


EY Payroll NewsFlash

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2024 state supplemental, flat tax and highest income tax withholding rates with hyperlinks to the latest withholding tables/instructions (Survey update as of January 10, 2024—See Michigan)

To assist you in reviewing your state and US territory income tax withholding rates for 2024, we have provided in the chart below hyperlinks to the most recent (1) income tax withholding formulas/tables published by the states and US territories, (2) information concerning their respective highest income tax withholding rates (based on their percentage method of withholding) or flat tax withholding rates, and (3) their supplemental withholding rates, if applicable.

Supplemental withholding rate

Like the federal supplemental income tax withholding rate, some jurisdictions with a graduated income tax also allow for an optional flat percentage of income tax withholding for wages that are in addition to regular pay. Where allowed, the supplemental rate greatly simplifies income tax withholding calculations on irregular payments such as bonuses, nonqualified deferred compensation, equity compensation and separation pay.

For federal purposes, employers may opt to use a flat tax rate of 22% on supplemental wages up to \$1 million for the year; however, a mandatory flat tax rate of 37% applies to supplemental wages over \$1 million. Note that the flat 37% rate applies even if an employee has submitted a federal Form W-4 claiming exemption from federal income tax withholding. (*Treas. Reg. Section 31.3402(g)-1*; see *IRS Publication 15-T for the 2024 federal income tax withholding tables*.)

State legislative landscape

In 2023, numerous states adopted retroactive legislation to change their personal income tax rates. Early indications show that this trend is likely to continue in 2024.

Updates to this chart will be available in our 2024 Employment tax rates and limits report, anticipated to be available in late January 2024, and updated throughout the year. You can find the report, once available, [here](#).

Survey** results as of January 9, 2024

- Click on the jurisdiction names below to view the latest income tax withholding tables/formulas and instructions.
- Changes from 2023 are highlighted in yellow.
- Turquoise highlighting indicates that 2024 withholding tables/formula are anticipated but not yet available. Information shown is from the tables/formula currently available on the jurisdiction's website.

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
Alabama*	1-1-23	5.0%	N/A	5.0%
American Samoa	1-1-07	N/A	N/A	27.0%
Arizona	1-1-23	N/A	2.5%	N/A
Arkansas*	1-1-24	4.4%	N/A	4.4% (Effective 1-1-24, SB 8 (2023) lowers the tax rate to 4.4%)
California*	1-1-24	6.60% and 10.23% on bonus and stock options	N/A	14.63%
Colorado	11-14-22 (Note that DR 1098 (rev. 11-14-22) is used by employers to compute income tax withholding)	N/A	4.4%	N/A
Connecticut*	1-1-24	N/A	N/A	6.99% (Effective 1-1-24, HB 6941 lowers the tax rates for middle-income taxpayers)
Delaware	1-1-14	5.0% is recommended for deferred compensation payments	N/A	6.60%
District of Columbia	1-1-18	N/A	N/A	10.75% (Effective 1-1-22, the highest income tax rate is 10.75% under D.C. Act 24-178;

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
				however, the last update to the withholding tables was in 2018 with the highest withholding rate shown at 8.95%. Employers are encouraged to use the new rate table that went into effect 1-1-22)
Georgia	1-1-24	Under \$8,000.....2% \$8,000.01-\$10,000.....3% \$10,000.01-\$12,000..... 4% \$12,000.01-\$15,000.....5% Over \$15,000.....5.49%	5.49%	N/A (HB 1437 replaced the graduated personal income tax to a flat rate of 5.49% effective 1-1-24, with gradual reductions each year until the rate reaches 4.99% effective 1-1-29)
Hawaii	11-30-22	N/A	N/A	7.9% (The top individual tax rate is 11%.)
Idaho	5-15-23	N/A	5.8%	N/A (HO172 moved the state to a flat tax effective retroactive to 1-1-23)

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
Illinois	6-1-23 (updates were made to the exemption amounts)	N/A	4.95%	N/A
Indiana	1-1-24 (For the county income tax rates effective 1-1-24, go here)	N/A	3.05% plus local income tax rate (H.B. 1001, enacted in 2023, lowers the tax rate to 3.05% for 2024 with additional tax cuts each year until the rate reaches 2.90% in 2027)	N/A
Iowa *	1-1-24	6.0% (The Iowa Administrative Code has not yet been updated to reflect the reduced income tax rates under House File 2317)	N/A	5.70% (House File 2317 phases down individual income tax rates over four years starting in 2023 to a flat rate of 3.9% by tax year 2026)
Kansas *	6-21-21	5.0%	N/A	5.7%
Kentucky	1-1-24	N/A	4.0% (Under H.B. 8, the rate is lowered to 4.0% effective 1-1-24)	N/A
Louisiana	1-1-22	N/A	N/A	4.25%

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
Maine *	1-1-24	5.0%	N/A	7.15%
Maryland *	1-1-24	Use the rate at the bottom of the local tax table . Withhold at 3.2% for residents of Maryland working in Delaware and other nonreciprocal states. (Maryland Tax Facts)	N/A	Use the rate at the bottom of the local tax table . Withhold at 3.2% for residents of Maryland working in Delaware and other nonreciprocal states. (Maryland Tax Facts)
Massachusetts	1-1-24	N/A	5.0% + 4% surtax on wages over \$1 million	9.0%
Michigan	1-1-24	N/A	4.25% (On December 21, 2023, the Michigan Court of Claims dismissed a lawsuit arguing that the rate should remain at 4.05% for 2024. The Mackinac Center for Public Policy will appeal the decision)	N/A
Minnesota *	1-1-24	6.25%	N/A	9.85%
Mississippi	1-1-24	N/A	4.7% (HB 531 moved the state to a flat tax, effective 1-1- 23. The flat tax is lowered to	N/A

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
			4.7% in 2024, 4.4% in 2026)	
Missouri *	1-1-24	4.8%	N/A	4.8% (Starting in 2024, SB.3 (2022) lowers the top tax rate to 4.8% if certain revenue targets are met)
Montana *	1-1-24	5.0%	N/A	5.9% (SB 121 (2023) lowers the top tax rate to 5.9% effective 1-1-24)
Nebraska *	1-1-24	5.0%	N/A	5.84% (Under LB 754 (2023), effective 1-1-24, the highest marginal tax rate is 5.84% and 5.2% effective 1-1-25)
New Jersey	10-1-20	N/A	N/A	11.80%
New Mexico *	1-1-24	5.90%	N/A	5.90%
New York *	1-1-23	11.70% (New York City is 4.25%, Yonkers resident is 1.95975%, Yonkers nonresident is 0.50%)	N/A	11.7%
North Carolina *	1-1-24	4.60%	4.5% (HB 259 (2023) lowers the tax rate to 4.5% effective 1-1-24)	N/A
North Dakota *	1-1-24	1.5%	N/A	2.5%
Ohio *	11-1-23	3.5%	N/A	4.410%

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
	School district tax effective 1-1-24			(The top tax rate effective 1-1-24 is 3.5% under HB 33 (2023))
Oklahoma *	1-1-24	4.75%	N/A	4.75%
Oregon *	1-1-24	8.0%	N/A	9.90%
Pennsylvania	3-1-14	N/A	3.07% plus, employee unemployment insurance tax rate of 0.07% and local tax rate	N/A
Puerto Rico	1-1-17	N/A	N/A	33%
Rhode Island *	1-1-24	5.99%	N/A	5.99%
South Carolina	1-1-24	N/A	N/A	6.4% (Under S. 1087 (2022) the tax rates can be lowered if revenue targets are met)
Utah	6-1-23	N/A	4.65% (H.B. 54 retroactively lowered the tax rate to 4.65% effective 1-1-23)	N/A
Vermont *	1-1-24	30% of federal income tax withholding (6% for payments under a nonqualified deferred compensation plan)	N/A	8.75%
Virginia *	10-1-22	5.75%	N/A	5.75%
West Virginia	5-1-23	Under \$10,000.....2.36% \$10,000-\$25,000...3.15% \$25,000.01-\$40,000...3.54% \$40,000.01-\$60,000...4.72%	N/A	5.12%

Jurisdiction	Last revision date of the income tax withholding formula/tables ¹	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate ²
		Over \$60,000.....5.12%		
Wisconsin	1-1-22	Under \$12,760.....3.54% \$12,760.01-\$25,520..4.65% \$25,520.01-\$280,950...5.30% Over \$280,950.....7.65%	N/A	7.65%

Legend

*See notes below.

**Much of the information in this survey was obtained through review of state revenue/workforce department administrative guides or informational telephone or email surveys with state governmental agencies. Although state administrative guides and telephone and email surveys are

useful in determining how government departments currently treat an issue, answers and positions derived from such sources are not binding upon the state, cannot be cited as precedent and may change over time, and hence cannot be relied upon.

1. You can find updates to the 2024 state income tax withholding rates in our *2024 employment tax rates and limits report*, available in January 2024, and updated throughout the year. You can find the report, once available, [here](#).
2. The highest personal income tax rate may not always be the same as the highest withholding rate (e.g., Hawaii).

Note also that legislation enacting a retroactive change in the personal income tax rates may not always be immediately reflected in the withholding rates (e.g., District of Columbia in 2022).

There were many states that enacted retroactive changes to their personal income tax rates in 2023 (see our [2023 employment tax rates and limits report](#)), and early indications are that this trend will continue into 2024. When the personal income tax rates and the withholding rates differ, employees should be informed that their withholding may not reflect the most current personal income tax rates and that employers are generally required to follow the state's administrative guidance concerning withholding formula and instructions.

Alabama

The supplemental withholding rate is 5%. (*Withholding Tax Tables and Instructions for Employers and Withholding Agents*, p. 3.)

Arkansas

If bonuses, commissions, or overtime wages are paid at the same time as regular wages, the income tax withheld is determined by deducting 4.4% of the bonus or commission for state income tax.

The Department suggests that employers advise their employees that the 4.4% withholding rate could, in some cases, be more than the income tax liability and cannot be recovered until the employee files the Arkansas personal income tax return. (*Withholding Tax, Employer's Instructions*, p. 4, note that this publication has not yet been updated to reflect the reduced rate of 4.4%.)

California

The supplemental withholding rate is 10.23% on bonuses and stock options and 6.6% on other types of compensation (e.g., overtime pay, commissions, sales awards and vacation pay). (*2024 California Employer's Guide*, p. 15.)

Connecticut

There is no supplemental rate of withholding. (*Connecticut Employer's Tax Guide*, p. 12.)

Iowa

The supplemental rate of withholding is 6%. (*Iowa Withholding Tax Information; Iowa Administrative Code 701-307.2(3)*.)

Kansas

The supplemental rate of withholding is 5%. (*Kansas Withholding Tax Guide*, p.8.)

Maine

The supplemental rate of withholding is 5%. (*Maine Withholding Tables for Individual Income Tax, p.4.*)

Maryland

Under [SB 133](#) and effective in 2022, each county is authorized to set by ordinance or resolution, a county income tax rate equal to at least 2.25% (previously, 1%) and to apply the county income tax on a bracket basis. A county that imposes the tax on a bracket basis: (1) must set, by ordinance or resolution, the income brackets that apply to each income tax rate; (2) may set income brackets that differ from the income brackets to which the state income tax applies; (3) may not set a minimum income tax rate less than 2.25% of an individual's Maryland taxable income; and (4) may not apply an income tax rate to a higher income bracket that is less than the income tax rate applied to a lower income bracket. The legislature overrode the governor's veto on December 6, 2021.

Minnesota

The supplemental rate of withholding is 6.25%. (*Minnesota Income Tax Withholding, Supplemental Payments, p. 7.*)

Missouri

The supplemental rate of withholding is 4.8%. (*2024 Missouri Employer's Tax Guide, p. 5.*)

Montana

The supplemental rate of withholding is 5%. (*Withholding Tax Guide with Montana Withholding Tax Tables, p. 4.*)

Nebraska

The supplemental withholding rate is 5%. (*2024 Nebraska Circular EN, p. 9.*)

New Mexico

The supplemental withholding rate is 5.9%. (*FYI-104, New Mexico Withholding Tax, p. 4.*)

New York

If you pay supplemental wages (e.g., bonuses, commissions, overtime pay, sales awards) with regular wages but do not specify the amount of each, withhold income tax as if the total were a single payment for a regular payroll period. If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the income tax withholding method depends partly on whether you withhold income tax from your employee's regular wages:

- If you withhold income tax from an employee's regular wages, you can use one of the following methods for the supplemental wages:
 - a) withhold at the New York State supplemental rate of 11.70% (.1170), or b) add the supplemental and regular wages for the most recent payroll period this year. Then figure the income tax withholding as if the total were a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
- If you do not withhold income tax from the employee's regular wages, use method b (*New York State Withholding Tax Tables and Methods (p.3); Yonkers Withholding Tax Tables and Methods, (p. 3); New York City Withholding Tax Tables and Methods (p.3)*).

North Carolina

The supplemental withholding rate is 4.6%. (*North Carolina 2024 Income Tax Withholding Tables and Instructions for Employers, p. 10.*)

North Dakota

The supplemental withholding rate is 1.5%. (*North Dakota Income Tax Withholding Rates & Instructions, p. 58.*)

Ohio

The supplemental withholding rate is 3.5%. (*Ohio Administrative Code 5703-7-10, rev. 11-23-2018.*)

Oklahoma

The supplemental withholding rate is the highest withholding rate. (*Okla. Admin. Code § 710:90-1-6.*)

Oregon

The supplemental withholding rate is 8%. (*Oregon Withholding Tax Formulas, p. 3.*)

Rhode Island

The supplemental withholding rate is 5.99%. (*Rhode Island Employer's Income Tax Withholding Tables, p. 8.*)

Vermont

The supplemental withholding rate is 30% of federal income tax withheld and 6% for payments under a nonqualified deferred compensation plan. (*Vermont Income Tax Withholding Instructions, Tables and Charts, p. 4.*)

Virginia

The supplemental withholding rate is 5.75%. (*Virginia Income Tax Withholding Guide For Employers, p. 16.*)

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