



News Essentials

[What's Hot](#)[News Releases](#)[IRS - The Basics](#)[IRS Guidance](#)[Media Contacts](#)[Facts & Figures](#)[Around The Nation](#)[e-News Subscriptions](#)

The Newsroom Topics

[Multimedia Center](#)[Noticias en Español](#)[Radio PSAs](#)[Tax Scams](#)[The Tax Gap](#)[Fact Sheets](#)[IRS Tax Tips](#)[Armed Forces](#)[Latest News Home](#)

IRS Resources

[Compliance & Enforcement](#)[Contact My Local Office](#)**Issue Number: IR-2018-167**

Inside This Issue

Taxpayers with children, other dependents should check their withholding soon

WASHINGTON – The Internal Revenue Service urges taxpayers with children and other dependents to use the [Withholding Calculator](#) at IRS.gov to do a “paycheck checkup.” Changes made by the 2017 [Tax Cuts and Jobs Act](#) will affect 2018 returns that taxpayers will file in 2019.

The law expanded and made significant changes to the Child Tax Credit. It also suspended the deduction for personal exemptions. Parents and caregivers should do a “paycheck checkup” to determine how these changes could affect their 2018 tax situation.

The Tax Cuts and Jobs Act:

- Raises the Child Tax Credit from \$1,000 to \$2,000.
- Offers the Additional Child Tax Credit for certain individuals who cannot receive the full amount of the Child Tax Credit. The Additional Child Tax Credit is up to \$1,400 of the Child Tax Credit and is refundable for each qualifying child. A refundable credit may give taxpayers a refund even if they don't owe any tax.
- Changes phase-outs for the Child Tax Credit and the Additional Child Tax Credit. These credits now begin to phase out at \$400,000 for couples and \$200,000 for singles, compared with 2017 amounts of \$110,000 for couples and \$75,000 for singles.
- Adds a new credit. Dependents who can't be claimed for the Child Tax Credit may still qualify taxpayers for the Credit for Other Dependents. This is a credit of up to \$500 per qualifying person. The phase-out amounts of the Child Tax Credit apply to this credit.

Taxpayers can use the IRS's [Interactive Tax Assistant](#) beginning in January to see if they're eligible to claim the Child Tax Credit and Credit for Other Dependents. For more information about these credits, visit [Steps to Take Now to Get a Jump on Next Year's Taxes](#) on IRS.gov.

The IRS encourages all taxpayers to complete a “paycheck checkup” now so that if a withholding adjustment is necessary, there is more time for withholding to take place evenly during the rest of the year. Waiting means there are fewer pay periods to withhold the necessary federal tax – so the change in withholding from each remaining paycheck will be much greater.

[Filing Options](#)

[Forms & Instructions](#)

[Frequently Asked Questions](#)

[News](#)

[Taxpayer Advocate](#)

[Where to File](#)

[IRS Social Media](#)

The Withholding Calculator is an accurate, simple way for most taxpayers to determine their correct withholding amount. The tool allows taxpayers to enter their expected 2018 income, deductions, adjustments and credits – including the Child Tax Credit.

Using the Withholding Calculator

To use the Withholding Calculator, taxpayers should have their 2017 tax returns and most recent paystubs available to determine their proper withholding for 2018.

Checking and adjusting withholding now can prevent an unexpected tax bill and penalties next year at tax time.

Withholding Calculator results depend on the accuracy of information entered. Taxpayers whose personal circumstances change during the year should return to the calculator to see if their withholding should also be changed.

Taxpayers who change their withholding for 2018 should recheck their withholding at the start of 2019. This is especially important for taxpayers who reduce their withholding sometime during 2018. A mid-year withholding change in 2018 may have a different full-year impact in 2019. If taxpayers don't submit a new Form W-4 for 2019, their withholding might be higher or lower than intended. To help protect against having too little withheld in 2019, taxpayers should check their withholding again early in 2019.

The Withholding Calculator doesn't request personally identifiable information, such as name, Social Security number, address or bank account number. The IRS doesn't save or record information entered in the calculator. Taxpayers should watch out for tax scams, especially via email or phone calls, and be especially alert to cybercriminals impersonating the IRS. The IRS doesn't send emails related to the calculator or the information entered.

Adjusting withholding

The Withholding Calculator will recommend how to complete new Forms W-4 with all employers. If a taxpayer is at risk of being under-withheld, the calculator will recommend an additional amount of tax withholding for each job. The taxpayer can enter these amounts on their respective Forms W-4.

Employees who complete a new Form W-4 should submit it to their employers as soon as possible.

Employees with a change in personal circumstances that reduces the number of withholding allowances they are entitled to claim must submit to their employer within 10 days of the change a new Form W-4 claiming the correct number of withholding allowances.

Certain taxpayers – including those who don't have enough income tax withheld by their employer – may have to pay estimated taxes. For additional information, refer to [Publication 505](#), Tax Withholding and Estimated Tax.

Taxpayers may also need to determine if they should make adjustments to their state or local withholding. They can contact their [state's department of revenue](#) to learn more.

For more information on these topics visit www.irs.gov/withholding. For information about steps taxpayers can take now to get a jump on next year's taxes, including how the new tax law may affect them, visit IRS.gov/getready.

[Back to Top](#)



Thank you for subscribing to the IRS Newswire, an IRS e-mail service.

If you know someone who might want to subscribe to this mailing list, please forward this message to them so they can [subscribe](#).

This message was distributed automatically from the mailing list IRS Newswire. **Please Do Not Reply To This Message.**