



# Culver City Unified School District

Administration Building 4034 Irving Place Culver City, CA 90232-2848

## **IMPORTANT NOTICE TO ALL EMPLOYEES**

*Date:* September 21, 2009  
*To:* All Culver City Unified School District Employees  
*From:* Ali Delawalla, Director of Fiscal Services  
*Re:* California State Tax Change, Effective November 1, 2009

---

The State of California, as part of the recent budgeting process, has enacted Assembly Bill ABX4 17. This legislation provides for a 10% increase in the tax bracket rates, effective for payrolls paid on or after November 1, 2009. The first payroll warrants that will utilize the new rates will be issued on November 2, 2009.

New State tax withholding charts will be released by the Employment Development Department (EDD) in mid-October. These new charts will be distributed to employees when they become available.

The 10% State withholding rate change will increase an employee's monthly payroll withholding, but will not change an employee's annual tax liability. It is a method to accelerate the monthly receipt of tax revenues to the State treasury, in advance of when the State would have normally received it.

### **Estimated 10% Change**

A quick estimate of the 10% rate change on State withholding for November 2009 payments can be determined if all earnings and deferrals remain constant from the month of October.

- Use your tax withholding amount for October
- Multiply that amount by .10
- Add the percent result to the original October tax amount

The sum of the two amounts would provide a general estimate of State tax withholding for the months of November and December 2009.

#### **Example:**

October = \$300  
10% change =  $\$300 \times .10 = \$30$   
November =  $\$300 + \$30 = \$330$   
December =  $\$300 + \$30 = \$330$

The District strongly recommends that employees consult with their tax advisor and review their personal tax status prior to making any change to their State Form DE-4 payroll tax withholding status. There are other factors which could affect any decision to change the form DE-4. For example, a 0.25 percent hike in payroll tax rates was initiated in the second quarter of 2009, but the annual tax liability will apply retroactively to January 1, 2009.

Should you have any questions regarding this information, please feel free to contact me at (310) 842-4220, extension 4234 or via e-mail at [alidelawalla@ccusd.org](mailto:alidelawalla@ccusd.org).

#### **BOARD OF EDUCATION**

Dr. Jessica Beagles-Roos Mrs. Sandra Davis Mr. Steven Gourley Dr. Dana Russell Mr. Scott Zeidman Dr. Myrna Rivera Coté, Superintendent