



Montana Department of Revenue Releases Updated Wage Withholding Tax Tables and Employee Withholding Form

The department has updated its wage withholding tax tables ([Employer and Information Agent Guide](#)) as well as the employee's withholding and exemption certificate ([Form MW-4](#)) after [major changes to Montana's income tax system, including lower income tax rates](#). Beginning January 1, 2024, the highest marginal tax rate will decrease from 6.75% to 5.9% and tax rates will now be based on the filing status the taxpayer uses on the federal income tax return (Form 1040).

The change to the method for calculating Montana wage withholding will closely resemble the federal method. Employees will no longer use Montana allowances, such as Montana personal and dependent exemptions and the Montana standard or itemized deductions, to calculate the amount of their Montana wage withholding. Instead, the new calculation method will rely on the federal standard deduction amount for the employee's federal filing status. Employees may still designate additional amounts to withhold from their paycheck or elect to have an amount of their choosing withheld from their paycheck. Specific exemptions to Montana wage withholding will not change.

The department encourages employers to review the updated [Employer and Information Agent Guide](#) and to have copies of the updated [Form MW-4](#) available for employees to revise their wage withholding for 2024.

The updated guide and form are available now on our [website](#).

Note: these changes will be reflected on the 2024 Form 2 when filed in 2025.

See the Tax News You Can Use online archive [here](#).

Please [contact us](#) with questions or suggestions.