

Use This Table To Check Your Tax Withholding

Working Couples:

Do you need more tax withheld?

Usually, when both husband and wife work, the tax withheld from their wages is not enough to pay their full income tax when they file their annual income tax return.

The table at right helps you to figure how much extra tax you might need to have withheld during 1971 in order to avoid a big tax bill at the end of the year. (If you have already arranged for extra withholding or have made payments on a Declaration of Estimated Tax, you may not need to do anything.)

To use this table, you must first subtract \$650 for each of your exemptions from your annual wage. For instance, a family consisting of husband, wife, and two children would have four exemptions (4 × \$650), or \$2,600. This amount can be subtracted from either the wage of the husband or the wage of the wife, or

1971 Guide for Determining the Additional Withholding Needed by Working Couples

If one spouse's annual wage, reduced by \$650 for each exemption, is—	And the other spouse's annual wage, reduced by \$650 for each personal exemption, is—											
	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000
	The amount of additional withholding needed is approximately—											
\$ 1,000	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 160	\$ 190	\$ 190	\$ 190	\$ 190	\$ 190
2,000	180	200	200	200	200	200	200	250	250	250	250	250
3,000	160	200	200	200	200	200	200	300	300	300	300	300
4,000	160	200	200	200	200	250	250	300	300	300	350	350
5,000	160	200	200	200	250	250	300	300	350	350	350	400
6,000	160	200	200	250	250	300	300	350	400	400	400	450
7,000	160	200	200	250	300	300	350	400	450	450	450	500
8,000	190	250	300	300	300	350	400	450	500	500	500	550
9,000	190	250	300	300	350	400	450	500	500	550	550	600
10,000	190	250	300	300	350	400	450	500	550	550	600	700
11,000	190	250	300	350	350	400	450	500	550	600	700	750
12,000	190	250	300	350	400	450	500	550	600	700	750	800
13,000	190	250	300	350	400	450	500	600	700	750	800	850
14,000	210	300	350	400	450	500	550	650	750	800	850	1,050
15,000	210	300	350	400	450	500	600	700	800	850	1,000	1,100
16,000	210	300	350	400	500	550	650	750	850	1,000	1,100	1,200
17,000	210	300	350	450	500	600	700	850	1,000	1,050	1,150	1,300
18,000	210	300	350	450	550	650	800	950	1,050	1,150	1,250	1,400
19,000	210	300	450	500	600	750	900	1,000	1,100	1,250	1,350	1,500
20,000	250	400	450	550	700	850	950	1,100	1,200	1,350	1,450	1,600
21,000	250	400	450	650	750	850	1,000	1,150	1,300	1,400	1,500	1,650
22,000	250	400	550	650	800	900	1,050	1,200	1,350	1,450	1,600	1,750
23,000	250	450	600	700	800	950	1,100	1,250	1,400	1,550	1,700	1,850

Caution: For 1971, the standard deduction is 13 percent of income, limited to a maximum deduction of \$1,500. This table assumes that when you file your tax return the deductions claimed (standard or itemized) will equal 13 percent of your annual wages. Therefore, if the combined annual wages

of you and your spouse exceed \$11,500 and actual itemized deductions are less than 13 percent of wages, more withholding may be necessary. Also, more withholding may be necessary if you have other kinds of income.

divided between them. Suppose the husband's annual wage is \$15,000, and he claims two of the exemptions—the wage after exemptions is \$13,700. Suppose the wife's annual wage is \$6,500 and she claims two exemptions—the wage after exemptions is \$5,200.

Locate in the first column the annual wage closest to that of husband or wife and read across to the column

headed by the annual wage closest to that of the other. The figure you find there is the approximate amount of extra withholding needed during 1971 to avoid owing a balance at the end of the year. In the example the husband would look down the first column to \$14,000, and read across to the column headed by \$5,000 (for the wife). He finds that the amount of additional withholding is \$450.

What to do:

Either the husband or wife, or both, can increase withholding by asking the employer for a new Withholding Exemption Certificate, Form W-4. This form should be filled out to request the employer to withhold a specific dollar amount of extra tax, or to claim fewer withholding exemptions. (At the bottom of this page, you will find a table indicating how much extra tax would be withheld each payday for each withholding exemption you drop).

Since half of the year has already gone by, it is necessary to divide the extra withholding needed by the number of paydays left in the year. To

illustrate, in the example above where approximately \$450 additional tax is needed, if the employees are paid weekly and there are 25 paydays left in the year, \$18 additional withholding per payday is needed. Either the husband or the wife should file and ask that \$18 more per payday be withheld, or they may divide the \$18 between them, as they wish. In lieu of arranging for additional dollar amounts to be withheld, it is sometimes possible to accomplish the same thing by reducing the number of withholding exemptions claimed on the exemption certificate, Form W-4. For example, an employee in the \$14,000 to \$19,000 salary range would have \$2.60 more per week withheld for each exemption dropped,

and an employee with a wage of \$5,000 would have \$2.10 more per week withheld for each exemption dropped.

If annual wage, reduced by \$650 for each exemption is—

For the following payroll periods, the amount of additional withholding for each exemption dropped is approximately—

	Weekly	Biweekly	Semimonthly	Monthly
Under \$1,050	\$0	\$0	\$0	\$0
\$1,050-\$2,200	1.80	3.50	3.80	7.60
\$2,200-\$8,500	2.10	4.10	4.50	8.90
\$8,500-\$14,000	2.40	4.80	5.10	10.30
\$14,000-\$20,000	2.60	5.30	5.70	11.40
Over \$20,000	3.10	6.30	6.80	13.50



Department of the Treasury
Internal Revenue Service