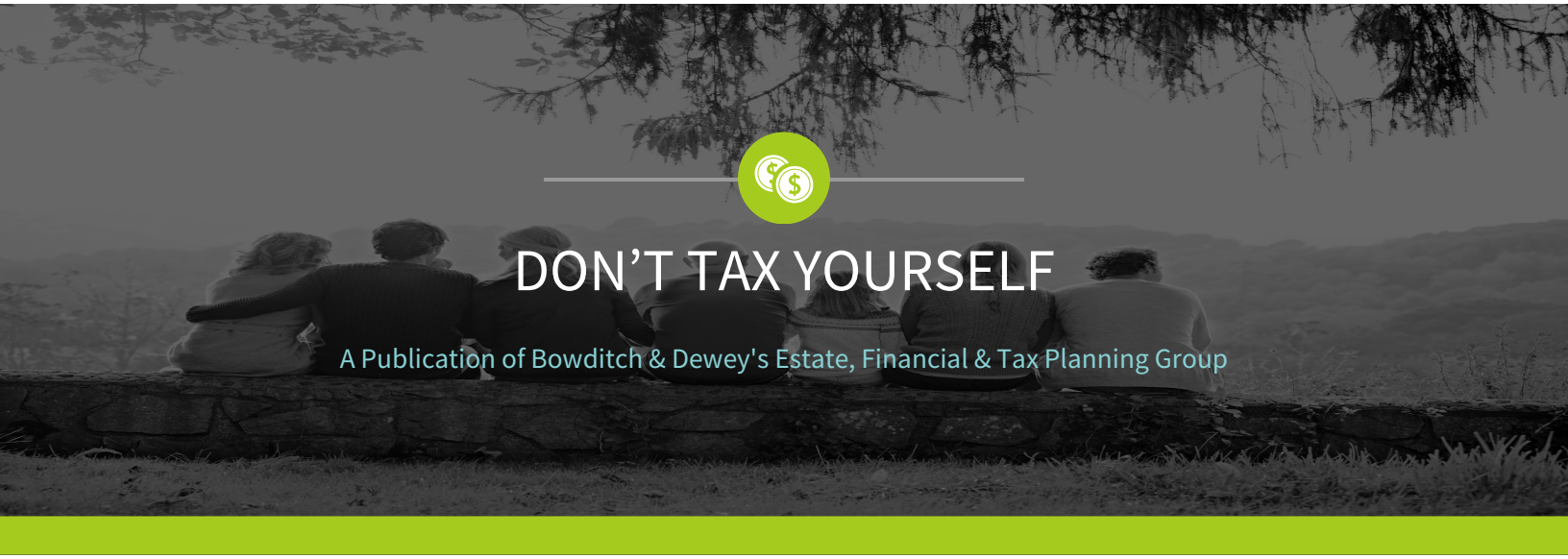


DON'T TAX YOURSELF

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IRS Updates Tax Withholding Calculator for 2018 Tax Season

BY SCOTT C. CASHMAN • MARCH 13, 2018

Now is a good time for many taxpayers to double check their tax withholding.

Since mid-February, most employers have adjusted their employees tax withholding to take into account the new tax law. Most employees have received an increase in tax home pay. However, the adjustments in pay may or may not result in the correct amount of tax withheld. For example, holding a second job or having investment income may result in under withholding of the actual tax due. In addition, some of the changes in the tax law reduce the amount of deductions and exclusions. The limitation placed on the deduction for state and local income and income tax has received a lot of attention. The new law eliminates the personal exemption for dependents, so taxpayers with large families will want to make sure their tax withholding is accurate to avoid a year end surprise tax due.

The IRS recently rolled out an online tax withholding calculator that takes the new tax law into account and encourages everyone to do a "paycheck check-up." The online calculator is relatively simple to use, does not require a password, and does not store personally identifiable information. Most employees will find all of the information they need to perform a check-up from their most recent pay stub, and in some cases, a copy of their 2017 tax return.

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