

# Guide to Understanding How Your Taxes Are Calculated

Making sense of tax brackets, paycheck withholding and the W-4 form

## Why Your Highest Tax Bracket Isn't What You Pay

- While you may fall into a certain tax bracket based on your income, the rate assigned to that bracket does not apply to your entire income. Instead, only the portion of your income within each bracket is taxed at that rate. **The following table applies to tax year 2024 only as income and tax rates change annually.**

### Tax Rate Schedule for **Married**

Total Income \$ \_\_\_\_\_

If Your Income Is over	But not Over	Tax Rate %	Your Income (in thousands)	Your Taxes (in thousands)		Memo: Maximum Income and Tax in Each Bracket (in thousands)
0	29,000	0%				29 -0-
29,000	122,000	11%				93 - 11
122,000	230,000	22%				108 - 24
230,000	415,000	24%				185 - 44
415,000	No Limit	32% to 37%				No limit
Total						

### Tax Rate Schedule for **Single**

Total Income \$ \_\_\_\_\_

If Your Income Is over	But not Over	Tax Rate %	Your Income (in thousands)	Your Taxes (in thousands)		Memo: Maximum Income and Tax in Each Bracket (in thousands)
0	15,000	0%				15 -0-
15,000	62,000	11%				47 - 5
62,000	115,000	22%				53 - 12
115,000	207,000	24%				92 - 22
207,000	No Limit	32% to 37%				No limit
Total						

## Form W-4: Adding Additional Federal and Indiana Tax Withholding

- Federal form W-4... line 4c Extra withholding you want withheld each paycheck \_\_\_\_\_
- Indiana form W-4... line 9 Extra withholding you want withheld every paycheck \_\_\_\_\_

The IRS doesn't start withholding taxes until your Wages each pay period exceed the following amounts			
Pay Frequency	Married	Single	HH
Weekly	562	281	421
Every Two Weeks	1,123	562	842
Two Times per Month	1,217	608	913
Monthly	2,433	1,217	1,825