



Internal Revenue Service Proposes Changes to Income Tax Withholding From Wages

The comment period closes on April 13, 2020.

On February 13, 2020, the Internal Revenue Service (IRS) published a notice of proposed rulemaking titled Income Tax Withholding From Wages. The proposed rule provides guidance to employers about the amount of federal income tax to withhold from employee's wages, implementing the Tax Cuts and Jobs Act's changes to the Internal Revenue Code.

The Form W-4, Employee's Withholding Certificate, was redesigned in 2020 to reflect those changes. The proposed rule affects employers who pay wages subject to federal income tax withholding and employees who receive wages subject to federal income tax withholding.

The IRS is certifying that the rule will not have a significant economic impact on a substantial number of small entities. While the agency acknowledges that the proposed rule will likely affect a substantial number of small entities, it has determined that the economic impact will not be significant because employees are not required to submit a new Form W-4 solely because of the form's redesign. Additionally, the IRS states that the guidance provided in the proposed rule supports the withholding procedures used to prepare Forms W-4 for 2019 and earlier years. Notwithstanding its certification, the IRS specifically requests comments on any impact the proposed rule will have on small entities.

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Review the notice or submit comments:

https://www.federalregister.gov/documents/2020/02/13/2020-02849/income-tax-withholding-from-wages?utm_medium=email&utm_source=govdelivery