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## Tax changes effective January 1, 2024

### 2024 Tax Changes

When you process payrolls with a pay date on or after January 1, 2024, the tax changes included in this document will automatically take effect, unless otherwise noted.

### Federal Tax Changes

#### Income tax withholding tax changes include:

- Added additional withholding amounts for Nonresident Aliens:
  - \$14,600 for employee who have filed a *2020 Form W-4*
  - \$10,300 for employees who have not filed a *2020 Form W-4* and have a prior version on file
- Revised the [withholding tables](#)

#### Social Security tax changes include:

- Increased the Social Security wage base from \$160,200 to \$168,600. There is no limit on wages subject to Medicare taxes.

#### Retirement savings plans tax changes include:

- 401(k) retirement savings plans:
  - Increased the limit for employee elective deferrals from \$22,500 to \$23,000
- 403(b) retirement savings plans:
  - Increased the limit for employee elective deferrals from \$22,500 to \$23,000
- 408(k) retirement savings plans:
  - Increased the limit for employee elective deferrals from \$22,500 to \$23,000
- 408(p) SIMPLE retirement savings plans:
  - Increased the limit for employee elective deferrals from \$15,500 to \$16,000
- 457 retirement savings plans:
  - Increased the limit for employee elective deferrals from \$22,500 to \$23,000
  - Increased the limit for employee elective deferrals to 457 Catch-up Increased Limit Plans from \$22,500 to \$23,000
- Roth 401(k) retirement savings plans:
  - Increased the limit for employee elective deferrals from \$22,500 to \$23,000

### Section 125 adoption assistance benefit tax change:

- The taxability of adoption assistance benefits provided in a cafeteria plan for regular and supplemental wages changed from exempt to taxable for the following tax types:
  - FUTA
  - Medicare – Employee
  - Medicare – Employer
  - Social Security – Employee
  - Social Security – Employer
- Increased the adoption assistance limit from \$15,950 to \$16,810

### Flexible Spending Account (FSA) tax changes include:

- Increased the annual limit for elective deferral to FSA accounts from \$3,050 to \$3,200

### Qualified Parking tax changes include:

- Increased the monthly Qualified Parking employee contribution limit from \$300 to \$315

### Qualified Transit Pass and Van Pool tax changes include:

- Increased the monthly Qualified Vanpool and Transit Passes employee contribution limit from \$300 to \$315

### Social Security tax changes include:

- Increased the Social Security wage base from \$160,200 to \$168,600. There is no limit on wages subject to Medicare taxes.

## State and Local Tax Changes

### Alaska Tax Changes

Alaska made the following changes to state unemployment insurance tax:

- Increased the employee and employer state unemployment wage base from \$47,100 to \$49,700
- Decreased the employee state unemployment tax rate from .51% to .5%

### Arkansas Tax Changes

Arkansas made the following change to state unemployment insurance tax:

- Decreased the maximum employer state unemployment tax rate from 14.125% to 10.125%

Arkansas made the following changes to their state withholding:

- Increased the standard deduction amount from \$2,270 to \$2,340
- Decreased the supplemental withholding tax rate from 4.7% to 4.4%
- Revised their state [withholding tables](#)

## California Tax Changes

California made the following changes to their state disability insurance tax:

- Increased the state disability tax rate from .9% to 1.1%

California made the following changes to their state withholding:

- Revised their state [withholding tables](#)

## Colorado Tax Changes

Colorado made the following changes to their state unemployment insurance tax:

- Increased the state unemployment tax wage base from \$20,400 to \$23,800

Colorado Paid Family and Medical Leave changes:

- Increased the Paid Family and Medical Leave employer and employee wage base from \$160,200 to \$168,600

## Connecticut Tax Changes

Connecticut made the following changes to state unemployment insurance tax:

- Increased the state unemployment tax wage base from \$15,000 to \$25,000
- Increased the maximum employer state unemployment tax rate from 6.6% to 7.8%

Connecticut Paid Family and Medical Leave changes:

- Increased the Paid Family and Medical Leave wage base from \$160,200 to \$168,600

## Delaware Tax Changes

Delaware made the following changes to state unemployment insurance tax:

- Decreased the maximum employer state unemployment tax rate from 8.2% to 5.4%
- Added the state unemployment Special Administration Fund Tax with a tax rate of .2% and a wage base of \$10,500

## Hawaii Tax Changes

Hawaii made the following changes to state disability insurance (SDI) tax:

- Increased the maximum weekly employee SDI contribution from \$6.59 to \$6.87

## Idaho Tax Changes

Idaho made the following changes to their state unemployment insurance (SUI) tax:

- Increased the SUI Administrative Reserve tax rate from .17% to .20927%
- Increased the SUI Workforce Development tax rate from .03% to .03693%
- NOTE: Due to field length restrictions, the SUI Administrative Reserve tax rate of .20927% was rounded to .2093% and the SUI Workforce Development tax rate of .03693% was rounded to .037%

## Illinois Tax Changes

Illinois made the following changes to their state unemployment insurance (SUI) tax:

- Increased the SUI wage base from \$13,271 to \$13,590

## Iowa Tax Change

Iowa made the following changes to their state unemployment insurance tax:

- Increased the state unemployment taxable wage base from \$36,100 to \$38,200

## Kentucky Tax Changes

Kentucky made the following changes to local taxes:

- **Alexandria, Campbell County** (18-037-0970) increased the annual maximum tax from \$2,403 to \$2,529
- **Bowling Green, Warren County** (18-227-0070) increased the Occupational License Fee from 1.85% to 2%
- **Campbell County** (18-037-0000) made changes to the Campbell County Occupational License Fee:
  - The License Fee of 1.05% will be broken out into the following three new taxes, with differing rates and maximum wages:
    - General Occupational License Fee of .9% and an annual maximum tax of \$1,517.40\*
    - Mental Health Occupational License Fee of .1% and an annual maximum tax of \$168.60\*
    - Senior Citizen Occupational License Fee of .05% and an annual maximum tax of \$25\*
  - **Note:** The maximum tax amounts published by Campbell County are rounded for ease of publication and are not to be used for accurate calculations
- **Cold Spring, Campbell County** (18-037-1349) increased the annual maximum tax from \$1,602 to \$1,686
- **Covington, Kenton County** (18-117-0130) increased the annual maximum tax from \$3,924.90 to \$4,130.70
- **Crestview Hills, Kenton County** (18-117-1727) increased the annual maximum tax from \$1,690.50 to \$1,938.90
- **Florence, Boone County** (18-015-0260) increased the annual maximum tax from \$3,204 to \$3,372

- **Fort Wright, Kenton County** (18-117-1030) increased the annual maximum tax from \$1,585.98 to \$1,669.14
- **Highland Heights, Campbell County** (18-037-0380) increased the annual maximum tax from \$1,602 to \$1,686
- **Kenton County** (18-117-0000):
  - Changed the local withholding calculation to a flat rate of .6997%
  - Increased the annual maximum tax from \$816.54 to \$1,179.69
- **Middletown, Jefferson County** (18-111-0560):
  - Added an Occupational License Fee of 1%. The total tax rate is 2.45%:
    - 1.45% Jefferson County and 1% Middletown City
- **Newport, Campbell County** (18-037-0620) increased the annual maximum tax from \$4,005 to \$4,215
- **Union, Boone County** (18-015-1272) increased the annual maximum tax from \$3,204 to \$3,372
- **Warsaw, Gallatin County** (18-077-1495) increased the annual maximum tax from \$1,602 to \$1,686
- **Wilder, Campbell County** (18-037-1355) increased the annual maximum tax from \$3,604.50 to \$3,793.50

### Massachusetts Tax Changes

Massachusetts made the following changes to Paid Family and Medical Leave:

- Increased the Paid Family and Medical Leave employee tax rate from .318% to .46%
- Increased the Paid Family and Medical Leave employer tax rate from .312% to .42%
- Increased the Paid Family and Medical Leave wage base from \$160,200 to \$168,600

### Michigan Tax Changes

Michigan made the following changes to state income tax:

- Increased the withholding tax rate for regular and supplemental wages from 4.05% to 4.25%

### Minnesota Tax Changes

Minnesota made the following changes to state unemployment insurance (SUI):

- Increased the wage base from \$40,000 to \$42,000 for SUI and the SUI Workforce Development fee.

### Missouri Tax Changes

Missouri made the following changes to their state unemployment insurance (SUI) tax:

- Decreased the SUI wage base from \$10,500 to \$10,000
- Decreased the maximum employer SUI tax rate from 9.765% to 9.45%

Missouri made the following changes to their state income tax:

- Decreased the supplemental withholding tax rate from 4.95% to 4.8%
- Revised their state [withholding tables](#)

### Montana Tax Changes

Montana made the following changes to their state unemployment insurance tax:

- Increased the state unemployment and associated Administrative Fund tax wage base from \$40,500 to \$43,000

Montana made the following changes to their state income tax:

- Montana made significant changes to their state income tax system. Please see the isolved v10.0 release notes for further information.

### Nevada Tax Change

Nevada made the following changes to their state unemployment insurance tax:

- Increased the state unemployment and associated Career Enhancement Program tax wage base from \$ 40,100 to \$40,600

### New Jersey Tax Changes

New Jersey made the following change to withholding taxability:

- Changed the withholding taxability of 409A deferrals from exempt to taxable for regular and supplemental wages

New Jersey made the following changes to employer-provided transportation benefits:

- Increased the annual limit on employer-provided transportation benefits from \$3,600 to \$3,780

### New York Tax Change

New York made the following change to their state unemployment insurance tax:

- Increased the state unemployment and related Re-Employment Service Fund tax wage base from \$12,300 to \$12,500

### North Dakota Tax Change

North Dakota made the following change to their state withholding:

- Decreased the supplemental withholding tax rate from 1.84% to 1.5%

## Ohio Tax Changes

Ohio made the following changes to their state unemployment insurance (SUI) tax:

- Increased the maximum employer SUI tax rate from 10.3% to 10.6%

Ohio made the following changes to their local taxes:

- **Apple Creek, Wayne County (36-169-5856)**
  - Decreased the credit limit from 1% to .5%, effective 1-1-23.
  - Taxes will be collected by the Regional Income Tax Agency (RITA)
- **Bethel, Clermont County (36-025-4919)**
  - Increased the tax rate from .5% to 1%
  - Added a credit percentage of 75%
  - Added a credit limit of 1%
- **Beverly, Washington County (36-167-5839)**
  - Taxes will be collected by the Regional Income Tax Agency (RITA)
- **Blanchester LSD (1401):**
  - Added the school district with a tax rate of 1%. This tax is calculated using the Earned Income Method with no personal exemption. The following jurisdictions are affected:
    - Blanchester, Warren County (36-165-0230)
    - Blanchester, Clinton County (36-027-0230)
    - Harlan Township, Warren County (36-165-0161)
    - Jefferson Township, Clinton County (36-027-0523)
    - Marion Township, Clinton County (36-027-1028)
    - Midland, Clinton County (36-027-4942)
    - Perry Township, Brown County (36-015-0448)
    - Washington Township, Clinton County (36-027-0033)
    - Wayne Township, Clermont County (36-025-0737)
- **Christ-Chdns Med Ctr JEDD, Hamilton County (36-061-7437):**
  - Increased the wage base from \$128,446 to \$133,199
- **Columbiana, Columbiana County (36-029-0560)**
  - Changed the calculation to calculate more precisely when an employee lives and works in the same county. Previously, resident and work county tax were being calculated.
- **Columbiana, Mahoning County (36-099-0560)**
  - Changed the calculation to calculate more precisely when an employee lives and works in the same county. Previously, resident and work county tax were being calculated.
- **Crestline, Crawford County (36-033-0600)**
  - Decreased the credit limit from 1.5 to 1%
- **Crestline, Richland County (36-139-0600)**
  - Decreased the credit limit from 1.5 to 1%
- **Creston, Medina County (36-103-5861)**
  - Eliminated the credit percentage of 50%, effective 1-1-23
  - Eliminated the credit limit of 1%, effective 1-1-23
  - Taxes will be collected by the Regional Income Tax Agency (RITA)

- **Creston, Wayne County (36-169-5861)**
  - Eliminated the credit percentage of 50%, effective 1-1-23
  - Eliminated the credit limit of 1%, effective 1-1-23
  - Taxes will be collected by the Regional Income Tax Agency (RITA)
  
- **Dalton, Wayne County (36-169-5862)**
  - Increased the tax rate from 1% to 1.5%
  - Increased the credit limit from 1% to 1.5%
  
- **Harrison Green JEDD, Hamilton County (36-061-7436)**
  - Increased the wage base from \$124,801 to \$129,419
  - Increased the wage base from \$117,605 to \$121,957
  
- **Hartville, Stark County (36-151-3010)**
  - Increased the tax rate from 1% to 1.5%
  - Added a credit limit of 1%
  - Added a credit percentage of 100%
  
- **Lebanon, Warren County (36-165-1250)**
  - Increased the tax rate from 1% to 1.5%
  - Increased the credit limit to 1%
  
- **Mercy Hospitals West JEDD, Hamilton County (36-061-7456)**
  - Increased the wage base from \$100,000 to \$103,000
  
- **New Concord, Muskingum County (36-119-3260)**
  - Increased the tax rate from 1.5% to 2.25%
  - Increased the credit limit from 1.5% to 2.25%
  
- **Northwood, Wood County (36-173-3160)**
  - Taxes will be collected by the Regional Income Tax Agency (RITA)
  
- **Ottawa Hills, Lucas County (36-095-1980)**
  - Increased the credit limit from .75% to 1.5%, effective 1-1-23
  - Taxes will be collected by the Regional Income Tax Agency (RITA)
  
- **Pleasant Hill, Miami County (36-109-6113)**
  - Increased the tax rate from .75% to 1%
  
- **UDF North Bend JEDD, Hamilton County (36-061-7456)**
  - Increased the wage base from \$120,311 to \$124,763
  
- **Union, Miami County (36-109-5493)**
  - Increased the tax rate from 1% to 1.5%
  - Increased the credit limit from 1% to 1.5%
  
- **Western Ridge JEDD, Hamilton County (36-061-7455)**
  - Increased the wage base from \$135,599 to \$140,616



- **Willard, Huron County** (36-077-2810)
  - Increased the tax rate from 1.375% to 1.75%
  - Increased the credit limit from 1.375% to 1.75%
- **Wilmot, Stark County** (36-151-5737)
  - Increased the tax rate from 1% to 1.75%
  - Increased the credit limit from 1% to 1.75%

### Oregon Tax Changes

Oregon made the following change to their state workers compensation tax:

- Decreased the employee and employer workers comp rate from \$0.011/hr to \$0.01/hr

Oregon made the following changes to Paid Leave Oregon:

- Increased the employee and employer Paid Leave Oregon wage base from \$132,900 to \$168,600

Oregon made the following changes to state unemployment insurance tax:

- Increased the wage base from \$50,900 to \$52,800 for SUI and SUI Special Payroll Tax Offset taxes

### South Carolina Tax Changes

South Carolina made the following change to their state income tax:

- Decreased the supplemental withholding tax rate from 6.5% to 6.4%
- Updated the state [withholding tables](#)

### South Dakota Tax Change

South Dakota made the following update to their state unemployment insurance (SUI) tax:

- Decreased the maximum employer SUI tax rate from 9.3% to 8.8%

### Utah Tax Change

Utah made the following update to their state unemployment insurance (SUI) tax:

- Increased the SUI wage base from \$44,800 to \$47,000

### Vermont Tax Change

Vermont made the following update to their state unemployment insurance tax:

- Increased the SUI taxable wage base from \$13,500 to \$14,300

## Washington Tax Changes

Washington made the following changes to their state unemployment insurance (SUI) tax:

- Increased the wage base from \$67,600 to \$68,500 for SUI and the SUI Employment Administrative Fund

Washington made the following changes to their Paid Family and Medical Leave tax:

- Increased the Paid Family and Medical Leave wage base from \$160,200 to \$168,600
- Increased the Paid Family and Medical Leave tax rate from .8% to .74%
  - Employees will pay 71.43% of the Paid Family and Medical Leave premium
  - Employers will pay 28.57% of the Paid Family and Medical Leave premium