



**Cowan, Guteski & Co., P.A.**

Certified Public Accountants and Consultants

### **Federal Income Tax Payroll Withholding Alert for 2018**

Due to The Federal Income Tax Reform laws passed by the President late last year known as "The Tax Cuts and Jobs Act" (TCJA), recent changes to the Year 2018 Federal income tax payroll withholding charts have been recalculated by the IRS. Most individuals have recently noticed their net after tax pay has increased due to lower Federal income tax withholding. The IRS made these Federal income tax withholding adjustments based on the lower Federal income tax rates contained in the TCJA.

Please be advised that for some individuals, the reduced Federal income tax withholding may be too much considering the individual's 2018 personal income tax liability. This situation may in some cases, cause an individual or a married couple to actually owe Federal income taxes or have a reduced refund on April 15, 2019 after their 2018 personal income tax return is prepared. To remedy this situation now, you will need to complete a new Form W-4 with your employer to adjust your Federal income tax withholding amount. Please be advised that the IRS will be publishing an updated Form W-4 as a result of the Federal tax law changes.

For more information, please reach out to our [CG Tax Services Team](#).



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