

NEBRASKA

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DEPARTMENT OF REVENUE

August 28, 2019

American Payroll Association
Pete Isberg, Bruce Phipps, Alice Jacobson
1601 18th Street, NW, Suite 1
Washington, DC 20009

Dear Mr. Isberg:

This is in response to your letter dated August 9, 2019 regarding Nebraska's usage of the federal Form W-4 to determine the Nebraska income tax withholding and the impact the Tax Cuts and Jobs Act of 2017 (TCJA) changes may have to payroll management systems developers, employers, and employees.

The Nebraska Department of Revenue (DOR) recognizes the significant differences between the federal and Nebraska laws regarding the standard deduction and the allowances for personal exemption credits as a result of the TCJA. DOR is developing an employee Nebraska withholding allowance certificate form to determine the number of allowances for Nebraska income tax withholding purposes beginning with year 2020. The Nebraska Form will be similar to the federal Form W-4 that was in use immediately prior to the TCJA.

DOR anticipates that minimal accommodations will be needed for the new Nebraska withholding allowance certificate form. That is because the past versions of the federal Form W-4 must still be supported by the employers' software since the IRS is not requiring employees to complete the new federal Form W-4.

The current 2017 Nebraska Circular EN will continue to be used for 2020. DOR will continue to use the same formatting as in previous years with the rates and brackets for single and married persons when updating the Nebraska Circular EN. The tables will not be extended for Head of Household status or withholding at a higher rate.

If you have not already done so, please sign up for our [GovDelivery](#) notices in order to stay current with the withholding related information released by DOR.

Please contact my colleague, Fran Krejci, at 402-471-5643 or by email at fran.krejci@nebraska.gov if you have any additional questions.

Sincerely,



Tony Fulton
Tax Commissioner