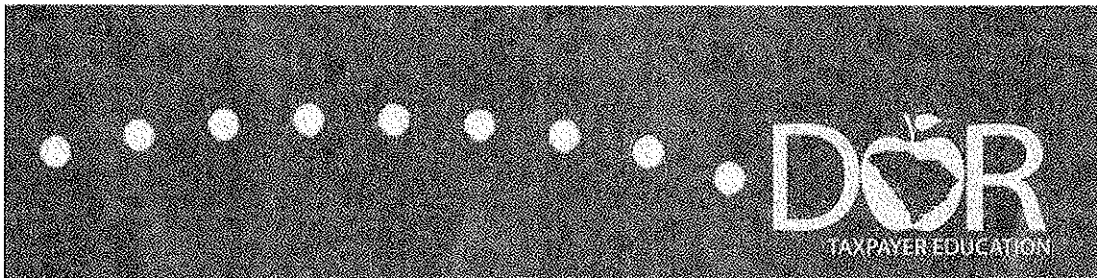


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SC tax agency urges employers to prepare for withholding changes



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The state's tax agency is urging S.C. businesses and employers to prepare for changes coming in January to state tax withholding tables.

The S.C. Department of Revenue is changing the amount withheld for state taxes in a move that will put \$100 million in S.C. workers' paychecks throughout the year and cut the amount in tax refunds the state pays out.

Nearly all S.C. taxpayers now get a state tax refund each spring. In part, that is because the state has not changed its tax withholding tables in 25 years, said Revenue director Rick Reames.

The Revenue Department plans to make once-a-year changes to the withholding tables over the next decade. When fully phased-in, the changes will put \$1 billion back in S.C. workers' paychecks, Reames said.

But, in order for the changes to take place, companies and businesses need to change their withholding to the new amount.

Some S.C. employers use the Automatic Data Processing company to manage their payrolls. The company's system will tell employers how much money to withhold from an employee's paycheck under the new state withholding tables, said spokesman Charles Collins.

The state's payroll also will be affected.

The payroll for S.C. state workers is processed by the office of S.C. Comptroller General Richard Eckstrom, who said his office has been preparing for the changes.

The changes will leave state government with less cash available throughout the year, Eckstrom said. But S.C. residents who live paycheck to paycheck will benefit, he added.

The changes primarily will benefit lower income taxpayers, married taxpayers and taxpayers with children. Those taxpayers now have a greater portion of their paycheck withheld, Reames has said.

The added take-home pay for S.C. taxpayers will vary, depending on a taxpayer's filing status — whether they are single or married, have dependents or qualify for other exemptions.

MORE IN TAXPAYERS' PAYCHECKS

Starting Jan. 1, 2017, the state Revenue Department will cut the amount withheld from taxpayers' paychecks for state income tax. The amount will vary, depending on a taxpayer's filing status. But, according to initial estimates, a married couple filing jointly with two children and a combined taxable income of \$10,000 or more would see an added:

+ \$73 in Year 1

+ \$365 in Year 5

+ \$730 in Year 10

SOURCE: S.C. Department of Revenue