expenses | \$0 | \$130 |
| Health insurance for children | \$0 | \$145 |

Monthly Child Support Order





Closing Remarks

*Things to Keep in Mind

- ✓ There are technical issues & limitations (IRS forms and date of release of forms)
- ✓ Each state defines its income for the purposes of its child support guidelines calculation
 - “Guidelines income” under a gross-income guidelines does not have to equal taxable income
 - “Guidelines income” under a net-income guidelines does not have to equal income after federal and state income taxes and FICA
- ✓ Both gross- and net-income based guidelines can consider income from any source including atypical sources (e.g., bonuses, insurance benefits and qualified dividends).
 - All after-tax income can be “grossed up” for gross-income based guidelines
 - All gross income can be converted to after-tax income for net-income based guidelines
 - Both net-to-gross and gross-to-net converters require knowledge of tax assumptions
- ✓ Less taxes → more income → higher child support schedule amount → order amount ↑↓

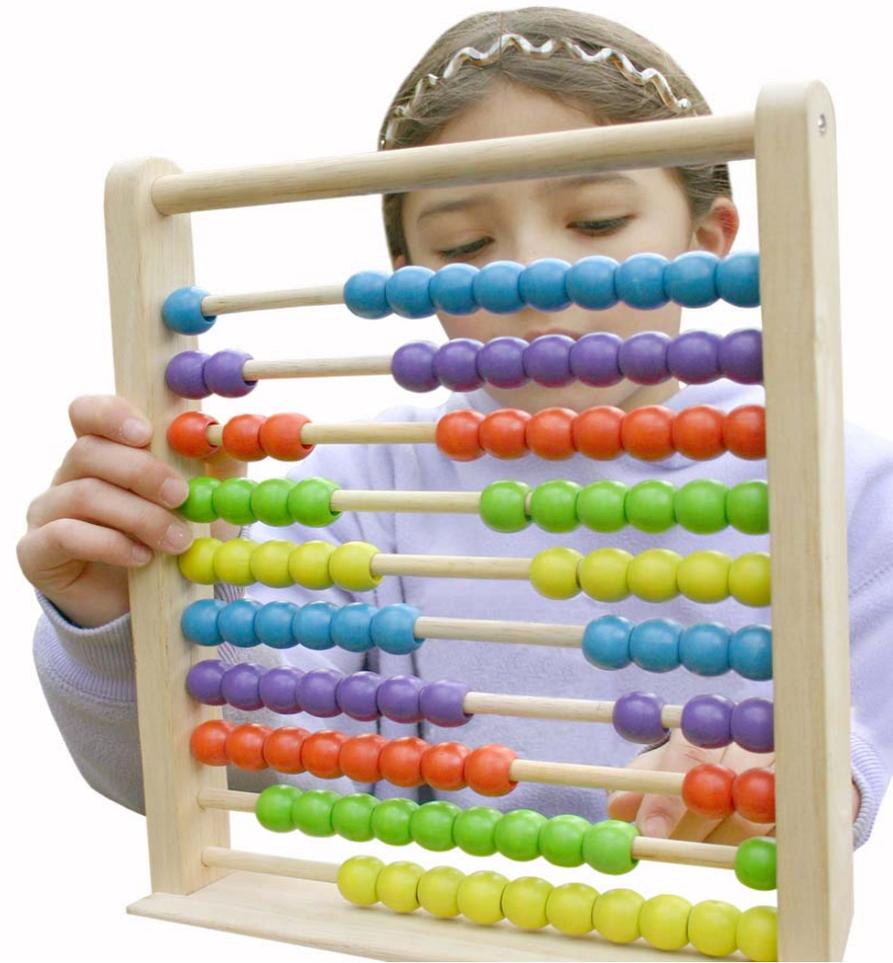
*Summary of Options

✓ Net Income

- Provide for standardized gross-to-net calculation
 - Provide options (e.g., NJ) or apply one standard to most situations

✓ Gross Income

- Use different tax assumptions (e.g., DC approach)
- Make tax assumptions transparent



Tax Forms and Tables (Optional)

Useful Tax Documents

<http://www.irs.gov/formspubs/index.html?portlet=103>

2002 IRS Employer Withholding Formula (Pub. 15, Circular E)

2002 IRS Employer Withholding Formula (Pub. 15a, Circular E)

2002 1040-ES (estimated taxes)

Pub. 17 Child Tax Credit

Pub. 504 Divorced, Separated Individuals

Publ. 501 Exemptions, Standard deductions

Form 8332. Release/revocation of Exemption Claim

Pub. 596. Earned Income Tax Credit

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid through December 2012)

| And the wages are— | | And the number of withholding allowances claimed is— | | | | | | | | | | |
|--------------------|---------------|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| At least | But less than | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | The amount of income, social security, and Medicare taxes to be withheld is— | | | | | | | | | | |
| \$ 0 | \$220 | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% | 5.65% |
| 220 | 230 | \$17.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 | \$12.71 |
| 230 | 240 | 19.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 | 13.28 |
| 240 | 250 | 20.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 | 13.84 |
| 250 | 260 | 22.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 | 14.41 |
| 260 | 270 | 23.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 | 14.97 |
| 270 | 280 | 25.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 | 15.54 |
| 280 | 290 | 27.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 | 16.10 |
| 290 | 300 | 28.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 | 16.67 |
| 300 | 320 | 30.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 | 17.52 |
| 320 | 340 | 33.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 | 18.65 |
| 340 | 360 | 36.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 | 19.78 |
| 360 | 380 | 39.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 | 20.91 |
| 380 | 400 | 43.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 | 22.04 |
| 400 | 420 | 46.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 | 23.17 |
| 420 | 440 | 49.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 | 24.30 |
| 440 | 460 | 52.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 | 25.43 |
| 460 | 480 | 55.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 | 26.56 |
| 480 | 500 | 58.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 | 27.69 |
| 500 | 520 | 61.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 | 28.82 |
| 520 | 540 | 64.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 | 29.95 |
| 540 | 560 | 68.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 | 31.08 |
| 560 | 580 | 71.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 | 32.21 |
| 580 | 600 | 74.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 | 33.34 |
| 600 | 640 | 79.03 | 47.03 | 35.03 | 35.03 | 35.03 | 35.03 | 35.03 | 35.03 | 35.03 | 35.03 | 35.03 |
| 640 | 680 | 85.29 | 53.29 | 37.29 | 37.29 | 37.29 | 37.29 | 37.29 | 37.29 | 37.29 | 37.29 | 37.29 |
| 680 | 720 | 91.55 | 59.55 | 39.55 | 39.55 | 39.55 | 39.55 | 39.55 | 39.55 | 39.55 | 39.55 | 39.55 |
| 720 | 760 | 97.81 | 65.81 | 41.81 | 41.81 | 41.81 | 41.81 | 41.81 | 41.81 | 41.81 | 41.81 | 41.81 |

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

| | | | |
|----------------------|----------------------|---------------------|------------------------|
| Not over \$179 | | \$0 | |
| Over— | But not over— | | of excess over— |
| \$179 | —\$904 | \$0.00 plus 10% | —\$179 |
| \$904 | —\$3,125 | \$72.50 plus 15% | —\$904 |
| \$3,125 | —\$7,317 | \$405.86 plus 25% | —\$3,125 |
| \$7,317 | —\$15,067 | \$1,453.85 plus 28% | —\$7,317 |
| \$15,067 | —\$32,542 | \$3,623.85 plus 33% | —\$15,067 |
| \$32,542 | | \$9,390.40 plus 35% | —\$32,542 |

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is: The amount of income tax to withhold is:

| | | | |
|----------------------|----------------------|---------------------|------------------------|
| Not over \$675 | | \$0 | |
| Over— | But not over— | | of excess over— |
| \$675 | —\$2,125 | \$0.00 plus 10% | —\$675 |
| \$2,125 | —\$6,567 | \$145.00 plus 15% | —\$2,125 |
| \$6,567 | —\$12,567 | \$811.30 plus 25% | —\$6,567 |
| \$12,567 | —\$18,796 | \$2,311.30 plus 28% | —\$12,567 |
| \$18,796 | —\$33,038 | \$4,055.42 plus 33% | —\$18,796 |
| \$33,038 | | \$9,755.28 plus 35% | —\$33,038 |

Single & head of household formula are the same

Form **1040** Department of the Treasury - Internal Revenue Service
U.S. Individual Income Tax Return
 For the year Jan. 1-Dec. 31, 2011, or other tax year beginning on _____ and ending on _____
 Your first name and initial _____
 If a joint return, spouse's first name and initial _____

Filing Status: single, married filing jointly, married filing separately, head of household or qualifying widow

Filing Status

- 1 Single
- 2 Married filing jointly (even if only one had income)
- 3 Married filing separately. Enter spouse's SSN above and full name here. ▶
- 4 Head of household (with qualifying person). (See Instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
- 5 Qualifying widow(er) with dependent child

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a

b Spouse

| c Dependents: | | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions) |
|----------------|-----------|--|-------------------------------------|--|
| (f) First name | Last name | | | |
| | | | | <input type="checkbox"/> |

d Total number of dependents

Boxes checked on 6a and 6b
 No. of children on 6c who:
 • lived with you
 • did not live with you due to divorce or separation (see instructions)
 Dependents on 6c not entered above
 Add numbers on lines above ▶

6. Exemptions including "yourself," "spouse" and "dependents"

Income

7 Wages, salaries 7

8a Taxable interest. Attach Schedule B if required 8a

b Tax-exempt interest. Do not include on line 8a 8b

9a Ordinary dividends. Attach Schedule B if required 9a

Adjusted Gross Income

23 Educator expenses 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24

25 Health savings account deduction. Attach Form 8889 25

26 Moving expenses. Attach Form 3903 26

36 Add lines 23 through 26 36

37 Subtract line 26 from line 22. This is your adjusted gross income 37

37. Adjusted gross income

40. Itemized deductions (from Schedule A) or standard deduction
 Single = \$5,800, Married = \$11,600, Head of HH = \$8,500

42. Exemptions. Multiply \$3,700 by the number on line 6d

Form 1040 (2011)

| | | | | | |
|---|-----|---|----|-----|--|
| Tax and Credits | 38 | Amount from line 37 (adjusted gross income) | | 38 | |
| | 39a | Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a | | | |
| | | it: <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. | | | |
| | b | If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b | | | |
| Standard Deduction for— | 40 | Itemized deductions (from Schedule A) or your standard deduction (see left margin) | | 40 | |
| • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. | 41 | Subtract line 40 from line 38 | | 41 | |
| • All others: | 42 | Exemptions. Multiply \$3,700 by the number on line 6d. | | 42 | |
| Single or Married filing separately, \$5,800 | 43 | Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- | | 43 | |
| Married filing jointly or Qualifying widow(er), \$11,600 | 44 | Tax (see Instructions). Check if any from: a <input type="checkbox"/> Form(s) 9914 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> 962 election | | 44 | |
| Head of household, \$8,500 | 45 | Alternative minimum tax (see Instructions). Attach Form 6251 | | 45 | |
| | 46 | Add lines 44 and 45 | | 46 | |
| | 47 | Foreign tax credit. Attach Form 1116 if required | 47 | | |
| | 48 | Credit for child and dependent care expenses. Attach Form 2441 | 48 | | |
| | 49 | Education credits from Form 8863, line 23 | 49 | | |
| | 50 | Retirement savings contributions credit. Attach Form 8880 | 50 | | |
| | 51 | Child tax credit (see Instructions) | 51 | | |
| | 52 | Residential energy credits. Attach Form 5695 | 52 | | |
| | 53 | Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/> | 53 | | |
| | 54 | Add lines 47 through 53. These are your total credits | | 54 | |
| | 55 | Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- | | | |
| Other Taxes | 56 | Self-employment tax. Attach Schedule SE | | | |
| | 57 | Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919 | | 57 | |
| | 58 | Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required | | 58 | |
| | 59a | Household employment taxes from Schedule H | | 59a | |

51. Child tax credit

56. Self-employment tax

| IF your 2012 filing status is... | THEN your standard deduction is... |
|--|------------------------------------|
| Married filing jointly or Qualifying widow(er) | \$11,900 |
| Head of household | \$8,700 |
| Single or Married filing separately | \$5,950 |

Monthly Std Deduction

HH: \$725

Single: \$496

2012 Estimated Tax Worksheet

Keep for Your Records



| | | | | |
|----|---|----|--|--|
| 1 | Adjusted gross income you expect in 2012 (see instructions) | 1 | | |
| 2 | • If you plan to itemize deductions, enter the estimated total of your itemized deductions. • If you do not plan to itemize deductions, enter your standard deduction. | 2 | | |
| 3 | Subtract line 2 from line 1. | 3 | | |
| 4 | Exemptions. Multiply \$3,800 by the number of personal exemptions | | | |
| 5 | Subtract line 4 from line 3. | | | |
| 6 | Tax. Figure your tax on the amount on line 5 by using the 2012 Tax Rate Schedules. <i>Caution: If you will have qualified dividends or a net capital gain, or expect to exclude or defer foreign earned income or housing, see chapter 2 of Pub. 505 to figure the tax</i> | | | |
| 7 | Alternative minimum tax from Form 6251 | | | |
| 8 | Add lines 6 and 7. Add to this amount any other taxes you expect to include in the total on Form 1040, line 44. | 8 | | |
| 9 | Credits (see instructions). Do not include any income tax withholding on this line | 9 | | |
| 10 | Subtract line 9 from line 8. If zero or less, enter -0- | 10 | | |
| 11 | Self-employment tax (see instructions) | 11 | | |
| 12 | Other taxes (see instructions) | 12 | | |

4. Exemptions. Multiply \$3,800 by the number of personal exemptions.

Monthly Exemption = \$316.67

2012 Tax Rate Schedules

Caution. Do not use these Tax Rate Schedules to figure your 2011 taxes. Use only to figure your 2012 estimated taxes.

| Schedule X—Use if your 2012 filing status is Single | | | | Schedule Z—Use if your 2012 filing status is Head of household | | | |
|---|----------------------|------------------|----------------------------|--|----------------------|------------------|----------------------------|
| If line 5 is: | | The tax is: | | If line 5 is: | | The tax is: | |
| <i>Over—</i> | <i>But not over—</i> | | <i>of the amount over—</i> | <i>Over—</i> | <i>But not over—</i> | | <i>of the amount over—</i> |
| \$0 | \$8,700 | ——— 10% | \$0 | \$0 | \$12,400 | ——— 10% | \$0 |
| 8,700 | 35,350 | \$870.00 + 15% | 8,700 | 12,400 | 47,350 | \$1,240.00 + 15% | 12,400 |
| 35,350 | 85,650 | 4,867.50 + 25% | 35,350 | 47,350 | 122,300 | 6,482.50 + 25% | 47,350 |
| 85,650 | 178,650 | 17,442.50 + 28% | 85,650 | 122,300 | 198,050 | 25,220.00 + 28% | 122,300 |
| 178,650 | 388,350 | 43,482.50 + 33% | 178,650 | 198,050 | 388,350 | 46,430.00 + 33% | 198,050 |
| 388,350 | ————— | 112,683.50 + 35% | 388,350 | 388,350 | ————— | 109,229.00 + 35% | 388,350 |
| Schedule Y-1— Use if your 2012 filing status is Married filing jointly or Qualifying widow(er) | | | | Schedule Y-2— Use if your 2012 filing status is Married filing separately | | | |
| If line 5 is: | | The tax is: | | If line 5 is: | | The tax is: | |
| <i>Over—</i> | <i>But not over—</i> | | <i>of the amount over—</i> | <i>Over—</i> | <i>But not over—</i> | | <i>of the amount over—</i> |
| \$0 | \$17,400 | ——— 10% | \$0 | \$0 | \$8,700 | ——— 10% | \$0 |
| 17,400 | 70,700 | \$1,740.00 + 15% | 17,400 | 8,700 | 35,350 | \$870.00 + 15% | 8,700 |
| 70,700 | 142,700 | 9,735.00 + 25% | 70,700 | 35,350 | 71,350 | 4,867.50 + 25% | 35,350 |
| 142,700 | 217,450 | 27,735.00 + 28% | 142,700 | 71,350 | 108,725 | 13,867.50 + 28% | 71,350 |
| 217,450 | 388,350 | 48,665.00 + 33% | 217,450 | 108,725 | 194,175 | 24,332.50 + 33% | 108,725 |
| 388,350 | ————— | 105,062.00 + 35% | 388,350 | 194,175 | ————— | 52,531.00 + 35% | 194,175 |

Excerpt from IRS Form W-4 (2012)

<http://www.irs.gov/pub/irs-pdf/fw4.pdf>

or two-earners/multiple jobs situations.

may owe additional tax. If you have pension or annuity

A. Enter "1" for yourself

B. Enter "1" if you are single...

Personal Allowances Worksheet (Keep for your records)

A Enter "1" for yourself if no one else can claim you as a dependent. . . . **A** _____

B Enter "1" if:

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.

 . . . **B** _____

C Enter "1" for your spouse. But, you may choose to enter "0" if you have more than one job. (Entering "0" may help you avoid having too little tax withheld.) . . . **C** _____

D. Enter # of dependents

D Enter number of dependents (other than your spouse or your dependent child) . . . **D** _____

E. Enter "1" if you file as head of household....

E Enter "1" if you will file as head of household on your tax return. . . . **E** _____

F Enter "1" if you have at least \$1,500 of child or dependent care expenses for which you plan to claim a credit. (Note. Do not include child support payments. See Pub. 503, Child and Dependent Care Expenses, for details.) . . . **F** _____

G **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.
• If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then less "1" if you have three to seven eligible children or less "2" if you have eight or more eligible children.
• If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child . . . **G** _____

H Add lines A through G and enter total here. (Note. This may be different from the number of exemptions you claim on your tax return.) ► **H** _____

For accuracy, complete all worksheets that apply.

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are single and have more than one job or are married and you and your spouse both work and the combined earnings from all jobs exceed \$40,000 (\$10,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4**
Department of the Treasury

Employee's Withholding Allowance Certificate

► Whether you are entitled to claim a certain number of allowances or exemption from withholding is

OMB No. 1545-0074



Source: Illinois Withholding Tax Tables (1st & last page of document)

<http://tax.illinois.gov/taxforms/withholding/il-700-t.pdf>



Illinois Department of Revenue

Booklet IL-700-T

Illinois Withholding Tax Tables

Released in
Dec. of each
year

Where to Get Help

If you need help completing your return, you may visit or call one of our Illinois Department of Revenue offices Monday through Friday. We can accommodate and assist the disabled.

WILLARD ICE BUILDING
101 W JEFFERSON STREET
SPRINGFIELD IL 62794-9044

JAMES R THOMPSON CENTER
100 W RANDOLPH STREET
CONCOURSE
CHICAGO IL 60601-3274

Office hours: 8:00 a.m. to 5:00 p.m.

Office hours: 8:30 a.m. to 5:00 p.m.

Our taxpayer assistance numbers are 1 800 732-8866 or 217 782-3336. Our TDD (telecommunications device for the deaf) number is 1 800 544-5304. If you prefer, you may visit our web site at tax.illinois.gov or write us at the address below.

If you have questions or need more information about a previous refund or other tax matters, send us your inquiry in writing on a separate sheet of paper. Your written inquiry must include your name and address, your FEIN, the tax type, the tax year in question, and a description of the error or question. Send inquiries to

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044

Where to Get Forms, Instructions, and Publications

If you need additional forms, instructions, or publications, you may

- visit our web site at tax.illinois.gov;
- call our 24-hour Forms Order Line at 1 800 356-6302;
- write to Illinois Department of Revenue, P.O. Box 19010, Springfield, IL 62794-9010; or
- visit banks, libraries, or any taxpayer assistance office listed above or regional offices listed below.

Illinois Regional Offices

Maine North Regional Building
9511 Harrison Street FA203
Des Plaines, IL 60016-1563

2309 West Main
Suite 114
Marion, IL 62959-1196

200 S. Wyman Street
Rockford, IL 61101-1237

15 Executive Drive
Suite 2
Fairview Heights, IL 62208-1331

Where to Get Other Assistance

The Internal Revenue Service (IRS) produces many publications to help answer your questions and fill out your federal tax return. You may call the IRS at 1 800 829-3676 or visit their web site at www.irs.gov.

Source: Illinois Withholding Tax Tables (1st and last page of table)

<http://tax.illinois.gov/taxforms/withholding/il-700-t.pdf>

Illinois Income Tax withholding at 5 percent (.05)
Based on allowances claimed on Form IL-W-4, Illinois Withholding Allowance Certificate.

Monthly Payroll Period

| Wages | | Number of allowances claimed on Line 1 of Form IL-W-4 | | | | | | | | | | |
|----------|---------------|---|-------|------|---|---|---|---|---|---|---|----|
| at least | but less than | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Withhold this amount of Illinois Income Tax | | | | | | | | | | |
| 0.00 | 10.00 | 0.25 | | | | | | | | | | |
| 10.00 | 20.00 | 0.75 | | | | | | | | | | |
| 20.00 | 30.00 | 1.25 | | | | | | | | | | |
| 30.00 | 40.00 | 1.75 | | | | | | | | | | |
| 40.00 | 50.00 | 2.25 | | | | | | | | | | |
| 50.00 | 60.00 | 2.75 | | | | | | | | | | |
| 60.00 | 70.00 | 3.25 | | | | | | | | | | |
| 70.00 | 80.00 | 3.75 | | | | | | | | | | |
| 80.00 | 90.00 | 4.25 | | | | | | | | | | |
| 90.00 | 100.00 | 4.75 | | | | | | | | | | |
| 100.00 | 110.00 | 5.25 | | | | | | | | | | |
| 110.00 | 120.00 | 5.75 | | | | | | | | | | |
| 120.00 | 130.00 | 6.25 | | | | | | | | | | |
| 130.00 | 140.00 | 6.75 | | | | | | | | | | |
| 140.00 | 150.00 | 7.25 | | | | | | | | | | |
| 150.00 | 160.00 | 7.75 | | | | | | | | | | |
| 160.00 | 170.00 | 8.25 | | | | | | | | | | |
| 170.00 | 180.00 | 8.75 | 0.21 | | | | | | | | | |
| 180.00 | 190.00 | 9.25 | 0.71 | | | | | | | | | |
| 190.00 | 200.00 | 9.75 | 1.21 | | | | | | | | | |
| 200.00 | 210.00 | 10.25 | 1.71 | | | | | | | | | |
| 210.00 | 220.00 | 10.75 | 2.21 | | | | | | | | | |
| 220.00 | 230.00 | 11.25 | 2.71 | | | | | | | | | |
| 230.00 | 240.00 | 11.75 | 3.21 | | | | | | | | | |
| 240.00 | 250.00 | 12.25 | 3.71 | | | | | | | | | |
| 250.00 | 260.00 | 12.75 | 4.21 | | | | | | | | | |
| 260.00 | 270.00 | 13.25 | 4.71 | | | | | | | | | |
| 270.00 | 280.00 | 13.75 | 5.21 | | | | | | | | | |
| 280.00 | 290.00 | 14.25 | 5.71 | | | | | | | | | |
| 290.00 | 300.00 | 14.75 | 6.21 | | | | | | | | | |
| 300.00 | 310.00 | 15.25 | 6.71 | | | | | | | | | |
| 310.00 | 320.00 | 15.75 | 7.21 | | | | | | | | | |
| 320.00 | 330.00 | 16.25 | 7.71 | | | | | | | | | |
| 330.00 | 340.00 | 16.75 | 8.21 | | | | | | | | | |
| 340.00 | 350.00 | 17.25 | 8.71 | 0.17 | | | | | | | | |
| 350.00 | 360.00 | 17.75 | 9.21 | 0.67 | | | | | | | | |
| 360.00 | 370.00 | 18.25 | 9.71 | 1.17 | | | | | | | | |
| 370.00 | 380.00 | 18.75 | 10.21 | 1.67 | | | | | | | | |
| 380.00 | 390.00 | 19.25 | 10.71 | 2.17 | | | | | | | | |
| 390.00 | 400.00 | 19.75 | 11.21 | 2.67 | | | | | | | | |
| 400.00 | 410.00 | 20.25 | 11.71 | 3.17 | | | | | | | | |
| 410.00 | 420.00 | 20.75 | 12.21 | 3.67 | | | | | | | | |
| 420.00 | 430.00 | 21.25 | 12.71 | 4.17 | | | | | | | | |
| 430.00 | 440.00 | 21.75 | 13.21 | 4.67 | | | | | | | | |
| 440.00 | 450.00 | 22.25 | 13.71 | 5.17 | | | | | | | | |
| 450.00 | 460.00 | 22.75 | 14.21 | 5.67 | | | | | | | | |
| 460.00 | 470.00 | 23.25 | 14.71 | 6.17 | | | | | | | | |
| 470.00 | 480.00 | 23.75 | 15.21 | 6.67 | | | | | | | | |
| 480.00 | 490.00 | 24.25 | 15.71 | 7.17 | | | | | | | | |
| 490.00 | 500.00 | 24.75 | 16.21 | 7.67 | | | | | | | | |

Subtract \$4.17 for each allowance claimed on Line 2 of Form IL-W-4

Illinois Income Tax withholding at 5 percent (.05)
Based on allowances claimed on Form IL-W-4, Illinois Withholding Allowance Certificate.

Monthly Payroll Period

| Wages | | Number of allowances claimed on Line 1 of Form IL-W-4 | | | | | | | | | | |
|----------|---------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| at least | but less than | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | Withhold this amount of Illinois Income Tax | | | | | | | | | | |
| 1,500.00 | 1,510.00 | 75.25 | 66.71 | 58.17 | 49.63 | 41.08 | 32.54 | 24.00 | 15.46 | 6.92 | | |
| 1,510.00 | 1,520.00 | 75.75 | 67.21 | 58.67 | 50.13 | 41.58 | 33.04 | 24.50 | 15.96 | 7.42 | | |
| 1,520.00 | 1,530.00 | 76.25 | 67.71 | 59.17 | 50.63 | 42.08 | 33.54 | 25.00 | 16.46 | 7.92 | | |
| 1,530.00 | 1,540.00 | 76.75 | 68.21 | 59.67 | 51.13 | 42.58 | 34.04 | 25.50 | 16.96 | 8.42 | | |
| 1,540.00 | 1,550.00 | 77.25 | 68.71 | 60.17 | 51.63 | 43.08 | 34.54 | 26.00 | 17.46 | 8.92 | 0.38 | |
| 1,550.00 | 1,560.00 | 77.75 | 69.21 | 60.67 | 52.13 | 43.58 | 35.04 | 26.50 | 17.96 | 9.42 | 0.88 | |
| 1,560.00 | 1,570.00 | 78.25 | 69.71 | 61.17 | 52.63 | 44.08 | 35.54 | 27.00 | 18.46 | 9.92 | 1.38 | |
| 1,570.00 | 1,580.00 | 78.75 | 70.21 | 61.67 | 53.13 | 44.58 | 36.04 | 27.50 | 18.96 | 10.42 | 1.88 | |
| 1,580.00 | 1,590.00 | 79.25 | 70.71 | 62.17 | 53.63 | 45.08 | 36.54 | 28.00 | 19.46 | 10.92 | 2.38 | |
| 1,590.00 | 1,600.00 | 79.75 | 71.21 | 62.67 | 54.13 | 45.58 | 37.04 | 28.50 | 19.96 | 11.42 | 2.88 | |
| 1,600.00 | 1,610.00 | 80.25 | 71.71 | 63.17 | 54.63 | 46.08 | 37.54 | 29.00 | 20.46 | 11.92 | 3.38 | |
| 1,610.00 | 1,620.00 | 80.75 | 72.21 | 63.67 | 55.13 | 46.58 | 38.04 | 29.50 | 20.96 | 12.42 | 3.88 | |
| 1,620.00 | 1,630.00 | 81.25 | 72.71 | 64.17 | 55.63 | 47.08 | 38.54 | 30.00 | 21.46 | 12.92 | 4.38 | |
| 1,630.00 | 1,640.00 | 81.75 | 73.21 | 64.67 | 56.13 | 47.58 | 39.04 | 30.50 | 21.96 | 13.42 | 4.88 | |
| 1,640.00 | 1,650.00 | 82.25 | 73.71 | 65.17 | 56.63 | 48.08 | 39.54 | 31.00 | 22.46 | 13.92 | 5.38 | |
| 1,650.00 | 1,660.00 | 82.75 | 74.21 | 65.67 | 57.13 | 48.58 | 40.04 | 31.50 | 22.96 | 14.42 | 5.88 | |
| 1,660.00 | 1,670.00 | 83.25 | 74.71 | 66.17 | 57.63 | 49.08 | 40.54 | 32.00 | 23.46 | 14.92 | 6.38 | |
| 1,670.00 | 1,680.00 | 83.75 | 75.21 | 66.67 | 58.13 | 49.58 | 41.04 | 32.50 | 23.96 | 15.42 | 6.88 | |
| 1,680.00 | 1,690.00 | 84.25 | 75.71 | 67.17 | 58.63 | 50.08 | 41.54 | 33.00 | 24.46 | 15.92 | 7.38 | |
| 1,690.00 | 1,700.00 | 84.75 | 76.21 | 67.67 | 59.13 | 50.58 | 42.04 | 33.50 | 24.96 | 16.42 | 7.88 | |
| 1,700.00 | 1,710.00 | 85.25 | 76.71 | 68.17 | 59.63 | 51.08 | 42.54 | 34.00 | 25.46 | 16.92 | 8.38 | |
| 1,710.00 | 1,720.00 | 85.75 | 77.21 | 68.67 | 60.13 | 51.58 | 43.04 | 34.50 | 25.96 | 17.42 | 8.88 | 0.33 |
| 1,720.00 | 1,730.00 | 86.25 | 77.71 | 69.17 | 60.63 | 52.08 | 43.54 | 35.00 | 26.46 | 17.92 | 9.38 | 0.83 |
| 1,730.00 | 1,740.00 | 86.75 | 78.21 | 69.67 | 61.13 | 52.58 | 44.04 | 35.50 | 26.96 | 18.42 | 9.88 | 1.33 |
| 1,740.00 | 1,750.00 | 87.25 | 78.71 | 70.17 | 61.63 | 53.08 | 44.54 | 36.00 | 27.46 | 18.92 | 10.38 | 1.83 |
| 1,750.00 | 1,760.00 | 87.75 | 79.21 | 70.67 | 62.13 | 53.58 | 45.04 | 36.50 | 27.96 | 19.42 | 10.88 | 2.33 |
| 1,760.00 | 1,770.00 | 88.25 | 79.71 | 71.17 | 62.63 | 54.08 | 45.54 | 37.00 | 28.46 | 19.92 | 11.38 | 2.83 |
| 1,770.00 | 1,780.00 | 88.75 | 80.21 | 71.67 | 63.13 | 54.58 | 46.04 | 37.50 | 28.96 | 20.42 | 11.88 | 3.33 |
| 1,780.00 | 1,790.00 | 89.25 | 80.71 | 72.17 | 63.63 | 55.08 | 46.54 | 38.00 | 29.46 | 20.92 | 12.38 | 3.83 |
| 1,790.00 | 1,800.00 | 89.75 | 81.21 | 72.67 | 64.13 | 55.58 | 47.04 | 38.50 | 29.96 | 21.42 | 12.88 | 4.33 |
| 1,800.00 | 1,810.00 | 90.25 | 81.71 | 73.17 | 64.63 | 56.08 | 47.54 | 39.00 | 30.46 | 21.92 | 13.38 | 4.83 |
| 1,810.00 | 1,820.00 | 90.75 | 82.21 | 73.67 | 65.13 | 56.58 | 48.04 | 39.50 | 30.96 | 22.42 | 13.88 | 5.33 |
| 1,820.00 | 1,830.00 | 91.25 | 82.71 | 74.17 | 65.63 | 57.08 | 48.54 | 40.00 | 31.46 | 22.92 | 14.38 | 5.83 |
| 1,830.00 | 1,840.00 | 91.75 | 83.21 | 74.67 | 66.13 | 57.58 | 49.04 | 40.50 | 31.96 | 23.42 | 14.88 | 6.33 |
| 1,840.00 | 1,850.00 | 92.25 | 83.71 | 75.17 | 66.63 | 58.08 | 49.54 | 41.00 | 32.46 | 23.92 | 15.38 | 6.83 |
| 1,850.00 | 1,860.00 | 92.75 | 84.21 | 75.67 | 67.13 | 58.58 | 50.04 | 41.50 | 32.96 | 24.42 | 15.88 | 7.33 |
| 1,860.00 | 1,870.00 | 93.25 | 84.71 | 76.17 | 67.63 | 59.08 | 50.54 | 42.00 | 33.46 | 24.92 | 16.38 | 7.83 |
| 1,870.00 | 1,880.00 | 93.75 | 85.21 | 76.67 | 68.13 | 59.58 | 51.04 | 42.50 | 33.96 | 25.42 | 16.88 | 8.33 |
| 1,880.00 | 1,890.00 | 94.25 | 85.71 | 77.17 | 68.63 | 60.08 | 51.54 | 43.00 | 34.46 | 25.92 | 17.38 | 8.83 |
| 1,890.00 | 1,900.00 | 94.75 | 86.21 | 77.67 | 69.13 | 60.58 | 52.04 | 43.50 | 34.96 | 26.42 | 17.88 | 9.33 |
| 1,900.00 | 1,910.00 | 95.25 | 86.71 | 78.17 | 69.63 | 61.08 | 52.54 | 44.00 | 35.46 | 26.92 | 18.38 | 9.83 |
| 1,910.00 | 1,920.00 | 95.75 | 87.21 | 78.67 | 70.13 | 61.58 | 53.04 | 44.50 | 35.96 | 27.42 | 18.88 | 10.33 |
| 1,920.00 | 1,930.00 | 96.25 | 87.71 | 79.17 | 70.63 | 62.08 | 53.54 | 45.00 | 36.46 | 27.92 | 19.38 | 10.83 |
| 1,930.00 | 1,940.00 | 96.75 | 88.21 | 79.67 | 71.13 | 62.58 | 54.04 | 45.50 | 36.96 | 28.42 | 19.88 | 11.33 |
| 1,940.0 | | | | | | | | | | | | |

Excerpt from W-4 Employee's Illinois Withholding Allowance Certificate and Instructions

<http://tax.illinois.gov/taxforms/Withholding/IL-W-4.pdf>

Step 1: Figure your basic personal allowances (including allowances for dependents)

Check all that apply:

- No one else can claim me as a dependent.
- I can claim my spouse as a dependent.

- 1 Write the total number of boxes you checked. 1 _____
- 2 Write the number of dependents (other than you or your spouse) you will claim on your tax return. 2 _____
- 3 Add Lines 1 and 2. Write the result. This is the total number of basic personal allowances to which you are **entitled**. 3 _____
- 4 If you want to have additional Illinois Income Tax withheld from your pay, you may reduce the number of basic personal allowances or have an additional amount withheld. Write the total number of basic personal allowances you elect to claim on Line 4 and on Form IL-W-4, Line 1. 4 _____

Step 2: Figure your additional allowances

Check all that apply:

- I am 65 or older.
- I am legally blind.
- My spouse is 65 or older.
- My spouse is legally blind.

- 5 Write the total number of boxes you checked. 5 _____
- 6 Write any amount that you reported on Line 4 of the Deductions and Adjustments Worksheet for federal Form W-4. 6 _____
- 7 Divide Line 6 by 1,000. Round to the nearest whole number. Write the result on Line 7. 7 _____
- 8 Add Lines 5 and 7. Write the result. This is the total number of additional allowances to which you are **entitled**. 8 _____
- 9 If you want to have additional Illinois Income Tax withheld from your pay, you may reduce the number of additional allowances or have an additional amount withheld. Write the total number of additional allowances you elect to claim on Line 9 and on Form IL-W-4, Line 2. 9 _____