SECTION 2-1 Federal Income Tax

Employers are required by law to withhold a certain amount of your pay for federal income tax (FIT). The Internal Revenue Service provides employers with tables that show how much money to withhold. The amount withheld depends on your income, marital status, and withholding allowances. You may claim 1 allowance for yourself and 1 for your spouse if you are married. You may claim additional allowances for any others you support.

Use the tax tables on pages 179–182 to find the amount withheld.

1. Beverly Hibbs earns $325.00 a week. She is single and claims 2 allowances. What amount is withheld weekly for federal income tax?

2. Sing-Chi Fong earns $415.00 a week. He is married and claims 3 allowances. What amount is withheld weekly for federal income tax?

3. Rebecca David earns $427.50 per week as manager at Marlin Department Store. She is married and claimed 1 allowance last year. She hopes to receive a refund on her next tax return by claiming no allowances this year. How much more in withholdings will be deducted weekly if she claims no allowances?

4. Andrew Kendall’s gross pay for the week is $398.80. He is married and claims 2 allowances. Starting next week he will receive $20 more per week. How much more per week will he pay in federal income tax?

5. Charnita Jones earns $304.80 per week as a sales assistant. Next week she will be promoted to assistant manager. She will then earn $332.50 per week. She is single and claims 1 allowance. How much more will she pay in federal income tax?

6. You are an apprentice plumber for Pointer Plumbing. You are earning an annual salary of $21,060. You are married and claim 3 allowances. What amount is withheld from your weekly pay for federal income tax?

7. You are single and claim 1 allowance. You presently earn $319 per week. Starting next week you will receive a 5 percent increase in pay and will earn $335.00. How much more will you have withheld from your weekly pay for federal income tax?

8. Nico Joven presently earns $348.40 per week. He claims himself and his mother as allowances. He is single. He is to get a new job classification which will result in a 15 percent increase in pay. He also plans to marry. After his marriage, he will claim his wife, himself, and his mother as allowances. How much less will be withheld weekly for federal income tax?