

**8092.0500 WAGE BRACKET WITHHOLDING.**

Subpart 1. **General.** The employer may elect to use the wage bracket method provided in Minnesota Statutes, section 290.92, subdivision 2a, clause (3), with respect to any employee. The tax computed under the wage bracket method shall be the tax required to be deducted and withheld under Minnesota Statutes, section 290.92. Wage bracket withholding tables for weekly, semimonthly, monthly, and daily or miscellaneous payroll periods have been prepared by the commissioner and are available for distribution in a separate publication.

Subp. 2. **Established payroll periods other than daily or miscellaneous.** The wage bracket withholding tables referred to above for established payroll periods other than daily or miscellaneous should be used in determining the tax to be withheld for any such period without reference to the time the employee is actually engaged in the performance of services during such payroll period.

Subp. 3. **Periods to which the table for daily or miscellaneous payroll period is applicable.** The table applicable to a daily or miscellaneous payroll period shows the tax on the amount of wages for one day. Where the withholding is computed under the rules applicable to a miscellaneous payroll period, the wages and the amounts shown in the table must be placed on a comparable basis. This may be accomplished by reducing the wages paid for the period to a daily basis by dividing the total wages by the number of days (including Sundays and holidays) in the period. The amount of the tax shown in the table as the tax required to be withheld from the wages, as so reduced to a daily basis, should then be multiplied by the number of days (including Sundays and holidays) in the period.

If wages are paid for a period which is not a payroll period, the amount to be deducted and withheld under the wage bracket method shall be the amount applicable in the case of a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days (including Sundays and holidays) in the period with respect to which such wages are paid.

If wages are paid to an employee without regard to any particular period, as, for example, commissions paid to a salesperson upon consummation of a sale, the amount of tax to be deducted and withheld shall be determined in the same manner as in the case of a miscellaneous payroll period containing a number of days (including Sundays and holidays) equal to the number of days (including Sundays and holidays) which have elapsed, beginning with the latest of the following days:

A. the first day after the last payment of wages to such employee by such employer in the calendar year;

B. the date on which such individual's employment with such employer began in the calendar year; or

C. January 1 of such calendar year, and ending with (and including) the date on which such wages are paid.

Subp. 4. **Period or elapsed time less than one week.** It is the general rule that if wages are paid for a payroll period or other period of less than one week, the tax to be deducted and withheld under the wage bracket method shall be the amount computed for a daily payroll period, or for a miscellaneous payroll period containing the same number of days (including Sundays and holidays) as the payroll period, or other period, for which such wages are paid. In the case of wages paid without regard to any period, if the elapsed time computed as provided in subpart 3 is less than one week, the same rule is applicable.

Subp. 5. **Rounding off of wage payment.** In determining the amount to be deducted and withheld under the wage bracket method the wages may, at the election of the employer, be computed to the nearest dollar, provided such wages are in excess of the highest wage bracket of the applicable table. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to \$1.

**Statutory Authority:** *MS s 14.388; 270C.06; 290.52*

**History:** *17 SR 1279; 29 SR 330; L 2005 c 151 art 1 s 114*

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