



Is your withholding adequate? Here's how to check

When you filed your federal tax return this year, were you surprised to find you owed money? You might want to change your withholding so that this doesn't happen again next year. You might even want to adjust your withholding if you got a big refund. Receiving a tax refund essentially means you're giving the government an interest-free loan.

Adjust if necessary

Taxpayers should periodically review their tax situations and adjust withholding, if appropriate.

The IRS has a withholding calculator to assist you in conducting a paycheck checkup. The calculator reflects tax law changes in areas such as available itemized deductions, the child credit, the dependent credit and the repeal of dependent exemptions. You can access the IRS calculator here: <https://www.irs.gov/individuals/tax-withholding-estimator>

Life changes

There are some situations when you should check your withholding. In addition to tax law changes, the IRS recommends that you perform a checkup if you:

- Adjusted your withholding last year, especially in the middle or later part of the year,
- Owed additional tax when you filed your 2021 return,
- Received a refund that was smaller or larger than expected,
- Got married or divorced,
- Had a child or adopted one,
- Purchased a home, or
- Had changes in income.

You can modify your withholding at any time during the year, or even multiple times within a year. To do so, you simply submit a new Form W-4 to your employer. Changes typically go into effect several weeks after a new Form W-4 is submitted. (For estimated tax payments, you can make adjustments each time quarterly estimated payments are due. The next payments for 2022 are due on September 15, 2022, and January 16, 2023.)

Plan ahead now

There's still time to remedy any shortfalls to minimize taxes due for 2022, as well as any penalties and interest. Contact us if you have any questions or need assistance. We can help you determine if you need to adjust your withholding.

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