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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

FORMULA FOR COMPUTING SOUTH CAROLINA 2022 WITHHOLDING TAX

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Employers must calculate taxable income for each employee. Then, compute the amount of tax to be withheld using the Subtraction Method or the Addition Method.

I. Compute annualized salary

Multiply weekly salary by 52 weeks to calculate the annual gross wages.

II. Calculate taxable income

Deduct from gross wages:

- Personal Allowance
  - $0 if zero allowances claimed **OR**
  - $2,750 per personal allowance claimed

AND

- Standard Deduction
  - $0 if zero allowances claimed **OR**
  - 10% of gross wages if claiming one or more allowances, up to $4,580 total

Example for Standard Deduction

Annualize salary: $750 per week, 3 allowances

$ 750.00	per week
X 52	weeks
39,000.00	gross wages
- 8,250.00	personal allowances (3 allowances X $2,750)
- 3,900.00	standard deduction (lesser of $4,580 or 10% of gross wages)
$26,850.00	**taxable income**

III. Calculate the Withholding Tax

Use the Subtraction Method or the Addition Method to calculate the Withholding Tax based on the taxable income.

SUBTRACTION METHOD:

At least:	But less than:	Tax withheld:
$0	$2,980	0.2%
$2,980	$5,960	3%, then subtract $83.44
$5,960	$8,940	4%, then subtract $143.04
$8,940	$11,920	5%, then subtract $232.44
$11,920	$14,900	6%, then subtract $351.64
$14,900	and above	7%, then subtract $500.64

Example:

Taxable income:	$26,850.00
	X 0.07
	$1,879.50
	- $500.64
Total to be Withheld:	$1,378.86

ADDITION METHOD:

At least:	But less than:	Tax withheld:
$0	$2,980	0.2%
$2,980	$5,960	Subtract $2,980, multiply by 3%, then add $5.96
$5,960	$8,940	Subtract $5,960, multiply by 4%, then add $95.36
$8,940	$11,920	Subtract $8,940, multiply by 5%, then add $214.56
$11,920	$14,900	Subtract $11,920, multiply by 6%, then add $363.56
$14,900	and above	Subtract $14,900, multiply by 7%, then add $542.36

Example:

Taxable income:	$26,850.00
	- $14,900.00
	$11,950.00
	X 0.07
	$836.50
	+ $542.36
Total to be Withheld:	$1,378.86

IV. Calculate weekly withholding

Divide the Withholding Tax by 52 to calculate the amount to withhold from the employee each week.

Example: $1,378.86 DIVIDED BY 52 WEEKS = $26.52 STATE TAX PER WEEK

CONSTANTS FOR DETERMINING SOUTH CAROLINA INCOME TAX WITHHOLDING PROGRAM:

		YEARLY	MONTHLY	SEMI-MONTHLY	BI-WEEKLY	WEEKLY
Amount per allowance	(A)	$2,750	$229.17	$114.58	$105.77	$52.88
Maximum standard deduction - no allowances	(B)	$0	$0	$0	$0	$0
Maximum standard deduction - one or more allowances	(C)	$4,580	$381.67	$190.83	$176.15	$88.08
Maximum tax - 1st bracket	(D)	$5.96	$.50	$0.25	$0.23	$0.11
Maximum tax - 1st and 2nd bracket	(E)	$95.36	$7.95	$3.97	$3.67	$1.83
Maximum tax - 1st, 2nd, and 3rd bracket	(F)	$214.56	$17.88	$8.94	$8.25	$4.13
Maximum tax - 1st, 2nd, 3rd, and 4th bracket	(G)	$363.56	$30.30	$15.15	$13.98	$6.99
Maximum tax - 1st, 2nd, 3rd, 4th, and 5th bracket	(H)	$542.36	$45.20	$22.60	$20.86	$10.43
Maximum income taxable in each of first five brackets	(I)	$2,980	$248.33	$124.17	$114.62	$57.31