



Information Announcement

June 25, 2018

The NYS Comptrollers' Office has released Payroll Bulletin [#1657](#) to inform agencies of the change to federal tax withholding and the potential impact of the change as a result of the Tax Cuts and Jobs Act (TCJA).

The Internal Revenue Service (IRS) and the Office of the State Comptroller (OSC) strongly urge all employees to complete a “paycheck checkup” to verify they are having the right amount of tax withheld from their paychecks.

Background: In December of 2017, new legislation (TCJA) was passed changing many areas of the tax law. A significant change was made to the components used to calculate federal tax withholding. Some of the changes include:

- Increased standard deduction
- Eliminated personal exemptions
- Changed tax rates and brackets

Less federal taxes are being withheld due to these changes. Employees' personal tax returns for 2018, that employees file in 2019, may be affected. Employees with more complex tax profiles, two income families, and employees with multiple jobs may be more vulnerable to being under withheld or over withheld.

The [IRS Withholding Calculator](#) or other withholding calculators can help employees determine the correct amount of withholding. Employees will need the previous year's personal income tax return in order to maximize the benefit provided by the calculator. This tool allows employees to enter income, deductions, adjustments, credits, and receive a recommendation on whether they should complete a new Form W-4 (Employee's Withholding Allowance Certificate).

The IRS Withholding Calculator can be accessed at: <https://www.irs.gov/individuals/irs-withholding-calculator>.

Changes to the Form W-4 can be made on New York State Payroll Online (NYSPO): <http://www.osc.state.ny.us/payroll/nyspo.htm>.

Questions regarding this announcement may be directed to the NYS Department of Taxation and Finance [Website](#).