

How the "WITHHOLDING TAX" affects your paycheck

The new tax law, effective July 1, 1943, provides for the "withholding" of your income and Victory taxes by your employer. You have undoubtedly heard that the "withholding" will be at the rate of 20%.

Actually:

1. The 20% withholding neither increases nor decreases your taxes. It does not change your taxes at all—it simply changes the way you pay your taxes.
2. The "20%" applies NOT to your total wages, but only to that part of them over and above your exemptions.
3. Included in the 20% is the Victory Tax you now pay.
4. Therefore, a part of your taxes will be deducted from every paycheck. But for most people, this is the fact: in a year's time, the amounts withheld will add up to the same amount of taxes you now pay — plus or minus a few dollars which you will either pay or be paid at the end of the year.
5. You will find that the payment of income taxes has been made easier than ever before.
6. It is hoped that the result will be a real increase in your purchases of United States War Bonds.

—YOU'VE DONE YOUR BIT  NOW DO YOUR BEST!