

## New 2018 Income Tax Withholding Tables published

Congress delivered on 2016 campaign promises just in time for Christmas by amending the tax code, which among other things lowers the income tax withholding rates for 2018. The Treasury Department just released the new withholding rates and the change will be reflected in the January 26, 2018 payroll. The newly “doubled” standard deduction will come into play when you complete your 2018 Federal Income Tax Return by the April 15, 2019 due date.

Often County employees express concern that they may not be having enough income taxes withheld from their biweekly paycheck due to the change in withholding tables. It is especially imperative for individuals with additional income or a working spouse.

Single	But not over	2018 Tax withheld	Of excess over	Married	But not over	2018 Tax withheld	Of excess over
\$3,700	\$13,225	\$0 plus 10%	\$3,700	\$11,550	\$30,600	\$0 plus 10%	\$11,550
\$13,225	\$42,400	\$952.50 plus 12%	\$13,225	\$30,600	\$88,950	\$1,905.00 plus 12%	\$30,600
\$42,400	\$86,200	\$4,453.50 plus 22%	\$42,400	\$88,950	\$176,550	\$8,907.00 plus 22%	\$88,950
\$86,200	\$161,200	\$14,089.50 + 24%	\$86,200	\$176,550	\$326,550	\$28,179.00 + 24%	\$176,550
\$161,200	\$203,700	\$32,089.50 + 32%	\$161,200	\$326,550	\$411,550	\$64,179.00 + 32%	\$326,550
\$203,700	\$503,700	\$45,689.50 + 35%	\$203,700	\$411,550	\$611,550	\$91,379.00 + 35%	\$411,550
\$503,700	n/a	\$150,689.50 + 37%	\$503,700	\$611,550	n/a	\$161,379.00 + 37%	\$611,550

While all the details about the new tax law have yet to be released, a very simplified way to determine the appropriate withholding is to subtract the standard deduction for the tax bracket (single or married) and the amount for each exemption claimed from the total household income. Don't forget to add in all income for the household, such as pensions, second income, spouse's income, interest and dividends, etc. This mathematical exercise should provide an estimated taxable income figure.

Apply the tax rate to the estimated figure to determine the likely taxes due. Now evaluate if the amount already withheld and future withholdings will be enough to cover what will be needed by the end of the calendar year.

If the estimated income amount of taxes being withheld does not appear to cover the expected tax figure required, it may be wise to have an additional amount withheld by changing the W-4 form on file in the Personnel Office.

Keep in mind the value of taxable fringe benefits, such as uniforms, laundering services, take home vehicle, County provided life insurance over \$50,000, etc. can cause a person to advance into the next tax bracket.

To see all of the changes for each tax bracket go to [www.irs.gov](http://www.irs.gov). Look for Notice 1036 Percentage Method Tables for Income Tax Withholding Table #7. You will need to look at the table that is for your appropriate status either single or married. If you have any questions, contact the Personnel Office at 744-2387.

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