



United States Department of Agriculture

Departmental
Administration

Office of the
Assistant Secretary
for Administration

Office of Human
Resources
Management

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TO: All USDA Employees

FROM: Anita R. Adkins
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SUBJECT: Tax Compliance and Paycheck Withholding Estimation by USDA Employees

As taxpayers, and as Federal employees, we all are aware that we must file our tax returns accurately and pay any duly owed tax obligation. The most recent data from the Internal Revenue Service (IRS) shows that in 2021, 3.04 percent of USDA employees had some form of Federal tax delinquency. This is an increase from 2.92 percent in 2020. Although USDA's rate is below the 4.9 percent overall delinquency rate for civilian employees of Federal departments and agencies, we can do better.

Failure to pay properly owed taxes can negatively affect an employee's suitability for holding a government security clearance. Additionally, employees who deliberately fail to pay their tax obligations are subject to appropriate administrative action including disciplinary action.

Many times, however, our employees need information and assistance rather than administrative action. The Office of Human Resources Management reminds all employees to check to see if they have set the correct amounts for their paycheck tax withholdings. All employees are encouraged to visit www.irs.gov/withholding and use the IRS Tax Withholding Estimator to ensure they have the proper amount of tax withheld from their paychecks. This is especially important for those whose financial situations have changed or for those earning additional income from a part time job or self-employment. Correctly setting your withholding now can prevent owing taxes when you file your tax return.

Additionally, IRS is prepared to help Federal employees in resolving their tax obligations. Employees may receive assistance with filing tax returns or resolving the balance owed by calling IRS toll-free at 1-800-829-1040. Additionally, forms, publications, and additional information are available online at <http://www.irs.gov>. IRS also provides helpful tax tips online at <http://www.irs.gov/uac/IRS-Tax-Tips>.

Finally, supervisors can help raise awareness of these resources by informing their employees of the available assistance offered by IRS and reminding employees of the resources available through the Employee Assistance Program.

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With a wealth of automated online tools on www.IRS.gov, employees who owe overdue tax payments can visit www.IRS.gov/payments to explore safe and secure electronic payment options or see if they qualify to set up a payment plan using the IRS' Online Payment Agreement Application. Employees can even securely access their individual tax account information by registering at IRS.gov/account. As noted above, in addition to the information contained on the IRS website, those employees who have further questions about their withholdings and tax payments can call IRS, toll-free at (800) 829-1040.