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Don't miss this month's insights— [Majority of states require that employees get time off to vote](#)

Top stories

Our 2024 edition of US employment tax rates and limits includes, as of August 25, 2024, the following:

- Social Security wage base for 2024
- Qualified pension plan limits for 2023 and 2024
- Health Savings Account limits for 2023 and 2024
- Fringe-benefit inflation adjustments and Form W-2 penalties for 2024
- Federal mileage rates and luxury vehicle limits for 2024
- Per diem rates under high-low substantiation method for 2024
- 2022 and 2023 FUTA credit reduction
- State unemployment insurance wage bases and tax rates for 2024
- Disability and paid family leave insurance wage base and rates for 2024
- Federal income tax withholding for 2024
- State income tax withholding tables, supplemental withholding, and the highest withholding tax rates for 2024

—[Download the latest report](#)

Federal and state Form W-4 compliance

Now that most employees have filed their 2023 personal income tax returns, employers can expect an increase in withholding tax questions and a rise in adjustments to federal and state withholding allowance certificates (e.g., federal Form W-4).

Our special report provides information employers need to know about federal and state Form W-4 compliance, with topics including:

- IRS Form W-4 regulations
- Compliance with IRS lock-in letters
- Federal Form W-4 top 10 tips
- Federal Form W-4 frequently asked questions

- Special instructions for US nonresident aliens
 - State Form W-4 compliance in 2024
 - 2024 State Form W-4 requirements survey
 - 2024 state Form W-4 requirements heat map
- [Download the latest report](#)

Report on state unemployment insurance requirements for employee notices and workplace posters updated through June 2024

Most states require that employers tell employees about their potential eligibility for unemployment insurance benefits. There are two forms of communications that most states require: (1) a notice to the employee at the time of separation and/or (2) a poster placed in a conspicuous location in the workplace.

Our special report includes the results of our May 2024 survey of state workforce agency websites and includes links, if applicable, to the states' requirements for unemployment insurance employee separation notices and workplace posters.

—[Download the latest report](#)

Federal developments

Affordable Care Act affordability percentage increases after three years of decreases

In Revenue Procedure [2024-35](#), the IRS announced the new Affordable Care Act (ACA) affordability percentage of 9.02% for 2025 employer health care plans. After three years of decreases, this percentage increase gives employers more flexibility in setting employee premiums without making their coverage unaffordable under the safe harbor.

—[Read more about it in Tax Alert 2024-1657](#)

State unemployment insurance (SUI)

Nebraska law lowers SUI tax rates over next five years

Nebraska Governor Jim Pillen signed into law [LB 1393](#) (2024), which lowers the state unemployment insurance (SUI) tax rates for 2025 through 2029 by lowering the average tax rate by 5%. The average tax rate is used in determining the individual SUI tax rates assigned to employers.

—[Read more about it in Tax Alert 2024-1720](#)

State and local payroll developments

Indiana rules remote worker not subject to local income tax

The Indiana Department of Revenue issued a ruling confirming that the wages of a Kentucky resident working remotely for an Indiana employer were not subject to Indiana county income tax because the great percentage of gross income was derived from Kentucky and not Indiana. (Indiana Department of State Revenue, Letter of Findings: 01-20232204.)

—[Read more about it in Tax Alert 2024-1770](#)

New Hampshire increases wage amount that can be directly paid to deceased employees' survivors

For information purposes only. Employers should consider seeking the assistance of experienced employment law attorneys before implementing policy changes.

New Hampshire Governor Chris Sununu signed into law [H.B. 2101](#), which effective September 10, 2024, increased from \$300 to \$3,000 the wage amount that employers can directly pay to the descendants of deceased employees in the absence of a probate proceeding notice.

—[Read more about it in Tax Alert 2024-1768](#)

Louisiana expands requirements for employer payment of final wages

For information purposes only. Employers should consider seeking the assistance of experienced employment law attorneys before implementing policy changes.

Louisiana Governor Jeff Landry signed into law [H. 352](#), which effective August 1, 2024, expanded the requirements for the payment of employees' final wages. H. 352 adds new subsection E to Louisiana [R.S. 23:631](#) clarifying the rules governing the payment of commissions, incentive pay or bonuses at the time of an employee's separation.

—[Read more about it in Tax Alert 2024-1767](#)

Bill watch (tracking the status of legislation proposed in 2024)

Georgia

HB 1015	Status: Signed into law 4-18-2024	Topic: Personal income tax rates
Retroactive to January 1, 2024, lowers the personal income tax rate from 5.49% to 5.39%. Effective January 1, 2025, reduces the tax rate by 0.10% annually if certain revenue benchmarks are met until the rate reaches 4.99%. Although the tax rate applies for the entire 2024 tax year, it did not go into effect until July 1, 2024.		

Illinois

SB 2981	Status: Failed to pass before legislature adjourned on 5-29-2024	Topic: Personal income tax on overtime pay
Would, effective immediately, create a deduction of the amount of any overtime wages paid to the taxpayer during the tax year.		

Iowa

HF 2638	Status: Failed to pass before legislature adjourned on 4-20-2024	Topic: Taxation of nonqualified deferred comp
Would exclude nonqualified deferred compensation income from individual income tax retroactive to January 1, 2023.		

Iowa

SF 2442	Status: Signed into law 5-1-2024	Topic: Personal income tax rate
Accelerates the personal income tax rate reduction from 3.9% to 3.8% starting in 2025, rather than in 2026.		

Kansas

SB 1	Status: Signed into law 6-20-2024	Topic: Personal income tax rate
Retroactive to January 1, 2024, establishes a two-bracket income tax with tax rates of 5.2% and 5.58%. The previous three-bracket income tax rates were 3.1%, 5.2% and 5.7%.		

Kansas

HB 2284	Status: Governor vetoed (1-29-2024) Veto sustained (2-20-2024)	Topic: Income tax rate
Would have, among other things, implemented a flat tax of 5.25%, exempted Social Security benefits from state income tax and increased the standard deduction by a cost-of-living adjustment.		

Kansas

HB 2420	Status: Died in House committee (4-30-2024)	Topic: Nonresident income tax, de minimis exception
Would exempt nonresident employees performing work in Kansas from income tax for the first 30 days.		

Kentucky

HB 537	Status: Failed to pass before legislature adjourned on 4-14-2024	Topic: Bereavement leave
Effective 90 days after the legislature adjourns, would require that employers provide up to 10 days of bereavement leave (with a minimum of three days paid) following the death, miscarriage or stillbirth of the employee's child or the death of a dependent or other immediate family member of the employee.		

Maine

LD 1231	Status: Maine legislature unable to overcome Governor's veto	Topic: Personal income tax
Effective January 1, 2025, would have created three additional tax brackets to increase taxes paid by high-income earners.		

Mississippi

HB 224	Status: Died in Ways and Means Committee (3-27-2024)	Topic: Personal income tax on overtime pay
Would exclude overtime compensation from gross income effective January 1, 2024.		

Missouri

HB 2315	Status: Failed to pass before legislature adjourned 5-30-2024	Topic: Personal income tax on overtime pay
Would authorize an income tax subtraction for work in excess of 40 hours in the workweek.		

New Jersey

AB 2621	Status: Referred to Assembly Labor Committee (1-9-2024)	Topic: Personal income tax on overtime pay
Would exclude the overtime pay of certain employees from gross income tax.		

New Jersey

AB 3816	Status: Introduced, referred to Assembly Labor Committee (2-22-2024)	Topic: Bereavement leave
Effective immediately, would expand the current family and medical leave law to include leave due to the death of a child or the miscarriage or stillbirth of a child.		

Ohio, Cincinnati

A Vision for the Future of Cincinnati p. 67	Status: The Cincinnati Futures Commission recommended modest hike in city's earnings (April 2024)	Topic: City earnings tax
Recommends a 0.15% increase to the City's earnings tax, bringing the adjusted rate to 1.95%. The Cincinnati City Council will need to vote to put the increase on the November 2024 ballot.		

Pennsylvania

H.B. 2388	Status: Referred to Finance (6-5-2024)	Topic: State Personal income tax
Effective July 1, 2024, would reduce the personal income tax rate from 3.07% to 2.8%.		

Pennsylvania

H.B. 181	Status: Laid on the table for later consideration (4-17-2024)	Topic: State paid family and medical leave insurance
Effective 180 days after enactment, would establish a state paid family and medical leave insurance program with contributions, yet to be determined, to be paid 50% by employers and 50% by employees (employers with fewer than 15 employees are not subject to the 50% contribution amount).		

Rhode Island

S. 2355	Status: Failed to pass before legislature adjourned (6-14-2024)	Topic: Personal income tax
Effective January 1, 2026, would impose a personal income tax surtax of 3% on taxable income over \$1 million.		

South Carolina

HB 4811	Status: Failed to pass before legislature adjourned (5-9-2024)	Topic: Personal income tax on overtime pay
Would exclude overtime income from personal income tax.		

Wisconsin

AB 938	Status: Failed to pass in Senate (4-15-2024)	Topic: Personal income tax on overtime pay
Would exclude overtime income and certain bonuses from personal income tax.		

West Virginia

HB 5296	Status: Failed to pass before legislature adjourned 3-9-2024	Topic: Personal income tax on overtime pay
Would exclude overtime income from personal income tax for three years.		

West Virginia

SB 2025	Status: Introduced in Senate 9-30-2024	Topic: Personal income tax rates
Would reduce the highest personal income tax rate from 5.12% to 4.67%.		

This month's insights

Majority of states require that employees get time off to vote

For information purposes only. Employers should consider seeking the assistance of experienced employment law attorneys before implementing policy changes.

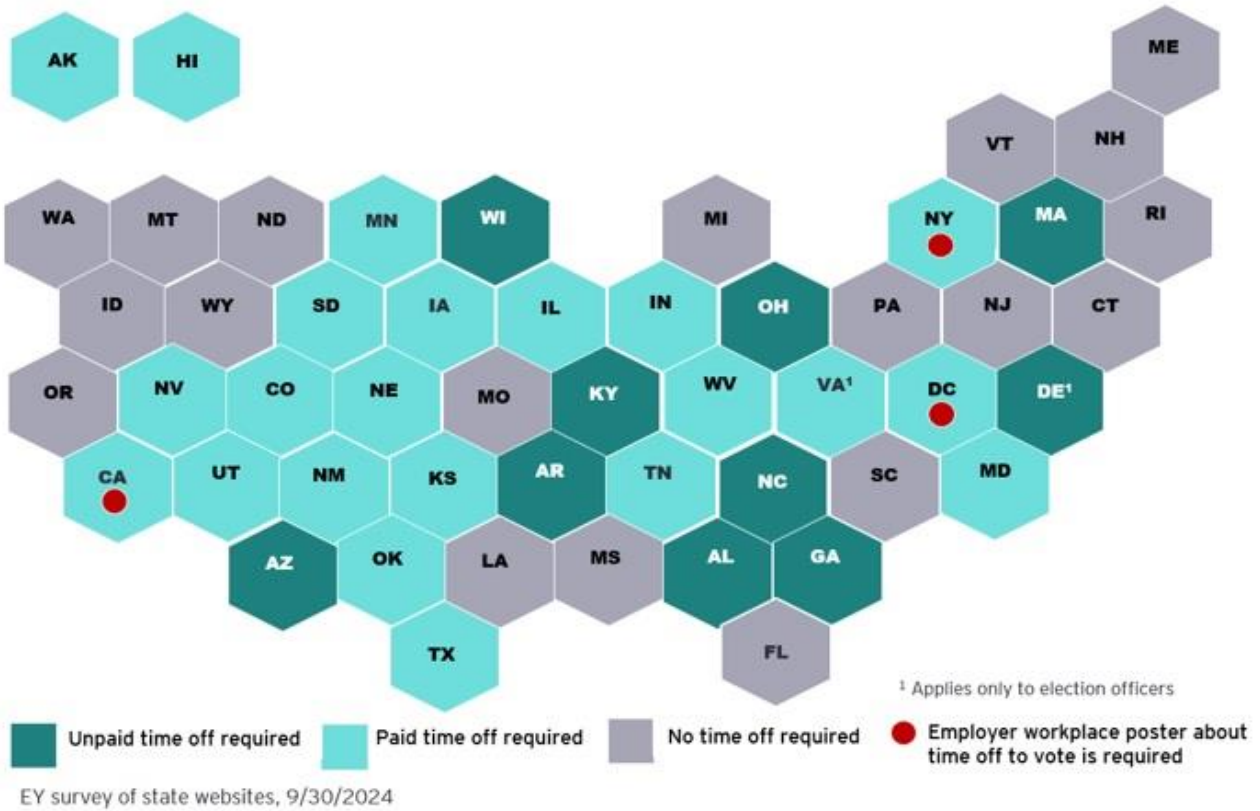
While there is no federal requirement to give employees voting leave, 31 states and the District of Columbia have stepped in to fill the gap. State laws vary in terms of breadth and scope; therefore, some of the employer policy issues to consider include:

- Is leave paid or unpaid?
- How many hours of leave must be provided?
- Is the employee required to give advance notice of the need for leave?
- Is a workplace poster required informing employees of their right to leave?

As Election Day approaches, employers will need to confirm that they are compliant with laws that require eligible voters have sufficient time off to vote.

For more details about state requirements for time off to vote, see the chart [here](#).

Heatmap: Survey of state requirements governing employee time off to vote (as of September 30, 2024)



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- [Payroll Month in Review for October 2023](#)
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- [Payroll Month in Review for December 2023](#)
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Contact Employment Tax Advisory Services for more information

Kristie Lowery
kristie.lowery@ey.com

Ken Hausser
kenneth.hausser@ey.com

Debera Salam
debera.salam@ey.com

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