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Big Changes for the New W-4 Form

By James Paille, Thomson Reuters

The pre-draft 2019 W-4 has been released, and it's a major change from previous versions of the W-4. The new W-4 doesn't have a way to number allowances — instead, four new boxes that instruct the taxpayer to predict income and deductions replace the old exemption numbers.

The lines are as follows:

Filing status: Line 3 is used to indicate the employee's tax filing status. The draft 2019 Form W-4 has checkboxes to indicate that the filer is single or married filing separately, married filing jointly, or head of household. The number of default allowances will be calculated automatically in single tables based on the filing status that is checked — 2 if single or married filing separately, and 3 if married filing jointly or head of household.

Lines 5-8. Lines 5-8 are new and completely optional to the taxpayer. These lines mimic a 1040 filing and the IRS indicates that completing them will provide more accurate withholding information.

- Line 5 is for nonwage income not subject to withholding
- Line 6 is for itemized and other deductions (other than the standard deduction)
- Line 7 is for applicable tax credits
- Line 8 is for the total pay of lower paying jobs and is only used when employees have more than one job or are married filing jointly and both spouses work

Completing these lines requires information that employees may not want to share. To avoid completing all lines individually, the IRS recommends using the [IRS Withholding Calculator](#) or IRS Publication 505, *Tax Withholding and Estimated Tax*.

Also, **line 9** has additional withholding per paycheck.

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Furthermore, many states allow taxpayers to use the federal W-4 for state withholding. It's expected that this will no longer work for 2019 W-4s and most states (exception: PA) will need to come up with their own state version for withholding. Look for an update on this later in the year.

The federal government will allow taxpayers to continue to use their old W-4 status with no need to file a new W-4 — however, the federal government is suggesting all taxpayers review their withholding and see if they need to file a new 2019 W-4 (when it becomes available) for 2019 wages. All new employees hired as of January 1, 2019, and all employees that want to make W-4 changes after January 1, 2019 will be required to use the 2019 W-4.

A second draft is expected sometime around August 2018 with a final version later this year. We will be watching for updates and potential changes.

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