



Office of the State Comptroller

PAYROLL BULLETIN

Subject 1997 Changes in Federal Income Tax	Bulletin No. P-929
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FEDERAL TAX

Federal Income Withholding Tax tables have changed effective in Institution checks dated January 2, 1997 and Administration checks dated January 8, 1997. The value of a withholding allowance has been increased to \$50.96 weekly, \$101.92 biweekly and \$220.83 monthly. A copy of the tax tables will be sent with a copy of this Bulletin which accompanies the Payroll Register. To request a copy of the Circular E, Employer's Tax Guide, contact the IRS at the toll free number 1-800-829-3676.

ADVANCE PAYMENT OF EARNED INCOME CREDIT

In 1997, employees whose earned income is less than \$25,760 may be eligible for the advance payment of the Earned Income Credit (EIC), with a maximum credit of \$1,326. Copies of the new 1997 tables for calculating the credits will be sent with the copy of this Bulletin which accompanies the Payroll Register.

Eligible employees must complete a new W-5, Earned Income Credit Advance Payment Certificate each year. Copies of the forms may be obtained from IRS. Instructions for processing the EIC are in the Agency Payroll Manual, Deduction Processing, Section 6, page 127.