

THE TCA POST

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Remember, you heard it here first!

COMPANY NEWS

Partner, Joseph

Petrucelli is preparing a new 12-hour Real Estate Course for all your Continuing Education needs, look out for more information to come!



FORENSIC + TAXATION + ADVISORY CPA'S

EVERYTHING YOU SHOULD KNOW ABOUT THE W-4 FORM

“The 2019 Tax filing season left many taxpayers unhappy when filing their 2018 tax returns. Many people who typically received refunds in prior years found that their refund was much smaller, and in some cases had an amount due. As a result, the IRS has issued a new Form W-4: Employees withholding certificate, for employees to use starting in 2020. The new form is an effort to assist employees in more accurately estimating the necessary Federal Income Tax in response to the statute changes from The Tax Cuts and Jobs Act of 2017. The major difference is the shift from the allowance-based calculation to an income tax-based calculation. On the old W-4, if you claimed more allowances, less tax was withheld (so you got a bigger paycheck). If you claimed fewer allowances, more tax was withheld (so your paycheck shrank). The changes in tax law removed allowances from Form 1040: U.S. Individual Income tax Return, making the allowance based withholding calculation ineffective. The new form also establishes a more straightforward method to calculate withholdings for Married filing Joint (MFJ) filers where both spouses are employed. This affects approximately 61.9% of families according to the Bureau of Labor Statistics "Employment Characteristics of Families Summary" released on April 18, 2019. The 2020 Form W-4 also responds to estimating Income tax withholding for taxpayers who report child tax credits, large itemized deductions, withholding exemptions and work side jobs where income tax is not withheld. In addition to the new Form, the IRS has institutes a tax withholding estimator that could help even further (<https://www.irs.gov/individuals/tax-withholding-estimator>).

-Written by Dylan Stone, MBA

You can also always reach out to Petrucelli, Piotrowski and Co., Inc. for a consultation in tax planning, which includes estimating your tax liability and preparing to pay it.

★★★★★ *“I live locally in Woodbridge and 100 percent recommend this accounting firm. They are attentive to your needs from the administrative staff to the Partners of the firm, they are great! -Google Reviews*

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