



## DEPARTMENT OF REVENUE

INDIANA GOVERNMENT CENTER NORTH  
100 N. SENATE AVE

### Departmental Notice #1

Effective Jan. 1, 2018

(R31 / 12-17)

**Important Notice:** *The rates in this notice are effective for withholding purposes for periods beginning on or after Jan. 1, 2018.*

### 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. An asterisk (\*) beside a county name indicates the rate has changed since the last Departmental Notice #1 was published on Oct. 1, 2017.

Both the county of residence and the county of principal business or employment of an individual are determined on January 1 of the calendar year in which the individual’s taxable year begins. If a person resides in an Indiana county on January 1, or resides out-of-state on January 1, but has his or her principal place of work or business in an Indiana county as of January 1, he or she is subject to county tax at the rate corresponding to that Indiana county.

Withholding agents should withhold county tax based on the employee’s Indiana county of residence as of January 1 of the tax year. If the employee resides out-of-state on January 1, but has his or her principal place of work or business in an Indiana county as of January 1, then the withholding agent should withhold for the Indiana county of principal place of work or business.

Effective Jan. 1, 2018, certain professional team members and race team members are subject to county tax. Please see Income Tax Information Bulletin #88 and Commissioner’s Directive #51 for further information. Withholding for these individuals shall be done in a manner otherwise consistent with this notice.

The deduction constant tables on page 2 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. Personal exemptions include additional exemptions if the employee and/or the employee’s spouse are age 65 or older and/or blind. The Form WH-4 is available online at [www.in.gov/dor/4100.htm](http://www.in.gov/dor/4100.htm).

Table B is used to figure dependent exemptions. Most employees are entitled to deduct \$1,500 per year per qualifying dependent exemption claimed on line 6 of his/her Form WH-4.

At this time, even if federal exemption rules change, Indiana’s definitions will not change because Indiana uses the definitions of dependents in effect on Jan. 1, 2016. Depending on federal tax reform and actions by the Indiana General Assembly, these withholding requirements and calculations may be subject to change. If a change does occur, this notice will be updated to reflect all such changes.

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	57.69	115.38	125.00	250.00
3	12.33	86.54	173.08	187.50	375.00
4	16.44	115.38	230.77	250.00	500.00
5	20.55	144.23	288.46	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 five personal exemptions and is subject to county tax at the rate of 0.01. He/she claims three dependent exemptions. The taxable income of \$617.31 is the amount on which state and county tax should be calculated.

Deduction Constant from Table A	\$96.15
Deduction Constant from Table B	<u>+86.54</u>
Total Deduction Constant	\$182.69

Gross Income	\$800.00
Total Deduction Constant	<u>-182.69</u>
Taxable Income	\$617.31

State Tax to Withhold	$\$617.31 \times .0323 = \$19.94$
County Tax to Withhold	$\$617.31 \times .01 = \$6.17$

**Note:** Income Tax Information Bulletins which may be of assistance with withholding tax questions are numbers 16, 32, 33 and 52. You may find them at [www.in.gov/dor/3650.htm](http://www.in.gov/dor/3650.htm).

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



Adam Krupp  
Commissioner

## Indiana County Tax Rates (Effective Jan. 1, 2018)

A county with an asterisk (\*) has changed its rate since Departmental Notice #1 was last issued on Oct. 1, 2017.

County Name	County Code	County Tax Rate
Adams	01	0.01624
Allen	02	0.0148
*Bartholomew	03	0.0175
Benton	04	0.0179
Blackford	05	0.015
Boone	06	0.015
Brown	07	0.025234
*Carroll	08	0.020733
Cass	09	0.025
Clark	10	0.02
Clay	11	0.0225
Clinton	12	0.0225
Crawford	13	0.01
*Daviss	14	0.015
Dearborn	15	0.006
*Decatur	16	0.0235
DeKalb	17	0.02
Delaware	18	0.015
Dubois	19	0.01
Elkhart	20	0.02
Fayette	21	0.0237
Floyd	22	0.0115
Fountain	23	0.021
Franklin	24	0.015
Fulton	25	0.0193
Gibson	26	0.007
Grant	27	0.0225
*Greene	28	0.0175
Hamilton	29	0.01
Hancock	30	0.017
Harrison	31	0.01
Hendricks	32	0.015
Henry	33	0.015
*Howard	34	0.0175
Huntington	35	0.0175
Jackson	36	0.021
Jasper	37	0.02864
Jay	38	0.0245
Jefferson	39	0.0035
Jennings	40	0.025
Johnson	41	0.01
Knox	42	0.01
Kosciusko	43	0.01
LaGrange	44	0.0165
Lake	45	0.015
LaPorte	46	0.0095

County Name	County Code	County Tax Rate
Lawrence	47	0.0175
Madison	48	0.0175
Marion	49	0.0202
Marshall	50	0.0125
*Martin	51	0.0175
Miami	52	0.0254
Monroe	53	0.01345
*Montgomery	54	0.023
Morgan	55	0.0272
Newton	56	0.01
Noble	57	0.0175
Ohio	58	0.0125
*Orange	59	0.0175
Owen	60	0.013
Parke	61	0.0265
Perry	62	0.0181
Pike	63	0.0075
Porter	64	0.005
Posey	65	0.0125
Pulaski	66	0.0338
*Putnam	67	0.02
Randolph	68	0.0225
Ripley	69	0.0138
Rush	70	0.021
St. Joseph	71	0.0175
*Scott	72	0.0216
Shelby	73	0.015
Spencer	74	0.008
Starke	75	0.0171
Steuben	76	0.0179
Sullivan	77	0.006
Switzerland	78	0.01
Tippecanoe	79	0.011
Tipton	80	0.026
Union	81	0.0175
*Vanderburgh	82	0.012
Vermillion	83	0.015
Vigo	84	0.0125
Wabash	85	0.029
Warren	86	0.0212
Warrick	87	0.005
Washington	88	0.02
Wayne	89	0.015
Wells	90	0.021
White	91	0.0132
Whitley	92	0.014829