STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE

FORMULA FOR COMPUTING SOUTH CAROLINA 2025 WITHHOLDING TAX

(Rev. 11/12/24) 3478

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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**
 - \$4.860 per personal allowance claimed

AND

- Standard Deduction
 - ∘ \$0 if zero allowances claimed OR
 - o 10% of gross wages if claiming one or more allowances, up to \$7,300 total

Example for Standard Deduction

Annualize salary: \$750 per week, 3 allowances

\$ 750.00 per week

X 52 weeks

39,000.00 gross wages

- 14,580.00 personal allowances (3 allowances X \$4,860)
- 3,900.00 standard deduction (\$39,000 X 10%)

\$20,520.00 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: Example

At least: But less than: Tax withheld:

\$0 \$3.560 0%

\$17,830 3%, then subtract \$106.80 \$3,560 \$17,830 and above 6.2%, then subtract \$677.36 X 0.062

Taxable income:

\$1,272.24 - \$677.36

\$20,520.00

\$594.88 Total to be withheld:

ADDITION METHOD: Example

At least: But less than: Tax withheld:

\$0 \$3.560 0%

\$17,830 \$3,560 Subtract \$3,560, multiply by 3%

Subtract \$17,830, multiply by 6.2%, then add \$428.10 \$17,830 and above

Taxable income: \$20.520.00

- \$<u>1</u>7,830.00

\$2,690.00 X 0.062

\$166.78 + \$428.10

Total to be withheld: \$594.88

IV. Calculate weekly withholding

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

Example: \$594.88 DIVIDED BY 52 WEEKS = \$11.44 STATE TAX PER WEEK

CONSTANTS FOR DETERMINING SOUTH CAROLINA INCOME TAX WITHHOLDING PROGRAM:

		YEARLY	MONTHLY	SEMI- MONTHLY	BI-WEEKLY	WEEKLY
Amount per allowance	(A)	\$4,860	\$405	\$202.50	\$186.92	\$93.46
Maximum standard deduction - no allowances	(B)	\$0	\$0	\$0	\$0	\$0
Maximum standard deduction - one or more allowances	(C)	\$7,300	\$608.33	\$304.17	\$280.77	\$140.38
Maximum tax - 1st bracket	(D)	\$428.10	\$35.68	\$17.84	\$16.47	\$8.23