




## EY Payroll NewsFlash


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## 2025 state supplemental, flat tax and highest income tax withholding rates with hyperlinks to the latest withholding tables/instructions

To assist you in reviewing your state and US territory income tax withholding rates for 2025, 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 2025 federal income tax withholding tables*.)

### State legislative landscape

In 2024, numerous states adopted retroactive legislation to change their personal income tax rates and several states lowered their income tax rates effective January 1, 2025. It will be important for employers to monitor legislative developments throughout 2025.

Updates to this chart will be available in our 2025 *US Employment tax rates and limits* report, anticipated to be available in late January 2025, and updated throughout the year. You can find the report, once available, [here](#).

## Survey\*\* results as of January 7, 2025

- Click on the jurisdiction names below to view the latest income tax withholding tables/formulas and instructions.
- Changes from 2024 are highlighted in yellow.
- Turquoise highlighting indicates that 2025 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 <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
<a href="#">Alabama*</a>	8-1-24	5.0%	N/A	5.0%
<a href="#">American Samoa</a>	1-1-07	N/A	N/A	27.0%
<a href="#">Arizona</a>	1-1-23	N/A	2.5%	N/A
<a href="#">Arkansas*</a>	1-1-25	3.9%	N/A	3.9%
<a href="#">California*</a>	1-1-24	6.60% and 10.23% on bonus and stock options	N/A	14.63%
<a href="#">Colorado</a>	1-1-25 (Note that <a href="#">DR 1098 (1-1-25)</a> is used by employers to compute income tax withholding)	N/A	4.4%	N/A
<a href="#">Connecticut*</a>	1-1-25	N/A	N/A	6.99%
<a href="#">Delaware</a>	1-1-14	<a href="#">5.0% is recommended for deferred compensation payments</a>	N/A	6.60%
<a href="#">District of Columbia</a>	1-1-18	N/A	N/A	<a href="#">10.75%</a> (Effective 1-1-22, the highest income tax rate is 10.75% under D.C. Act 24-178; however, the last update to the withholding tables was in 2018 with the highest withholding rate shown at 8.95%. Employers are <a href="#">encouraged</a> to use <a href="#">the new rate table</a> that went into effect 1-1-22)

Jurisdiction	Last revision date of the income tax withholding formula/tables <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
<a href="#">Georgia</a>	1-1-25	N/A	5.39%	N/A
<a href="#">Hawaii</a>	1-1-25	N/A	N/A	7.9% (H.B. 2404 increases the standard deduction every two years through 2031 and raises the income tax limits that apply to income tax brackets in 2025, 2027 and 2029) (The top individual tax rate is 11%.)
<a href="#">Idaho</a>	5-21-24	N/A	5.695%	N/A
<a href="#">Illinois</a>	1-1-25	N/A	4.95%	N/A
<a href="#">Indiana</a>	1-1-25 (For the county income tax rates effective 1-1-2025, go <a href="#">here</a> )	N/A	3.00% 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
<a href="#">Iowa</a> *	1-1-25	6.0% (3.8% may be used)  (The Iowa Administrative Code has not yet been updated to reflect the reduced income tax rates under House File 2317. In an email to EY, the Iowa Department of Revenue said it will accept the supplemental rate of 3.8% effective 1-1-2025 according to the statute under HF 2317.)	N/A	3.8% (HF 2317, enacted in 2024, implements a flat tax income tax rate of 3.8% effective 1-1-25)

Jurisdiction	Last revision date of the income tax withholding formula/tables <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
<a href="#">Kansas</a> *	7-1-24	5.0%	N/A	5.58%
<a href="#">Kentucky</a>	1-1-25	N/A	4.0%	N/A
<a href="#">Louisiana</a>	1-1-25	N/A	3.09% (Effective 1-1-25, <a href="#">H.B. 10</a> replaces the previous graduated tax rate system with a flat tax of 3% for all filers. The standard deduction is also increased and will be indexed for inflation starting in 2026)	N/A
<a href="#">Maine</a> *	1-1-25	5.0%	N/A	7.15%
<a href="#">Maryland</a> *	1-1-24	N/A	N/A	Use the formula that appears when clicking on the rate that appears in the <a href="#">local tax table</a> . Withhold at 3.2% for residents of Maryland working in Delaware and other nonreciprocal states. ( <a href="#">Maryland Tax Facts</a> )
<a href="#">Massachusetts</a>	1-1-25	N/A	5.0% + <a href="#">4% surtax</a> on wages over \$1,083,150	9.0%
<a href="#">Michigan</a> *	1-1-24	N/A	4.25%	N/A
<a href="#">Minnesota</a> *	1-1-25	6.25%	N/A	9.85%
<a href="#">Mississippi</a>	1-1-25	N/A	4.4% ( <a href="#">HB 531</a> moved the state to a flat tax, effective 1-1-23. The	N/A

Jurisdiction	Last revision date of the income tax withholding formula/tables <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
			flat tax is lowered to 4.4% in 2025, 4.0% in 2026)	
<a href="#">Missouri</a> *	1-1-25	4.7%	N/A	4.7% (Governor Michael L. Parson <a href="#">announced</a> that effective January 1, 2025, the top personal income tax rate will be lowered from 4.8% to 4.7%. This decrease is the result of legislation enacted in 2022 under <a href="#">SB 3</a> and <a href="#">SB 5</a> , which allow for a potential decrease of 0.1% for each year that revenue goals are met until the top tax rate reaches 4.5%.)
<a href="#">Montana</a> *	1-1-25	5.0%	N/A	5.9%
<a href="#">Nebraska</a> *	1-1-25	5.0%	N/A	5.37% (The highest income tax rate is <a href="#">5.2%</a> for 2025. Under <a href="#">LB 754</a> enacted in 2023, the tax rates decrease each year through 2027)
<a href="#">New Jersey</a>	10-1-20	N/A	N/A	11.80%
<a href="#">New Mexico</a> *	1-1-24	5.90%	N/A	5.90%
<a href="#">New York</a> *	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%
<a href="#">North Carolina</a> *	1-1-25	4.35%	4.25% (Under <a href="#">HB 259</a> , enacted in 2023, the personal income tax rate is gradually reduced starting in 2024 until it	N/A

Jurisdiction	Last revision date of the income tax withholding formula/tables <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
			reaches 3.99% in 2026. For 2025, the tax rate is lowered from 4.5% to 4.25%)	
<a href="#">North Dakota</a> *	1-1-25	1.5%	N/A	2.5%
<a href="#">Ohio</a> *	7-1-24 <a href="#">School district tax effective 1-1-25</a>	3.5%	N/A	3.8% (The highest income tax rate effective 1-1-24 is <a href="#">3.5%</a> under <a href="#">HB 33</a> )
<a href="#">Oklahoma</a> *	1-1-25	4.75%	N/A	4.75%
<a href="#">Oregon</a> *	1-1-25	8.0%	N/A	9.90%
<a href="#">Pennsylvania</a>	1-1-23	N/A	3.07% plus local taxes	N/A
<a href="#">Puerto Rico</a>	1-1-17	N/A	N/A	33%
<a href="#">Rhode Island</a> *	1-1-25	5.99%	N/A	5.99%
<a href="#">South Carolina</a>	1-1-25	N/A	N/A	6.2% (Under <a href="#">H. 5100</a> (2024), the top tax rate was lowered to 6.2% retroactive to 1-1-24 with gradual decreases over the next four years until the top tax rate reaches 6.0%)
<a href="#">Utah</a>	6-1-24	N/A	4.55%	N/A
<a href="#">Vermont</a> *	1-1-25	30% of federal income tax withholding (6% for payments under a nonqualified deferred compensation plan)	N/A	8.75%
<a href="#">Virginia</a> *	4-1-24	5.75%	N/A	5.75%
<a href="#">West Virginia</a> *	1-1-25	N/A	N/A	<a href="#">4.82%</a> ( <a href="#">SB 2033</a> reduced the personal income tax

Jurisdiction	Last revision date of the income tax withholding formula/tables <sup>1</sup>	Supplemental withholding rate	Flat income tax withholding rate	Highest marginal income tax withholding rate <sup>2</sup>
				rate by an additional 2% effective 1-1-25. Future rate reductions of not more than 10% apply if revenue goals are met)
<a href="#">Wisconsin*</a>	6-1-24	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 2025 state income tax withholding rates in our *2025 US Employment tax rates and limits* report, available in late January 2025, 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, Louisiana, Nebraska and Ohio).

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

There were many states that enacted retroactive changes to their personal income tax rates in 2024 (see our [2024 employment tax rates and limits report](#)). 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.

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## 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 3.9% of the bonus or commission for state income tax. (*Arkansas Withholding Tax Employer's Instructions*, [p.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 under the Administrative Code is 6%; however, the Idaho Department of Revenue told EY that it will accept the highest withholding rate under statute as the supplemental rate. (*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.

## Minnesota

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

## Missouri

The supplemental rate of withholding is 4.7%. (*2025 Missouri Employer's Tax Guide*, [p. 5.](#))

## Montana

The supplemental rate of withholding is 5%. (*Withholding Tax Guide with Montana Withholding Tax Tables*, [p. 3.](#))

## Nebraska

The supplemental withholding rate is 5%. (*2025 Nebraska Circular EN*, [p. 10.](#))



## 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 4.35%. (*North Carolina 2025 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. 54.*)

## 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. 20.*)

## West Virginia

There is no supplemental rate of withholding allowed. (*West Virginia Publication TSD 381.*)

Wisconsin

A flat tax of withholding is allowed based on the range of the employee's annual gross salary. (*Wisconsin Withholding Tax Guide*, [p. 25](#))

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