difference as far as the individual taxpayer is concerned. It would decrease somewhat the amount of overwithholding in the case of some.

It would increase the amount of underwithholding in the case of some. But I don't believe that a slippage of a few weeks between the effective date of the law, presumably October 1, and, let's say, the putting into effect of the new withholding rates on November 1 would be too difficult.

You see, the way this increase would work, Mr. Byrnes, is that the increase for individuals for the calendar year 1967 really amounts to only two and a half percent.

What you are really doing, if the effective date is October 1, is saying that one-quarter of the 10 percent becomes effective on the entire year's taxes, a two and a half percent increase.

Mr. BYRNES. Are you suggesting that if the effective date of the tax increase is October 1, the law might provide that the higher withholding wouldn't begin until November 1? You would just forget about the 1 month of withholding?

Secretary FOWLER. No, that would be made up in the final payment for the individual.

Mr. BYRNES. The individual.

Secretary FOWLER. Yes.

Mr. BYRNES. Well, I am still correct. You are assuming that you would not withhold for the increase attributable to 1 month.

Secretary FOWLER. That is right.

Mr. BYRNES. There would be no withholding on that.

Secretary FOWLER. That is correct.

Mr. BYRNES. So you wouldn't have the two different schedules of withholding.

Secretary FOWLER. No, that is right.

Mr. BYRNES. Let me ask you, Do you know how many employers there are in the country that are withholding? I imagine it is a large figure.

Secretary FOWLER. I don't have that. I can supply it for the record, Mr. Byrnes. I don't have it in mind.

(The following information was received by the committee:)

There are approximately 4 million employers withholding income taxes from employees.

Mr. BYRNES. I wonder how many of those employers have computerized their operations. I think the Treasury and the Government too often assumes everyone is a big operator with computers and that a change in the withholding tables and their obligations in connection with each of their payrolls is a minor inconvenience.

You suggest that employers need only crank the new tables into their machinery. I wonder how many of the employers that are going to have an additional expense because of this proposal have computers that they can crank this information into.

In order for these employers to make the necessary changes in 10 or 15 days they will have to put their entire bookkeeping staff to work.

Secretary FOWLER. I don't think it is that serious. Our information about this, of course, and our experience is primarily based on the changes that occurred in the schedules in connection with the 1964 tax.