

### Tax Effect Examples: Based on W-4, withholding, and new laws

EXAMPLE 1:

Married couple filing married jointly with 2 qualifying children, \$50,000 annual income (one job). W-4 currently shows Married with 4 allowances.

	2017	2018	2018	
	W-4 shows Married, 4 allowances	W-4 is unchanged	W-4 adjusted to Married, 2 allowances	
<b>Income</b>	50,000	50,000	50,000	Total annual wages (from your W-2 at the end of the year)
<b>Standard Deduction</b>	12,700	24,000	24,000	Depends on your filing status (or itemized deductions if > standard deduction)
<b>Exemptions</b>	16,200			Eliminated at the federal and state level as of 2018
<b>Taxable Income</b>	21,100	26,000	26,000	Income less Standard Deduction (or itemized deductions if > standard deduction)
<b>Tax</b>	1,056	1,281	1,281	From tax tables
<b>Withholding</b>	1,369	501	886*	From withholding tables
<b>Idaho Child Tax Credit (new as of 2018)</b>		410	410	Number of qualifying children times \$205
<b>Idaho Tax Due/(Refund)</b>	(313)	370	(15)	Tax less Withholding less Idaho Child Tax Credit

\*The 2018 adjusted Idaho withholding amounts are calculated based on the new rates for the entire year. The calculation doesn't take into consideration the different withholding rates for the first part of 2018.

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EXAMPLE 2:

Single person with no children, \$50,000 annual income. W-4 currently shows Single with 1 allowance.

	<b>2017</b>	<b>2018</b>	<b>2018</b>	
	<b>W-4 shows Single, 1 allowance</b>	<b>W-4 is unchanged</b>	<b>W-4 adjusted to Single, 0 allowances</b>	
<b>Income</b>	50,000	50,000	50,000	Total annual wages (from your W-2 at the end of the year)
<b>Standard Deduction</b>	6,350	12,000	12,000	Depends on your filing status (or itemized deductions if > standard deduction)
<b>Exemptions</b>	4,050			Eliminated at the federal and state level as of 2018
<b>Taxable Income</b>	39,600	38,000	38,000	Income less Standard Deduction (or itemized deductions if > standard deduction)
<b>Tax</b>	2,676	2,371	2,371	From tax tables
<b>Withholding</b>	2,965	2,174	2,379*	From withholding tables
<b>Idaho Tax Due/(Refund)</b>	(289)	197	(8)	Tax less Withholding less Idaho Child Tax Credit

\*The 2018 adjusted Idaho withholding amounts are calculated based on the new rates for the entire year. The calculation doesn't take into consideration the different withholding rates for the first part of 2018.