

Tax Withholding Estimator



apps.irs.gov/app/tax-withholding-estimator

This free tool is used to estimate the federal income tax you want your employer to withhold from your paycheck. It allows you to check your taxes now to avoid surprises at the end of the year when filing taxes.

Why Check your withholding?

- It can protect against having too little tax withheld and facing an unexpected tax bill or penalty tax next year.
- It can let you adjust your tax withheld up front, so you receive a bigger paycheck and smaller refund at tax season.
- Adjusting your withholding can leave you with more money to start a savings account that pays interest, unlike the IRS.

When to check your withholding

It is important to check your withholding when you have a major life change such as...

- New job or other paid work
- Major income change
- Marriage / Divorce
- Retirement
- Childbirth or adoption
- Home purchase
- New tax law changes that can affect your taxes

How does it work?

Use this tool to:

- See how your withholding affects your refund, take-home pay, or taxes due.
- Choose an estimated withholding amount that works for you.

What do you need?

Before using the tax withholding estimator, have the following readily available:

- Paystubs for all jobs (spouse too)
- Other income information such as:
 - » Side jobs
 - » Self-employment
 - » Investments
- Most recent tax return

After you use the estimator

- Use your estimate to change your tax withholding amount on Form W-4 or keep the same amount you previously had when filling out the W-4 upon hire.
- If you are changing your tax withholding amount you must complete a new W-4 form using the estimator's suggestions and submit it to your employer.