WSU Implementing New 2018 Tax Tables

Effective for payment dates February 9, 2018, and later, Washington State University will implement the new 2018 income-tax withholding tables, released on January 11, 2018, reflecting changes made by the tax reform legislation enacted last month. This is the first in a series of steps that the Internal Revenue Service (IRS) will take to help improve the accuracy of withholding following major changes made by the new tax law.

The IRS announcement states,

“The new withholding tables are designed to work with the Forms W-4 that workers have already filed with their employers to claim withholding allowances. This will minimize burden on taxpayers and employers. Employees do not have to do anything at this time....

The new law makes a number of changes for 2018 that affect individual taxpayers. The new tables reflect the increase in the standard deduction, repeal of personal exemptions and changes in tax rates and brackets.

For people with simpler tax situations, the new tables are designed to produce the correct amount of tax withholding. The revisions are also aimed at avoiding over- and under-withholding of tax as much as possible.

To help people determine their withholding, the IRS is revising the withholding tax calculator on IRS.gov. The IRS anticipates this calculator should be available by the end of February. Taxpayers are encouraged to use the calculator to adjust their withholding once it is released.

The IRS is also working on revising the Form W-4. Form W-4 and the revised calculator will reflect additional changes in the new law, such as changes in available itemized deductions, increases in the child tax credit, the new dependent credit and repeal of dependent exemptions.

The calculator and new Form W-4 can be used by employees who wish to update their withholding in response to the new law or changes in their personal circumstances in 2018, and by workers starting a new job. Until a new Form W-4 is issued, employees and employers should continue to use the 2017 Form W-4.

In addition, the IRS will help educate taxpayers about the new withholding guidelines and the calculator. The effort will be designed to help workers ensure that they are not having too much or too little withholding taken out of their pay.

Internal Revenue Service “Withholding Tables Frequently Asked Questions”.