



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**FORMULA FOR COMPUTING SOUTH CAROLINA  
2023 WITHHOLDING TAX**

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**
  - \$4,310 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 \$6,475 total

**Example for Standard Deduction**

Annualize salary: \$750 per week, 3 allowances  
 \$ 750.00 per week  
           X 52 weeks  
 39,000.00 gross wages  
 - 12,930.00 personal allowances (3 allowances X \$4,310)  
 - 3,900.00 standard deduction (lesser of \$6,475 or 10% of gross wages)  
\$22,170.00 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	\$3,330	0%
\$3,330	\$16,680	3%, then subtract \$99.90
\$16,680	and above	6.5%, then subtract \$683.70

**Example**

**Taxable income:** \$22,170.00  
                           X 0.065  
                           \$1,441.05  
 - \$683.70  
Total to be withheld: \$757.35

**ADDITION METHOD:**

At least:	But less than:	Tax withheld:
\$0	\$3,330	0%
\$3,330	\$16,680	Subtract \$3,330, multiply by 3%
\$16,680	and above	Subtract \$16,680, multiply by 6.5%, then add \$400.50

**Example**

**Taxable income:** \$22,170.00  
 - \$16,680.00  
                           \$5,490.00  
                           X 0.065  
                           \$356.85  
 + \$400.50  
Total to be withheld: \$757.35

**IV. Calculate weekly withholding**

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

**Example: \$757.35 DIVIDED BY 52 WEEKS = \$14.56 STATE TAX PER WEEK**

**CONSTANTS FOR DETERMINING SOUTH CAROLINA INCOME TAX WITHHOLDING PROGRAM:**

		YEARLY	MONTHLY	SEMI-MONTHLY	BI-WEEKLY	WEEKLY
Amount per allowance	(A)	\$4,310	\$359.17	\$179.58	\$165.77	\$82.88
Maximum standard deduction - no allowances	(B)	\$0	\$0	\$0	\$0	\$0
Maximum standard deduction - one or more allowances	(C)	\$6,475	\$539.58	\$269.79	\$249.04	\$124.52
Maximum tax - 1st bracket	(D)	\$400.50	\$33.38	\$16.69	\$15.40	\$7.70