



# EY Payroll Newsflash

*Employment Tax Advisory Services*

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## 2026 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 2026, the following chart contains hyperlinks to the most recent income tax withholding formulas/tables published by the states and US territories, information concerning their respective highest income tax withholding rates (based on their percentage method of withholding) or flat tax withholding rates, and, if applicable, their supplemental withholding rates.

Updates will be made to publication throughout the year. You can find this and other of our special reports [here](#).

### 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.

■ ■ ■  
The better the question.  
The better the answer.  
The better the world works.

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 2026 federal income tax withholding tables.)

## State income tax withholding tables, supplemental withholding rates and highest withholding tax rates for 2026

Click on the jurisdiction names below to view the latest income tax withholding tables/formulas and instructions.

- Changes from 2025 are highlighted in yellow.
- Turquoise highlighting indicates that 2026 withholding tables/formula are anticipated but not yet available.

The information shown is from the tables/formula currently available on the jurisdictions' websites. Updates to this chart will be made throughout the year and can be found [here](#).

Jurisdiction	Last revision date of 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>
Alabama*	1-1-25	5.0%	N/A	5.0%
Arizona	1-1-23	N/A	2.5%	N/A
Arkansas*	1-1-26	3.9%	N/A	3.9%
California*	1-1-26	6.60% and 10.23% on bonuses and stock options	N/A	14.63%
Colorado	1-1-26 (Note that DR 1098, rev. 1-1-26 provides the formula for income tax withholding)	N/A	4.4%	N/A
Connecticut*	1-1-26	N/A	N/A	6.99%

Jurisdiction	Last revision date of 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>
Delaware	1-1-14	It is recommended the % withheld should not be less than <a href="#">5.0%</a>	N/A	6.60%
District of Columbia	<a href="#">1-1-18</a>	N/A	N/A	<a href="#">10.75%</a>  (The tax rate was legislatively changed in 2022; however, the Income tax withholding instructions have not been updated since 2018 (for the full tax rate schedule go <a href="#">here</a> ))
Georgia	<a href="#">1-1-26</a>	N/A	5.19%  (Under <a href="#">H.B. 111</a> , enacted in 2025, the tax rate may be lowered by 0.10% annually, until the rate reaches 4.99%)	N/A
Hawaii	<a href="#">1-1-26</a>	N/A	N/A	7.9%  ( <a href="#">H.B. 2404</a> , enacted in 2025, increases the standard deduction every two years through 2031 and raises the income that applies to the income tax brackets in 2025, 2027 and 2029)  <a href="#">(The top individual tax rate is 11%)</a>
Idaho	4-28-25	N/A	5.3%	N/A
Illinois	<a href="#">1-1-26</a>	N/A	4.95%	N/A

Jurisdiction	Last revision date of 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>
Indiana	1-1-26	N/A	2.95% plus local tax rate  ( <a href="#">H.B. 1001</a> , enacted in 2023, lowered the tax rate starting in 2024 with additional tax cuts each year until the rate reaches 2.95% in 2026 and 2.90% in 2027; <a href="#">S.B. 41</a> , enacted in 2025, further lowers the tax rate in future years if revenue goals are met)	N/A
Iowa*	1-1-26	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 <a href="#">HF 2317</a> )	3.8%  (The 2026 withholding formula and IA W-4 are updated to reflect tax law changes impacting the standard and itemized deductions)	N/A
Kansas*	7-1-24	5.0%	N/A	5.58%  ( <a href="#">S.B. 269</a> , enacted in 2025, gradually lowers the tax rates until they reach 4.0% if revenue goals are met)

Jurisdiction	Last revision date of 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>
Kentucky	1-1-26	N/A	3.5% (Effective 1-1-26, <a href="#">H.B. 1</a> lowers the state's income tax rate from 4.0% to 3.5%; in subsequent years, the legislature may further reduce the income tax rate to zero if budget requirements are met)	N/A
Louisiana*	1-1-26	N/A	3.09%	N/A
Maine*	1-1-26	5.0%	N/A	7.15%
Maryland	7-1-25	6.5% plus the applicable local tax rate (the highest local tax rate is 3.3%)	N/A	6.5% plus local tax shown in the local tax table ( <a href="#">Maryland Tax Facts 2025</a> )
Massachusetts	1-1-26	N/A	5.0% + <a href="#">4% surtax</a> on wages over \$1,107,750	9.0%
Michigan	1-1-26	N/A	4.25%	N/A
Minnesota*	1-1-26	6.25%	N/A	9.85%

Jurisdiction	Last revision date of 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>
Mississippi	1-1-26	N/A	4.0% ( <a href="#">H.B. 1</a> lowers the personal income tax rate in tax years 2026 through 2030 and provides for a possible total phase out of the income tax after 2030 if revenue goals are met; the tax rate is 4.00% for 2026, 3.75% for 2027, 3.5% for 2028, 3.25% for 2029, 3.0% for 2030)	N/A
Missouri*	1-1-26	4.7%	N/A	4.7%
Montana*	1-1-26	5.0%	N/A	5.65% (Under HB 337, enacted in 2025, the top marginal tax rate is decreased from 5.9% to 5.65%, with another cut scheduled for 2027; under <a href="#">SB 3</a> and <a href="#">SB 5</a> , enacted in 2022, the Governor has the authority to lower the income taxes by up to 0.1% until the top rate reaches 4.5%, provided revenue goals are met)

Jurisdiction	Last revision date of 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>
Nebraska*	1-1-26	3.5%	N/A	4.60% (L.B. 754, enacted in 2023, gradually lowers the state's income tax rate for the fourth and third brackets; effective January 1, 2026, the rate for the third and fourth brackets is reduced from 5.20% to 4.55%, and 3.99% in 2027 (note that similar to a few other states, the withholding tax rate is higher than the statutory tax rate))
New Jersey	10-1-20	N/A	N/A	11.80%
New Mexico*	1-1-26	5.90%	N/A	5.90%
New York*	1-1-26	11.70% (New York City resident is 4.25%, Yonkers resident is 1.95975%, Yonkers nonresident is 0.50%)	N/A	11.70%
North Carolina*	1-1-26	4.09%	4.09%	N/A (H.B. 259, enacted in 2023, gradually lowers the tax rate for years 2024 to 2026; the tax rate is 3.99% in 2026 (note that similar to a few other states, the withholding tax rate is higher than the statutory tax rate))
North Dakota*	1-1-26	1.5%	N/A	2.5%
Ohio*	10-1-25	2.75%	N/A	3.640% (H.B. 96, enacted in

Jurisdiction	Last revision date of 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>
Oklahoma*	1-1-26	4.50%	N/A	2025, lowers the top personal for 2026 to 2.75% for income over \$26,050. (note that similar to a few other states, the withholding tax rate is higher than the statutory tax rate)
Oregon*	1-1-26	8.0%	N/A	9.90%
Pennsylvania	1-1-23	N/A	3.07% plus local taxes	N/A
Rhode Island*	1-1-26	5.99%	N/A	5.99%
South Carolina	1-1-26	N/A	N/A	6.0% (Although H. 2025 lowered the state tax rate from 6.2% to 6.0%, the South Carolina withholding formula was not revised for 2025; the reduction to 6.0% is reflected in the 2026 withholding formula)

Jurisdiction	Last revision date of 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>
Utah	4-1-25	N/A	4.5%	N/A
Vermont*	1-1-26	30% of federal income tax withholding (6% for payments under a nonqualified deferred compensation plan)	N/A	8.75%
Virginia	7-1-25	5.75%	N/A	5.75%
West Virginia*	10-1-24	Use the annual table to compute the withholding rate	N/A	4.82% ( <a href="#">SB 2033</a> , enacted in 2025, allows for future tax rate reduction if revenue goals are met)
Wisconsin	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% (Retroactive to 1-1-25, <a href="#">Act 15</a> expands the second-lowest tax rate of 4.4% to single filers earning up to \$50,480 and married couples filing jointly up to \$67,300; the withholding formula is not yet revised)

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 government 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.

#### Legend

\* See notes below.

1. You can find updates to the 2026 state income tax withholding rates in our 2026 employment tax rates and limits report, available in late January 2026, 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, Nebraska, North Carolina 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 rates (e.g., South Carolina and Wisconsin).

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 the 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 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). (*2026 California Employer's Guide*, [p. 18](#).)

### **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](#).)

### **Louisiana**

The Louisiana Department of Revenue explains that "the withholding rate of 3.09% is higher than the state income tax rate of 3.0% because a 0.09% additional withholding was added as a "cushion" to avoid the situation where an individual has non-wage income with no withholdings remitted. Prior to 2022, the withholding tables included a similar cushion based on estimates of the federal deduction. Between 2022-2024, no cushion existed, and the formula provided exact withholding. Taxpayers went from receiving a refund to having a balance due for the first time ever. We're hoping to prevent that going forward." (*EY communication with the Louisiana Department of Revenue, 1-9-2025*.)

### **Maine**

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

## **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%. (*2026 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 3.5%. (*2026 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 4.09%. (*North Carolina 2026 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. 57](#).)

## **Ohio**

Although the statute sets the supplemental withholding rate at 3.5%, the Ohio Department of Revenue (Department) states on its website that the rate is 2.75%. (*Ohio Administrative Code 5703-7-10*, rev. 11-23-2018; [Department website](#), see "Tax Rates" section.)

## **Oklahoma**

The supplemental withholding rate is the highest withholding rate. (*Okl. 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**

Instead of a single supplemental withholding rate, the WV withholding rate is determined by annual wages. See this [link](#) for how to calculate West Virginia withholding for supplemental income under "To Calculate Supplemental Withholding."

**Wisconsin**

A flat tax rate 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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