



2012 Federal Tax Changes

There are changes in the payroll tax rates and wage limits for the Federal tax tables. These changes are effective **January 1, 2012**, but may be implemented anytime before that date. (You may access this information online at the Compusource web site at the following address: www.compusource.com.)

Use the "**State/Federal Tax Tables**" option in your Payroll system to make the table changes. (Note: on some systems, the option is called "Tax Parameter File Maintenance".)

WARNING! Concerning 2012 Federal tax tables, **Congress has temporarily extended the 2011 payroll tax cut, but is still debating over possible changes to the 2012 tax rates.** The values posted on this site are based on the Early Release copy of the [Notice 1036](#) including the payroll tax cut extended as of December 23, 2011.

Overview

Increase in the Federal Withholding Allowance for 2012

Withholding allowances for self and dependents increases to \$3,800. Verify that the "ANNUAL EXEMPTIONS - SELF" and "DEPENDENTS" fields of the "US" (federal) record of the Tax Data File is set to 3800.00. (Reference: Department of the Treasury, Internal Revenue Service, Notice 1036, Rev December 2011.)

FICA/Disability Employee Tax Rate temporarily remains the same for 2012

The FICA/Disability **Employee** rate remains at 5.65%. Verify the "FICA/DISABILITY" field of the "US" (federal) record of the Tax Data File is set to 0.05650 for the EMPLOYEE TAX RATE. (Reference: Department of the Treasury, Internal Revenue Service, Notice 1036, Rev December 2011.)

Increase in the Social Security Wage Limit for 2012

The Social Security tax rate remains at 6.2% for employers, but the wage limit increases to \$110,100 for wages paid in 2012. Change the "FICA/DISABILITY - Employee Tax Rate" field of the "US" (federal) record of the Tax Data File to 110100.00 for the EMPLOYEE TAX WAGE LIMIT. (Reference: Notice 1036.)

No Change to the Medicare Tax Rate for 2012

The Medicare tax rate remains at 1.45% on all wages, for both employers and employees. There is no wage base limit for the Medicare tax. Keep the amount of the field "MEDI LIMIT" of the Custom screen (option U) of the "US" (federal) record at 9999999 (seven 9's). (Reference: Notice 1036.)

Advance Payment of Earned Income Credit (EIC) Expires

The option of receiving advance payroll payments of EIC **expired December 31, 2011**. Individuals who received advance payments of EIC in 2011 must file a 2011 federal income tax return. Individuals eligible for EIC in 2012 can still claim the credit when they file their 2012 federal income tax return.

New Federal Withholding Tables

Sample screens with the new withholding rates follow this notice. These changes should be made to the "US" (Federal) record of the Tax Parameter File. You must access the Single, Married, and Head of Household) screens individually.

(Note that for the Federal tables, the values for Single and Head of Household are the same.)

2012 Federal Tax Changes Taxdata Screen

PR920	Compusource Corporation TAX DATA FILE MAINTENANCE	01/01/12
LOCALITY #: US		
NAME: FEDERAL-2012		
ID #: Your TaxID HERE		
ANNUAL EXEMPTIONS-SELF:	3800.00	W/H TAX PAYABLE ACCT#.....:
DEPENDENTS.....:	3800.00	EIC ADVANCES RECEIVABLE ACCT#:
BONUS PAY W/H RATE.....:	0.2500	W-2 FORM DESCRIPTION.....: W-2
W/H METHOD.....:	T	941 FORM DESCRIPTION.....:
RATE.....:	0.0000	QTRLY USER-DEFINED FORM #'S..:
FICA/DISABILITY		FUI/UNEMPLOYMENT
110100.00TAX WAGE LIMIT.....	7000.00
0.05650EMPLOYEE TAX RATE.....	0.00000
0.07650EMPLOYER TAX RATE.....	0.00600
	...EMPLOYEE TAX PAY ACCT#...	
	...EMPLOYER TAX PAY ACCT#...	
	...EMPLOYER TAX EXP ACCT#...	
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END		

Reference:

"Notice 1036", Department of the Treasury, Internal Revenue Service, (Rev December 2011) and "Publication 926".

2012 Federal Tax Changes Custom Screen

PR920	Compusource Corporation				1/01/12
	TAX DATA FILE MAINTENANCE				
	LOCALITY #:	US	NAME:	FEDERAL-2012	
CUSTOM FIELD #	DESCRIPTION	NUMBER	CUSTOM FIELD #	DESCRIPTION	NUMBER
1	MEDICARE %	1450	11		0
2	MEDI LIMIT	9999999	12		0
3		0	13		0
4		0	14		0
5		0	15		0
6		0	16		0
7		0	17		0
8		0	18		0
9		0	19		0
10		0	20		0
OVERRIDE CUSTOM ROUTINE CODE:					
F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END					

Reference:
"Notice 1036", (Rev December 2011).

Note: There are no changes to the 'Custom' screen.

2012 Federal Tax Changes Single Screen

PR920		Compusource Corporation TAX DATA FILE MAINTENANCE		1/01/12	
LOCALITY #:		US		NAME: FEDERAL-2012	
	LOWER WAGE LIMIT	BASE	W/H RATE		
	2150.00	0.00	0.1000		
S	10850.00	870.00	0.1500	S	
I	37500.00	4867.50	0.2500	I	
N	87800.00	17442.50	0.2800	N	
G	180800.00	43482.50	0.3300	G	
L	390500.00	112683.50	0.3500	L	
E	9999999.99	0.00	0.0000	E	
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		
	0.00	0.00	0.0000		

F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END

Reference:
"Notice 1036" (Rev December 2011).

N.B.: The above applies to both the Single and Head of Household tables of the federal (US) tax data record.

2012 Federal Tax Changes Head of Household Screen

PR920		Compusource Corporation TAX DATA FILE MAINTENANCE		1/01/12	
LOCALITY #:		US		NAME: FEDERAL-2012	
	LOWER WAGE LIMIT	BASE	W/H RATE		
	2150.00	0.00	0.1000		
H	10850.00	870.00	0.1500	H	
E	37500.00	4867.50	0.2500	E	
A	87800.00	17442.50	0.2800	A	
D	180800.00	43482.50	0.3300	D	
	390500.00	112683.50	0.3500		
O	9999999.99	0.00	0.0000	O	
F	0.00	0.00	0.0000	F	
	0.00	0.00	0.0000		
H	0.00	0.00	0.0000	H	
O	0.00	0.00	0.0000	O	
U	0.00	0.00	0.0000	U	
S	0.00	0.00	0.0000	S	
E	0.00	0.00	0.0000	E	
	0.00	0.00	0.0000		

F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END

Reference:

"Notice 1036", (Rev December 2011).

N.B.: The above applies to both the Single and Head of Household tables of the federal (US) tax data record.

2012 Federal Tax Changes Married Screen

PR920		Compusource Corporation TAX DATA FILE MAINTENANCE			1/01/12	
LOCALITY #:		US		NAME: FEDERAL-2012		
	LOWER WAGE LIMIT	BASE	W/H RATE			
	8100.00	0.00	0.1000			
M	25500.00	1740.00	0.1500	M		
A	78800.00	9735.00	0.2500	A		
R	150800.00	27735.00	0.2800	R		
R	225550.00	48665.00	0.3300	R		
I	396450.00	105062.00	0.3500	I		
E	9999999.99	0.00	0.0000	E		
D	0.00	0.00	0.0000	D		
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			
	0.00	0.00	0.0000			

F-FIND, N-NEXT, A-ADD, C-CHG, P-PRT, T-DATA, S-SNGL, M-MRD, H-HOH, E-END

Reference:

"Notice 1036", (Rev December 2011).

2012 Federal Tax Changes

Advance Payment of Earned Income Credit (EIC)

Please note that the option of receiving advance payroll payments of EIC **expired December 31, 2010**. Individuals who received advance payments of EIC in 2011 must file a 2011 federal income tax return. Individuals eligible for EIC in 2012 can still claim the credit when they file their 2012 federal income tax return

Reference:

"Notice 1036", Department of the Treasury, Internal Revenue Service, Rev December 2011.