



**For Immediate Release**

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**Taxpayers Need to Be Alert to 2011 Withholding Tax Changes**

Washington, DC (July 19, 2011) -- No one likes surprises at tax time, especially the kind that reduce their tax refund or require them to write a check to the IRS. That's why now is a good time to review your 2011 tax situation to make sure there are no surprises when you file your taxes next year.

Two withholding tax changes occurred at the beginning of 2011 that probably caused your take-home pay to bounce around a bit before settling down to a norm. First, the Making Work Pay credit, available to eligible taxpayers for both 2009 and 2010, allowing working taxpayers to claim a refundable credit on their tax return of up to \$400 for a single filer or \$800 for couples filing jointly, expired at the end of 2010. As a result, federal withholding taxes were going to increase and workers would have less money in their paychecks.

To offset the increase, in December of 2010 Congress approved a two percent reduction in the amount of Social Security Tax withheld from workers' pay to balance the effect on their paychecks. As a result, payroll tax tables should have been adjusted for most taxpayers in January of this year.

"It's easy for taxpayers to think they will be fine at tax time," said Cynthia Jeanguenat, EA, an enrolled agent in Virginia Beach, VA. "Their paychecks may appear to be about the same after the offsets, but that doesn't mean they are having enough federal tax withheld for their tax situation." That is why it's a good idea to check with your tax advisor now, so that you can adjust your federal withholding tax before it's too late in the year to make a difference.

Taxpayers can adjust their federal withholding tax by filing a new W-4 form with their employer. Retirees receiving a pension or retirement distribution can file a Form W-4P with the company paying the pension or retirement funds.

Filing taxes can be stressful enough for most taxpayers. Making the extra effort to check your tax status mid-year can result in a pleasant surprise at tax time rather than a nightmare.

**About Enrolled Agents**

Enrolled agents are tax professionals licensed by the US Department of the Treasury to represent taxpayers before all administrative levels of the IRS. While attorneys and certified public accountants are also licensed, only enrolled agents specialize exclusively in taxes. Enrolled agents are required to complete many hours of continuing education each year to ensure they are up-to-date on the constantly changing tax code and must abide by a code of ethics. To find an enrolled agent in your area, visit the website of the National Association of Enrolled Agents at [www.naea.org](http://www.naea.org) and look for the "Find an Enrolled Agent" directory.