



This article presents general guidelines for Georgia nonprofit organizations as of the date written, and should be not be construed as legal advice. Always consult an attorney to address your particular situation.

Have You Done Your Paycheck Checkup Yet?

The IRS is launching a sweeping effort to advise taxpayers about the importance of doing a “paycheck checkup” as soon as possible. It is highly recommended that employers, including nonprofit corporations, share this information with their employees as soon as possible.

The new federal tax law modified individual tax brackets and rates for each bracket, increased the standard deduction, removed personal exemptions, increased the child tax credit, and limited or discontinued certain deductions. All of these changes impact the amount a taxpayer will owe in taxes in 2019. The new amount your employer is withholding based on the new tax tables may not be enough, and no one wants to be surprised in April 2019 with a big tax bill.

The IRS has a Withholding Calculator that can help prevent taxpayers from having too little or too much tax withheld from their paychecks. Based on the Withholding Calculator results, taxpayers can decide if they should complete a new Form W-4 (Employee’s Withholding Allowance Certificate) and, if so, what information to put on it. Making adjustments to withholding as quickly as possible will mean there’s more time for a more evenly distributed tax withholding for the remainder of the year.

Withholding Calculator: <https://www.irs.gov/individuals/irs-withholding-calculator>

Withholding Changes & Calculator FAQs: <https://www.irs.gov/newsroom/irs-withholding-tables-frequently-asked-questions>

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