



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**FORMULA FOR COMPUTING SOUTH CAROLINA  
2021 WITHHOLDING TAX**

**WH-1603F**(Rev. 1/8/21)  
3478

Employers must calculate taxable income for each employee. Then, compute the amount of tax to be withheld using the Subtraction Method or the Addition Method.

**I. Compute annualized salary**

Multiply weekly salary by 52 weeks to calculate the annual gross wages.

**II. Calculate taxable income**

Deduct from gross wages:

- Personal Allowance
  - \$0 if zero allowances claimed **OR**
  - \$2,670 per personal allowance claimed

**AND**

- Standard Deduction
  - \$0 if zero allowances claimed **OR**
  - 10% of gross wages if claiming one or more allowances, up to \$4,200 total

**Example for Standard Deduction**

Annualize salary: \$750 per week, 3 allowances  
     \$ 750.00 per week  
        X 52 weeks  
 39,000.00 gross wages  
 - 8,010.00 personal allowances (3 allowances X \$2,670)  
 - 3,900.00 standard deduction (lesser of \$4,200 or 10% of gross wages)  
**\$27,090.00 taxable income**

**III. Calculate the Withholding Tax**

Use the Subtraction Method or the Addition Method to calculate the Withholding Tax based on the taxable income.

**SUBTRACTION METHOD:**

At least:	But less than:	Tax withheld:
\$0	\$2,800	0.5%
\$2,800	\$5,610	3%, then subtract \$70.00
\$5,610	\$8,410	4%, then subtract \$126.10
\$8,410	\$11,220	5%, then subtract \$210.20
\$11,220	\$14,030	6%, then subtract \$322.40
\$14,030	and above	7%, then subtract \$462.70

**Example:**

**Taxable income:** \$27,090.00  
                           X 0.07  
                           \$1,896.30  
                           - \$462.70  
**Total to be Withheld:** \$1,433.60

**ADDITION METHOD:**

At least:	But less than:	Tax withheld:
\$0	\$2,800	0.5%
\$2,800	\$5,610	Subtract \$2,800, multiply by 3%, then add \$14.00
\$5,610	\$8,410	Subtract \$5,610, multiply by 4%, then add \$98.30
\$8,410	\$11,220	Subtract \$8,410, multiply by 5%, then add \$210.30
\$11,220	\$14,030	Subtract \$11,220, multiply by 6%, then add \$350.80
\$14,030	and above	Subtract \$14,030, multiply by 7%, then add \$519.40

**Example:**

**Taxable income:** \$27,090.00  
                           - \$14,030.00  
                           \$13,060.00  
                           X 0.07  
                           \$914.20  
                           + \$519.40  
**Total to be Withheld:** \$1,433.60

**IV. Calculate weekly withholding**

Divide the Withholding Tax by 52 to calculate the amount to withhold from the employee each week.

**Example: \$1,433.60 DIVIDED BY 52 WEEKS = \$27.57 STATE TAX PER WEEK**

**CONSTANTS FOR DETERMINING SOUTH CAROLINA INCOME TAX WITHHOLDING PROGRAM:**

		YEARLY	MONTHLY	SEMI-MONTHLY	BI-WEEKLY	WEEKLY
Amount per allowance	(A)	\$2,670	\$222.50	\$111.25	\$102.69	\$51.35
Maximum standard deduction - no allowances	(B)	\$0	\$0	\$0	\$0	\$0
Maximum standard deduction - one or more allowances	(C)	\$4,200	\$350.00	\$175.00	\$161.54	\$80.77
Maximum tax - 1st bracket	(D)	\$14.00	\$1.17	\$0.58	\$0.54	\$0.27
Maximum tax - 1st and 2nd bracket	(E)	\$98.30	\$8.19	\$4.10	\$3.78	\$1.89
Maximum tax - 1st, 2nd, and 3rd bracket	(F)	\$210.30	\$17.53	\$8.76	\$8.09	\$4.04
Maximum tax - 1st, 2nd, 3rd, and 4th bracket	(G)	\$350.80	\$29.23	\$14.62	\$13.49	\$6.75
Maximum tax - 1st, 2nd, 3rd, 4th, and 5th bracket	(H)	\$519.40	\$43.28	\$21.64	\$19.98	\$9.99
Maximum income taxable in each of first five brackets	(I)	\$2,800	\$233.33	\$116.67	\$107.69	\$53.85