MEMORANDUM

TO: Deans, Directors, and Department Heads

FROM: David Price, University Controller

SUBJECT: Impact of the Tax Cuts and Jobs Act of 2017

DATE: March 30, 2018

The passage of the Tax Cuts and Jobs Act in December 2017 includes several changes to the tax law that will affect University employees and departments. As a result of new tax law, we are taking actions to reduce NC State’s own tax impact, while remaining mindful of the impact these actions will have on our employees.

Following is a summary of the changes in the Federal tax laws that the University has implemented:

1. New federal tax tables have been entered into the University’s payroll system. These tables take into account the increase in standard deduction, the repeal of personal exemptions, and changes in the tax rates and brackets. You would have already seen the change reflected in your February pay. [IRS Link]
2. Starting in April, monthly pre-tax deductions for parking permits are no longer available. Payroll deductions for employee parking permits will continue to be offered, but will now be on a post-tax basis.
3. Effective January 1, 2018 all moving related expenses (including house hunting and household moving expenses), whether paid directly to the employee or paid on behalf of the employee by the University, are now required to be included in the employee’s income and are subject to applicable payroll tax withholdings. Additional information can be found at [https://controller.ofa.ncsu.edu/thetravelcenter/moving/](https://controller.ofa.ncsu.edu/thetravelcenter/moving/)

The Controller’s Office, in conjunction with Payroll and Human Resources, will keep you informed about any additional changes or guidance as it becomes available. Procedures and guidelines will be updated accordingly.

Recently, the IRS updated its withholding calculator and updated Form W-4 to allow for the recent changes in the tax laws. The IRS does not require a new W-4, however if employees want to make revisions to their current federal tax withholding, they should login to MyPack Portal and select the Payroll and Compensation tile to review and change their Federal W-4 form.