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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

FORMULA FOR COMPUTING SOUTH CAROLINA 2027 WITHHOLDING TAX

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3478

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**
  - $2,250 per personal allowance claimed

AND

- SCIAD
  - $0 if zero allowances claimed **OR**
  - 10% of gross wages if claiming one or more allowances, up to $3,750 total

Example

Annualize salary: $1,000 per week, 3 allowances

$ 1,000	per week
X 52	weeks
52,000.00	gross wages
- 6,750.00	personal allowances (3 allowances X 2,250)
- 3,750.00	SCIAD (lesser of 3,750 or 52,000 X 10%)
$41,500.00	**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	$19,000	1.99%
$19,000	and above	5.21%, then subtract $611.80

Example

Taxable income:	$41,500.00
	X 0.0521
	$2,162.15
	- $611.80
Total to be withheld:	$1,550.35

ADDITION METHOD:

At least:	But less than:	Tax withheld:
$0	$19,000	1.99%
$19,000	and above	Subtract $19,000, multiply by 5.21%, then add $378.10

Example

Taxable income:	$41,500.00
	- $19,000.00
	$22,500.00
	X 0.0521
	$1,172.25
	+ $378.10
Total to be withheld:	$1,550.35

IV. Calculate weekly withholding

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

Example: $1,550.35 DIVIDED BY 52 WEEKS = $29.81 STATE TAX PER WEEK

CONSTANTS FOR DETERMINING SOUTH CAROLINA INCOME TAX WITHHOLDING PROGRAM

		YEARLY	MONTHLY	SEMI-MONTHLY	BI-WEEKLY	WEEKLY
Amount per allowance	(A)	$2,250	$187.50	$93.75	$86.54	$43.27
Maximum SCIAD - no allowances	(B)	$0	$0	$0	$0	$0
Maximum SCIAD - one or more allowances	(C)	$3,750	$312.50	$156.25	$144.23	$72.12