

DATE: June 26, 2026

TO: Agency Addressed (No. 32, 2025-2026)

FROM: Renée Hermeling, Division Director
Division of Accounting & Auditing
Department of Financial Services

SUBJECT: Additional Tax Withheld on IRS W-4 Form

State employees often elect to have additional tax amounts withheld from their wages by writing an amount in the “additional tax withheld” line of IRS W-4 Form. In most instances, the State honors this election without any issue and withholds an additional amount on behalf of the employee. However, there are instances when employees write in amounts greater than the amount of their net wages required to cover the tax withholding. When this happens, issues are created for both the employing agency and for the employee.

Beginning July 27, 2026, the Florida Accounting Information Resource (FLAIR) payroll system will not allow additional tax withheld that is greater than net wages. Additionally, once the employee elects to have additional withholding deducted, this deduction is considered a mandatory deduction. If the employee does not have enough net wages to cover the designated additional withholding amount, the additional withholding tax amount will not be deducted. The employee will maintain the ability to change or update their Form W-4 at any time and will not be required to submit a new form due to this change.

Please note the following changes will be made in FLAIR effective July 27, 2026:

- The Drop Priority for additional withholding will be changed to reflect it is a mandatory deduction (FLAIR Value = 96)
- Reductions to the additional withholding tax amounts will no longer be allowed for deduction code 0051 – Additional Fixed Withholding

These changes are compliant with the Internal Revenue Service and the Internal Revenue Code.

Please see the [Payroll Preparation Manual](#), Volume V, section 4 for more information about the Drop Priority codes and the sequence in which they are applied.

Please inform all department staff of the change and provide guidance if needed. Employees who have additional withholding deducted from their pay may want to review the amount to ensure that it will not be greater than the amount of remaining net pay once regularly calculated taxes are taken.

If agency personnel have any questions or concerns, please email BOSPManagementTeam@MyFloridaCFO.com or call (850) 413 - 5513.