



DEPARTMENT OF REVENUE

INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

Departmental Notice #1

Effective Jan. 1, 2009

(R9 / 1-09)

IMPORTANT NOTICE: *The deadline for counties to change or adopt local-option income tax rates was extended through Dec. 31, 2008. The rates in this notice are effective for withholding purposes for periods beginning on or after Jan. 1, 2009.*

How to Compute Withholding for State and County Income Tax

This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this document is to assist withholding agents in determining the correct amount of Indiana county income tax to withhold from an employee's wages by providing the tax rate for each county in the table on the reverse side of this document. A county name that is in bold and underlined has adopted a new county income tax. An asterisk (*) beside a county name indicates that the tax rate has changed from the previously posted rate. The rates given in this document apply to wages paid after Dec. 31, 2008, and the tax is withheld and paid at the same time and in the same manner as the state income tax.

The residence, principal place of business, or employment of an individual is determined on January 1 of the calendar year in which the individual's taxable year commences. An individual cannot be subject to both a resident rate and a nonresident rate at the same time. If a person resides in an adopting county on January 1, he or she is subject to that county's resident rate. If a person resides in a non-adopting county (including out-of-state), but works in an Indiana adopting county, he or she is subject to the nonresident rate for his or her county of principal employment.

The deduction constant tables have been developed to help calculate state and county income tax. These tables divide the dollar amount of the exemption/dependent exemption by the number of pay periods. This will determine the deduction constant or the dollar amount of the exemption you should deduct each pay period from the employee's gross income.

Table A is used to figure personal exemptions. Each employee is entitled to deduct \$1,000 per year per exemption claimed on line 5 of his/her Form WH-4 (Revised 8-08). Personal exemptions include additional exemptions if you or your spouse are age 65 or older and/or blind. The WH-4 is available at www.in.gov/dor/3504.htm

Table B is used to figure dependent exemptions. Each employee is entitled to deduct \$1,500 per year per qualifying dependent exemption claimed on line 6 of his/her Form WH-4 (Revised 8-08).

Deduction Constant Tables					
Table A	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	2.74	19.23	38.46	41.67	83.33
2	5.48	38.46	76.92	83.33	166.67
3	8.22	57.69	115.38	125.00	250.00
4	10.96	76.92	153.85	166.67	333.33
5	13.70	96.15	192.31	208.33	416.67
6	16.44	115.38	230.77	250.00	500.00
Table B	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	4.11	28.85	57.69	62.50	125.00
2	8.22	57.70	115.38	125.00	250.00
3	12.33	86.55	173.07	187.50	375.00
4	16.44	115.40	230.76	250.00	500.00
5	20.55	144.25	288.45	312.50	625.00

Locate the deduction constant for the personal exemptions in Table A. Add to that the deduction constant for the dependent exemptions in Table B. This is the net amount that should be deducted each pay period from the employee's gross income.

Example: An employee is paid a weekly salary of \$800, he/she claims 5 personal exemptions and is subject to county tax at the rate of .0125. He/she claims 3 dependent exemptions. The taxable income of \$617.30 is the amount on which state and county tax should be calculated.

If you have any questions about the withholding of state or county taxes, please contact the Department at (317) 233-4016.

Deduction Constant Amount from Table A	\$96.15
Deduction Constant Amount from Table B	+86.55
Total Deduction Constant	\$182.70

Gross Income	\$800.00
Total Deduction Constant	-182.70
Taxable Income	\$617.30

State Tax to Withhold	\$617.30 x .034 = \$20.99
County Tax to Withhold	\$617.30 x .0125 = \$7.72

Note: Income Tax Information Bulletins which may be of assistance with withholding tax questions are numbers 16, 32, 33 and 52.

John Eckart
Commissioner

**Indiana Counties That Have Adopted A County Income Tax
(Effective Jan. 1, 2009)**

A county indicated with an asterisk (*) has increased or decreased its rate since DN#1 was last issued on Oct. 1, 2008.
A county in **bold** and underlined has adopted a new county income tax.

County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)	County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)
Adams	01	COIT/CEDIT	0.01124	0.00674	Lawrence	47	CAGIT	0.01	0.0025
Allen	02	COIT/CEDIT	0.01	0.0055	Madison	48	COIT/CEDIT	0.0125	0.005
Bartholomew	03	CAGIT	0.01	0.0025	*Marion	49	COIT	0.0162	0.00405
Benton	04	CAGIT/CEDIT	0.0229	0.0054	Marshall	50	CAGIT	0.0125	0.0025
Blackford	05	CAGIT/CEDIT	0.0136	0.0061	Martin	51	COIT/CEDIT	0.01	0.004
Boone	06	COIT	0.01	0.0025	Miami	52	COIT/CEDIT	0.0254	0.00965
Brown	07	CAGIT/CEDIT	0.022	0.005	Monroe	53	COIT	0.0104	0.0026
*Carroll	08	CAGIT/CEDIT	0.0155	0.004	Montgomery	54	COIT/CEDIT	0.021	0.006
Cass	09	CAGIT/CEDIT	0.015	0.0075	Morgan	55	CAGIT/CEDIT	0.0272	0.0052
Clark	10	CAGIT/CEDIT	0.015	0.0075	Newton	56	CAGIT	0.01	0.0025
Clay	11	CAGIT	0.0125	0.0025	Noble	57	CAGIT/CEDIT	0.015	0.0075
*Clinton	12	CAGIT/CEDIT	0.02	0.0075	Ohio	58	CAGIT	0.01	0.0025
Crawford	13	CAGIT/CEDIT	0.01	0.005	Orange	59	CAGIT/CEDIT	0.0125	0.005
Daviess	14	CAGIT/CEDIT	0.0175	0.0075	Owen	60	CAGIT/CEDIT	0.013	0.0055
Dearborn	15	COIT	0.006	0.0015	Parke	61	CAGIT/CEDIT	0.0255	0.0075
Decatur	16	CAGIT/CEDIT	0.0133	0.0058	Perry	62	COIT/CEDIT	0.0106	0.00685
DeKalb	17	CAGIT/CEDIT	0.015	0.0075	Pike	63	CEDIT	0.004	0.004
Delaware	18	COIT/CEDIT	0.0105	0.006	Porter	64	CEDIT	0.005	0.005
Dubois	19	COIT/CEDIT	0.01	0.0055	Posey	65	COIT	0.004	0.001
Elkhart	20	CAGIT/CEDIT	0.015	0.005	Pulaski	66	CAGIT/CEDIT	0.0313	0.0068
Fayette	21	COIT/CEDIT	0.0237	0.0087	Putnam	67	CAGIT/CEDIT	0.015	0.0075
Floyd	22	CAGIT/CEDIT	0.0115	0.0065	Randolph	68	CAGIT/CEDIT	0.015	0.0075
Fountain	23	CAGIT/CEDIT	0.011	0.0035	Ripley	69	CAGIT/CEDIT	0.0138	0.0063
Franklin	24	CAGIT/CEDIT	0.0125	0.005	Rush	70	CAGIT/CEDIT	0.015	0.0075
*Fulton	25	CAGIT/CEDIT	0.0193	0.0068	St. Joseph	71	COIT/CEDIT	0.008	0.0035
Gibson	26	CEDIT	0.005	0.005	Scott	72	COIT/CEDIT	0.0141	0.004725
Grant	27	COIT/CEDIT	0.0125	0.005	Shelby	73	CAGIT/CEDIT	0.0125	0.005
Greene	28	COIT	0.01	0.0025	Spencer	74	COIT/CEDIT	0.008	0.00575
Hamilton	29	COIT	0.01	0.0025	Starke	75	CAGIT/CEDIT	0.0106	0.0081
Hancock	30	CAGIT/CEDIT	0.0115	0.004	*Steuben	76	CAGIT/CEDIT	0.0179	0.0054
Harrison	31	CAGIT/CEDIT	0.01	0.005	Sullivan	77	CEDIT	0.003	0.003
Hendricks	32	CAGIT/CEDIT	0.014	0.0065	Switzerland	78	COIT	0.01	0.0025
Henry	33	COIT/CEDIT	0.0125	0.005	Tippecanoe	79	COIT/CEDIT	0.011	0.0065
Howard ¹	34	COIT/CEDIT	0.016	0.0055	Tipton	80	CAGIT/CEDIT	0.0133	0.0058
Huntington	35	CAGIT/CEDIT	0.016	0.005	Union	81	CAGIT/CEDIT	0.015	0.005
Jackson	36	CAGIT/CEDIT	0.016	0.0075	Vanderburgh	82	COIT	0.01	0.0025
Jasper	37	CAGIT/CEDIT	0.0305	0.005	Vermillion	83	CEDIT	0.001	0.001
Jay	38	CAGIT/CEDIT	0.0245	0.0075	Vigo	84	CAGIT/CEDIT	0.0125	0.0075
Jefferson	39	CEDIT	0.0035	0.0035	Wabash	85	CAGIT/CEDIT	0.029	0.0075
Jennings	40	CAGIT/CEDIT	0.0125	0.005	Warren	86	CAGIT/CEDIT	0.0212	0.0057
Johnson	41	CAGIT	0.01	0.0025	Warrick	87	CEDIT	0.005	0.005
Knox	42	COIT/CEDIT	0.011	0.0065	Washington	88	CAGIT/CEDIT	0.015	0.0075
Kosciusko	43	COIT/CEDIT	0.01	0.00475	Wayne	89	CAGIT/CEDIT	0.015	0.005
LaGrange	44	CAGIT/CEDIT	0.014	0.0065	Wells	90	CAGIT/CEDIT	0.021	0.007
LaPorte	46	CAGIT/CEDIT	0.0095	0.007	White	91	CAGIT/CEDIT	0.0132	0.0057
					Whitley	92	CAGIT/CEDIT	0.012329	0.004829

¹ Includes the Howard County jail operating and maintenance income tax rate.