



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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COMMISSIONER OF ADMINISTRATION

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OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2008-23

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: Federal Tax Rates for Calendar Year 2008

Effective January 1, 2008, 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 4, 2008 checks and payroll statements advising employees that **net pay may differ due to 2008 tax rate changes.**

The withholding allowance amount for a biweekly payroll period has increased to **\$134.62** for 2008. The Social Security wage base for 2008 has increased to **\$102,000.00**. The maximum Social Security Tax withheld from each employee and matched by the employer has increased to **\$6,324.00**. 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 2008.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2008 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 accessed through the IRS website at <http://www.irs.gov/pub/irs-pdf/p15.pdf>. The new tax tables begin on page 36 of the Circular E.

Direct all questions to a member of the OSUP Wage and Tax Administration Unit at _DOA-OSUP-WTA@la.gov or (225):

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