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Re: 2020 Draft Form W-4 and Instructions

On behalf of the members of the National Association of Tax Professionals (NATP), we are submitting this letter to provide feedback on the 2020 draft Form W-4, *Employee's Withholding Allowance Certificate*. NATP is comprised of over 23,000 tax professionals who serve over 11 million taxpayers. As tax professionals who serve tax professionals, we are well placed to provide practical, common sense observations.

Our recommendations emphasize the need for a simple Form W-4 that reduces administrative burden, protects employees' privacy, and avoids the shifting of additional burden to employers. We are encouraged by the steps towards simplification the IRS has taken since it released the first draft of the 2019 draft Form W-4. We are pleased to see that several of the comments from NATP were incorporated into the 2020 draft; however, more work is needed. A survey of our membership confirmed that additional steps toward simplification should be taken.

The form and instructions continue to create burdens and complexities.

- The taxpayers are required to have clear knowledge of current and future income, a clear understanding of how to calculate anticipated tax credits as well of a clear

understanding of the nuances of each filing status. Often the average taxpayer does not possess this knowledge.

- Employees who do not wish to disclose other household income to their employer will be required to take additional steps to calculate the proper amount of withholding such as using the IRS withholding calculator or completing additional worksheets. Neither of these methods are easy to understand which will result in errors.
- The form unnecessarily shifts the burden of proper withholding to the employer by requiring them to calculate their employees' withholdings each pay period. Employers will be required to fill out an overly complex worksheet to arrive at the proper withholding for each employee. This places a huge burden on small employers who do their own payroll.

While the ultimate responsibility for paying the correct amount of tax lies with the taxpayer, a form that calculates the correct amount of withholding for employees should not be so overly complicated that all employees need to seek professional guidance. For those with complicated tax situations, a more extensive form may be appropriate, but we believe an easy option W-4 should be considered for taxpayers with straightforward withholding requirements.

A simple calculation of total income, less anticipated deductions is easy for the average taxpayer to complete and understand. With that figure, all they should have to do is go to a table and look up the amount of withholding they should have. This amount can be entered on the Form W-4 for the employer's use. This shifts the onus to the taxpayer much like has been done for years in the past.

Thank you for considering the National Association of Tax Professionals' concerns regarding the draft Form W-4 and accompanying instructions. We look forward to partnering with the IRS to arrive at an amenable solution.

Sincerely,

A handwritten signature in black ink that reads "Scott R. Artman". The signature is written in a cursive style with a large initial "S" and a stylized "A".

Scott Artman
Executive Director
National Association of Tax Professionals