



*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

KATHLEEN BABINEAUX BLANCO  
GOVERNOR

JERRY LUKE LEBLANC  
COMMISSIONER OF ADMINISTRATION

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2006-36

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary  
Director

SUBJECT: Federal Tax Rates for Calendar Year 2006

Effective January 1, 2006, the new Federal Tables for income tax withholding and advance earned income credit payments will be used in calculating tax deductions. A message will appear on the January 6, 2006 checks and earning statements advising employees that **net pay may change due to the new tax rates for 2006.**

The withholding allowance amount for a biweekly payroll period has increased to **\$126.92** for 2006. The Social Security wage base for 2006 has increased to **\$94,200**. The maximum Social Security Tax withheld from each employee and matched by the employer has increased to **\$5,840.40**. As usual, there is no wage base limit for Medicare tax. The tax rate remains at 6.2% for Social Security and 1.45% for Medicare tax for 2006.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2006 has been released electronically. Agencies may not receive a hard copy in the mail due to all state agencies being under one tax ID. The entire publication can be assessed through the IRS website at <http://www.irs.gov/pub/irs-pdf/p15.pdf>. The new tax tables begin on page 34 of the Circular E.

Direct all questions to a member of the OSUP Wage and Tax Administration Unit at (225):

Wendy Eggert	219-0191	Tiko Ary	342-1652
Rhonda Desselle	219-0338	Chelette Jarrett	342-0714
Rachel Bryant	342-1651		

JWC:WRE:kmb