

To: Vertex® Payroll Tax Subscriber
Re: Summary of Data Modifications
For: United States
Date: 4/18/2024

(All tax changes are effective January 1, 2024, unless otherwise noted.)

State Tax Changes

Pennsylvania

- Changed the withholding taxability of Qualified Moving Expense Reimbursements (Compensation ID - 7) from taxable to exempt.

Puerto Rico

- Increased the minimum employer SUI tax rate from 2.2% to 2.5%. (This is a change to the documentation only.)
- Increased the new employer SUI tax rate from 3.2% to 3.4%. (This is a change to the documentation only.)

Vermont

- Added the Vermont Child Care Contribution (CCC) with an employer default rate of .44%, effective 7-1-24.
***Note:** If an employer chooses to deduct a portion of the CCC from the employee, an override rate must be passed in on both the employer and employee tax handles. There is no wage base for this tax.*

Virginia

- Increased the standard deduction from \$8,000.00 to \$8,500.00, effective 4-1-24.

Local Tax Changes

If you use ZIP Code + 4 information with the Vertex GeoCoder, note that a child GeoCode was recently removed to accommodate a unique sales tax situation. This GeoCode may also have payroll tax implications.

The child GeoCode has the same tax rate as the parent GeoCode. Vertex recommends using parent GeoCodes whenever possible.

The following list shows the parent GeoCode and the removed child GeoCode:

- Kansas City 26-165-0690 tax rate 1% (Parent)
 - Child GeoCode 26-165-5754 Kansas City-ParkPlazaTDD will be deactivated in Update #5/24 and will no longer be supported in the payroll file. Vertex recommends recoding any impacted employees with an appropriate GeoCode.

California

San Francisco, San Francisco County (05-075-3040)

- Increased the employer Administrative Office Tax rate from 1.4% to 1.54%.

Ohio

Marion, Marion County (36-101-1440)

- Increased the credit percentage from 50% to 100%.

Pennsylvania

Wheatland Boro, Mercer County (39-085-8457)

- Wheatland Boro merged with Hermitage City. Recode employees currently using Wheatland Boro GeoCode (39-085-8457) to Hermitage City (39-085-8449), Farrel Area School District #43250 (PSD Code 430203). Wheatland Boro has expired. All employees must be recoded. The municipal resident tax rate for Hermitage City is 2.25%: 1.75% municipality and .5% school district. The Local Service tax will remain \$52.00.

Wrightstown Township, Bucks County (39-017-0149)

- Decreased the municipal resident tax rate from .65% to .5%. The total resident tax rate is 1%: .5% municipality and .5% school district.