

**New Federal Withholding Tax Rate
in Effect May 28**

- **First MTA Payday to Reflect Tax Savings is June 13**

(May 30, 2003) MTA Paychecks beginning June 13 will reflect the new federal tax withholding rates effective May 28 per the new Jobs and Growth Tax Relief Reconciliation Act of 2003. The federal tax bill signed into law May 28 expands tax brackets and decreases the percentage of federal income tax withheld, providing a federal tax savings for wage earners up to 3.6 percent.

The new tax bill also expands the taxable wage bands within tax brackets, which allows for additional tax savings. Since the newly expanded tax bracket incorporates a wider range of taxable income, some employees may find themselves in a lower tax bracket in addition to having a lower tax rate withheld from their paychecks.

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Savings per Tax Bracket		
2003 Tax Bracket	New Federal Withholding Tax Rate	Tax Savings
15%	15%	0%
27%	25%	2%
30%	28%	2%
35%	33%	2%
38.6	35%	3.6%