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IRS releases final 2020 Form W-4 with minor changes

The IRS issued the final 2020 Form W-4, Employee's Withholding Certificate that incorporates changes from the Tax Cuts and Jobs Act and other changes to improve accuracy in the income tax withholding result. Of significant note, there are no withholding allowances on the 2020 Form W-4.

Minor changes were made since the last draft of the form was released including minor edits to verbiage and additional language on page 2, under "Your Privacy" to help taxpayers understand the implications of checking the box in step 2(c).

The IRS expects that the final Publication 15-T, Federal Income Tax Withholding Methods will be released in mid-December. Publication 15-T contains the 2020 income tax withholding tables and instructions that accommodate the changes to the Form W-4.

All revisions of the Form W-4 and frequently asked questions are available here.

Ernst & Young LLP insights

Employers should consider alerting their employees to the release of the final 2020 Form W-4 including information about the significant changes that apply. Employees should also be reminded to check their state income tax withholding and determine if submitting a 2020 Form W-4 will remove withholding allowances that may continue to apply for state income tax withholding purposes.

Contact us for more information

Workforce Tax Services - Employment Tax Advisory Services

Ken Hausser kenneth.hausser@ey.com Debera Salam debera.salam@ey.com Kristie Lowery kristie.lowery@ey.com

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