

Before your first pay of the new year, you must update your state tax deductions. The following table lists the local tax rate, state tax rate, and combined rate for each county. See page 2 for instructions on entering the combined rate to each employee's deductions.

County	Local Tax Rate	State Tax Rate	Combined State & Local Tax Rates
Allegany	3.05%	4.75%	7.80%
Anne Arundel	2.50%	4.75%	7.25%
Baltimore City	3.20%	4.75%	7.95%
Baltimore County	2.83%	4.75%	7.58%
Calvert	3.00%	4.75%	7.75%
Caroline	2.73%	4.75%	7.95%
Carroll	3.03%	4.75%	7.78%
Cecil	3.00%	4.75%	7.75%
Charles	3.03%	4.75%	7.78%
Dorchester	2.62%	4.75%	7.37%
Frederick	2.96%	4.75%	7.71%
Garrett	2.65%	4.75%	7.40%
Harford	3.06%	4.75%	7.81%
Howard	3.20%	4.75%	7.95%
Kent	2.85%	4.75%	7.60%
Montgomery	3.20%	4.75%	7.95%
Prince George's	3.20%	4.75%	7.95%
Queen Anne's	3.20%	4.75%	7.95%
St. Mary's	3.00%	4.75%	7.75%
Somerset	3.20%	4.75%	7.95%
Talbot	2.40%	4.75%	7.15%
Washington	2.80%	4.75%	7.55%
Wicomico	3.20%	4.75%	7.95%
Worcester	1.75%	4.75%	6.50%

Adding the Deduction to the Employee's Record

Because Maryland combines the local and state taxes, the easiest way to enter tax rates is to create a deduction that applies the combined tax rate to each employee's deduction record. This allows you to assign each employee a state tax deduction that includes his or her combined local tax and state tax rate.

1. From the FLEX DMS main menu, click **Accounting**.
2. Click **Payroll** on the Dealership Accounting menu.
3. Select **Enter Deductions**.
4. Type the employee number or click **List** to select the employee.
5. Click the deduction line for state withholding.
6. In the % field under Deductions, type the employee's combined state and local tax rate. See the table on page 1 for the combined rates for each county.
7. Press ENTER until the line is filled. The deduction line should now reflect the rate you entered.
8. Repeat steps 4 through 7 for each employee.