

Michigan State Income Tax Information

State Abbreviation: MI

State Tax Withholding State Code: 26

Acceptable Exemption Form: MI-W4

Basis for Withholding: State Exemptions

Acceptable Exemption Data: 0/Number of Allowances

TSP Deferred: Yes

Special Coding: Determine the Total Number of Allowances Claimed field as follows:
First Position - Enter 0 (zero)
Second or Third Positions - Enter the number of exemptions claimed (Line 6 on the MI-W4).

Additional Information: None

Withholding Formula ▶(Effective Pay Period 21, 2012)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes dental and vision insurance program and flexible spending account - health care and dependent care deductions) from the amount computed in Step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in Step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \text{▶\$3,950◀} \times \text{Number of (Personal/Dependency) Exemptions}$$

6. Multiply the result of Step 5 by ▶4.25◀ percent to obtain the amount of annual Michigan tax withholding.
7. Divide the annual Michigan tax withholding by 26 to obtain the biweekly Michigan tax withholding.