

# IRS to everyone: Pretty please ... make sure your withholding is correct!

This week is Paycheck Checkup Week. If that sounds familiar, it may be because the week of March 26 was also Paycheck Checkup Week. Too much of a good thing? Probably not.

## A brief trip down memory lane

Back in the [winter](#), Sen. Ron Wyden (D – Ore.) and House Ways and Means Ranking Member Rep. Richard Neal (D – Mass.) alleged that the IRS and Treasury Department manipulated the 2018 withholding tables so employees would see more take-home pay, but would end up owing taxes because they were underwithheld. They asked the General Accountability Office to research who built the withholding tables, who approved them and how the tables were built.

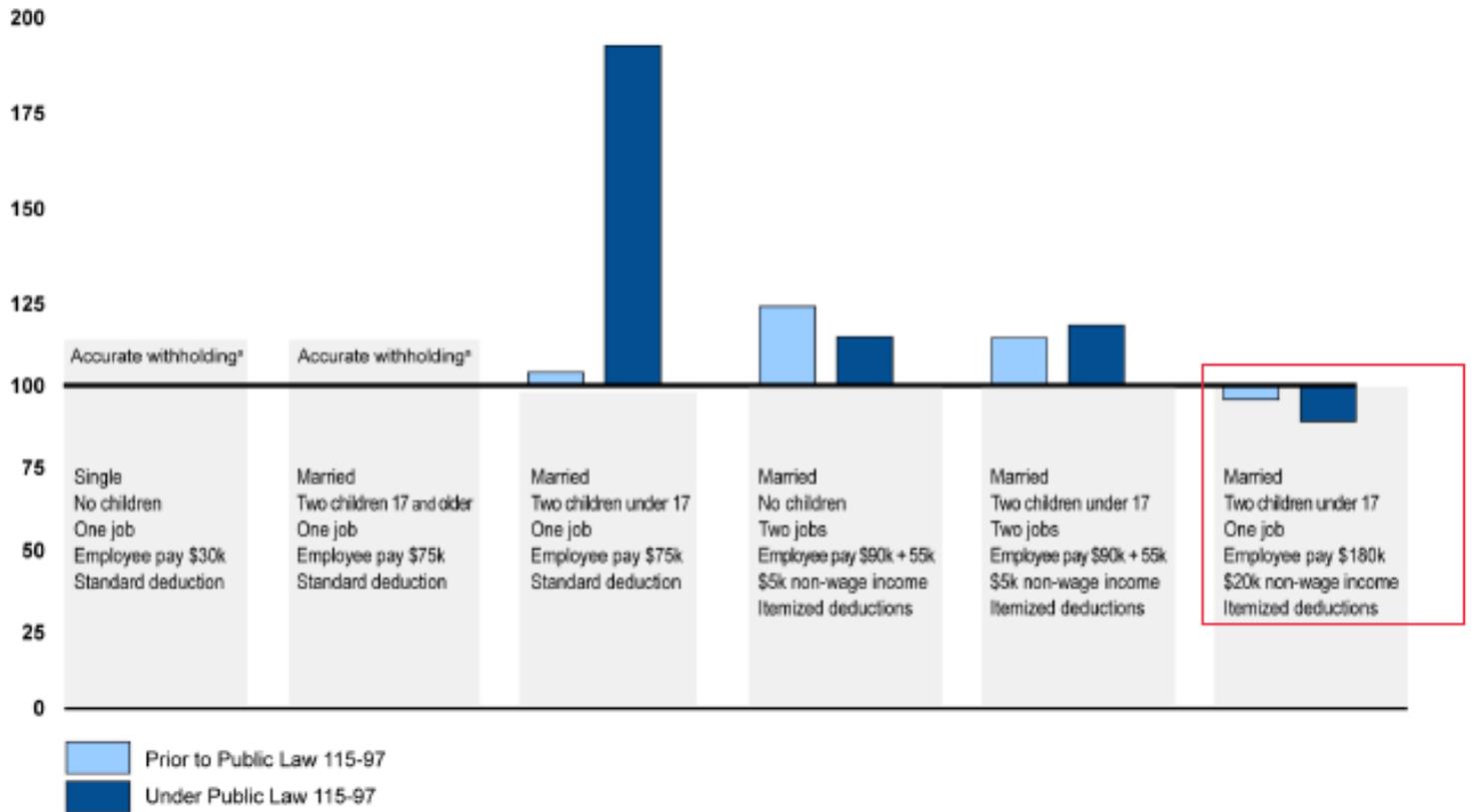
The GAO released its [report](#) on this subject last month. The GAO didn't find any monkey business with the 2018 withholding tables, although it did say that the IRS and Treasury should better document their efforts in designing the tables. That's a pretty milquetoast conclusion, but not surprising. We worked with the 2018 tables and we didn't find anything amiss.

But the GAO also ran simulations, and it concluded that 21% of employees will be underwithheld this year. That translates into 30 million people. Had the Tax Cuts and Jobs Act not been enacted, the percentage of underwithheld employees would have been 18%.

The GAO found the opposite for overwithheld employees—73% will be overwithheld, but if the TCJA had not been enacted, 76% would be overwithheld.

Here it is in graph form. We've highlighted the underwithheld population:

## Tax withheld as a percentage of tax liability



## Achieving withholding accuracy

The GAO also noted that only 6% of employees' withholding was accurate. And this percentage is constant. It has nothing to do with whether the TCJA was enacted.

So here we are at the IRS' second Paycheck Checkup Week.

The IRS is again highlighting its [withholding calculator](#). We've also highlighted [problems](#) with the calculator.

As part of this week's festivities, the IRS will be hosting a webinar, on Thursday. Go [here](#) to sign up.