



TaxNewsFlash

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IRS updates Form W-4, “withholding calculator” to reflect tax law changes

The IRS today announced the release of a new version of Form W-4 and an updated “withholding calculator” to help individual taxpayers verify their 2018 tax withholding following enactment of the new tax law (Pub. L. No. 115-98) in December 2017.

As noted in today’s IRS release—[IR-2018-36](#)—there are measures under the new tax law that revised the income tax rates and brackets for individual taxpayers. The new tax law also includes provisions that increase the standard deduction and child tax credit amounts. Other provisions repealed the personal exemptions and repealed or limited certain deductions for individual taxpayers.

KPMG observation

Overall, many employees will likely need to re-do their Forms W-4 in order to fit within the new calculations.

The withholding changes do not affect 2017 tax returns due in April 2018.

Withholding calculator

The IRS “[withholding calculator](#)” is intended to help individual taxpayers determine if they need to make changes to their withholding and to determine if they need to file a new Form W-4, *Employee’s Withholding Allowance Certificate*, and submit the completed W-4 to their employer.

The IRS “withholding calculator” asks taxpayers to estimate their 2018 income and other items that affect their taxes, including the number of children claimed for the child tax credit, the earned income tax credit, and other items.

Earlier this year, in January 2018, the IRS released Notice 1036 to update the income tax withholding tables for 2018 and to reflect changes made by the tax legislation enacted in December 2017. Read [**TaxNewsFlash-United States**](#)

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