



Tax Withholding Estimator:

A powerful online tool for small businesses

The Tax Withholding Estimator available on IRS.gov can help employers save time and employees save money when having federal income tax withheld from paychecks.

Security

- › The tool doesn't ask for personal information such as:
 - Names
 - Social Security numbers
 - Addresses
 - Bank account numbers
- › It doesn't save or record the information entered.

Saving Time

- › The tool can save employers time with W4 filings and payroll adjustments by producing accurate estimates for employees based on:
 - Current wages
 - Number of dependents
 - Calculating other forms of income

Saving Money

- › The tool can save employees money because:
 - It gives accurate withholding info to enter on **Form W4**.
 - Overpaying taxes each pay period equals less take home pay.
 - Underpaying taxes during the year can lead to a large tax bill when filing a tax return.

Learn more and start using the Tax Withholding Estimator today!

When NOT to use the tool:

- › Pension but not a job, use **Form W-4P** to estimate tax withholdings.
- › Nonresident alien status, use **Notice 1392, Supplement Form W-4 Instructions for Nonresident Aliens**.
- › Complex tax situations such as alternative minimum tax, long-term capital gains or qualified dividends, then see Publication 505, **Tax Withholding and Estimated Tax**.