

EY Payroll NewsFlash Workforce Tax Services

Tax. Benefits. Human Resources. Working together with you.

EY

Shape the future
with confidence



 Contact us for more information

 Join us on LinkedIn

Vol. 27, 005
January 26, 2026

State unemployment insurance wage bases and tax rates for 2026 (preliminary as of January 25, 2026)

- Twenty-eight jurisdictions have a flexible state unemployment insurance (SUI) wage base, meaning that the wage base can increase each year. In the remaining jurisdictions, the wage base is set, requiring legislation to change it.
- Two states, Nebraska and Rhode Island, assign a higher SUI wage base to employers with a high claims rate.
- The wage base for 2026 is lower than 2025 in four states: Iowa, Louisiana, Missouri and Oklahoma.
- For a comparison of the 2025 and 2026 SUI wages and the percentage of increase/decrease, if applicable, see [EY Tax Alert 2026-0124](#).
- For updates to this information see our special report, US employment tax rates and limits for 2026, which once available, will be posted [here](#).

State unemployment insurance (SUI) trust funds are largely financed by employer contributions (in Alaska, New Jersey and Pennsylvania employees also make contributions). States are required to maintain a SUI taxable wage base of no less than the limit set under the Federal Unemployment Tax Act (FUTA). The 2026 FUTA wage limit of \$7,000 has remained unchanged since 1983, despite increases in the federal minimum wage and annual cost-of-living adjustments over the last 43 years.

Some states are conservative in their approach to maintaining adequate SUI trust fund reserves. Consequently, the SUI wage base is flexible in those states, meaning it is indexed to the average wage and/or varies based on the trust fund balance. For 2025, 28 jurisdictions have a flexible wage base. (EY survey of states for 2026; US Department of Labor, [Comparison of State Unemployment Laws](#))

SUI tax rates

The attached chart contains the 2026 SUI wage bases and the minimum and maximum SUI tax rates, including surcharges that are not certified and not included in state SUI wages on the federal Form 940. Information is also provided concerning the date that the 2025 SUI rate notices were issued. See the footnotes for details about special actions some states took to lessen increases in their

SUI tax rates and/or wage bases for 2026.

SUI wage bases and tax rates for 2026 (as of January 25, 2026)

Note that the hyperlinks on the jurisdiction name point to the source of the SUI tax rate information.

(SUI rate information that is highlighted in gray is for 2025 because the 2026 information is not yet available. Wage base information for 2026 is complete unless “TBD” or “EST” is indicated. Information concerning the mailing of 2026 rate notices was not yet available at the time of this printing if highlighted in gray.)

See the chart on the following page.

Jurisdiction	2025 taxable wage base	2026 range of SUI tax rates for merit-rated employers ¹	2026 rate for new employers ⁶	2026 employee rate	2026 surcharge not reported on Form 940 ²
Alabama (2026 rate notice mailed 12-18-25)	\$8,000	0.14–5.34% Schedule A	2.7%	None	0.06% ³ (Employment Security Enhancement Assessment or ESA)
Alaska ⁵ (2026 rate notice mailed 12-1-25)	\$54,200 [↑]	1.0–5.4%	Varies	0.50%	None
Arizona (2026 rate notice mailed 12-29-25)	\$8,000	0.03–8.36% ^{↓□}	2.0% [□]	None	None
Arkansas* ⁵ (2025 rate notice mailed 1-16-25)	\$7,000	0.200%–10.100% [□]	2.0% [↑]	None	0.100% ^{↓⁴} (Administrative Assessment)
California (2026 rate notice mailed 12-31-25)	\$7,000	1.5–6.2% Schedule F+	3.4%	None	0.10% ³ (Employment Training Tax or ETT)
Colorado* ⁵ (2026 rate notice mailed 11-10-25)	\$30,600 [↑]	0.56–7.34% [↓]	1.53% [□] (building 1.53–7.65%) [□]	None	% of employer’s SUI rate varies by industry (Support Rate) ⁴ % of employer’s SUI rate varies by industry (Solvency Surcharge) ⁴
Connecticut* ⁵ (2026 rate notice mailed 12-29-25)	\$27,000 [↑]	1.1–9.9% [↑]	1.9% [↓]	None	None
Delaware* (2025 rate notice mailed 1-16-25)	\$14,500 [↑]	0.30–5.40 [□]	1.0% [□]	None	0.2% ³ (special training tax assessment)
District of Columbia ⁷ (2025 rate notice mailed 1-10-2025)	\$9,000	1.9–7.4% (Tax Table VI)	2.7%	None	0.2% ³ (Administrative assessment)

Jurisdiction	2025 taxable wage base	2026 range of SUI tax rates for merit-rated employers ¹	2026 rate for new employers ⁶	2026 employee rate	2026 surcharge not reported on Form 940 ²
Florida (2026 rate notice mailed 12-16-25)	\$7,000	0.1–5.4%	2.7%	None	None
Georgia* ⁷ (2026 rate notice mailed 1-5-26)	\$9,500	0.04–8.1% <input type="checkbox"/>	2.64% <input type="checkbox"/> (Remains in effect through December 31, 2026)	None	0.06% ³ (Administrative Assessment)
Hawaii* ⁵ (2025 rate notice mailed 3-14-25)	\$64,500 [↑]	0.1%–5.6%	2.4%	None	0.01% ³ (Employment and Training (E&T) Assessment Rate)
Idaho* ⁵ (2026 rate notice mailed 12-12-25)	\$58,300 [↑]	0.208–5.4% <input type="checkbox"/>	1.00%	None	0.02082% to 0.00624% ^{↑3} <input type="checkbox"/> (Workforce Rate surcharge) 0.00% to 0.0% ^{↓3} <input type="checkbox"/> (Admin Rate surcharge)
Illinois* ⁵ (2025 rate notice mailed 12-17-24)	\$14,250 [↑]	0.750 [↑] –7.050% <input type="checkbox"/>	3.350% <input type="checkbox"/> including FRR (no special industry rates) <input type="checkbox"/>	None	0.55% ³ (Fund Building Rate- FRR)
Indiana* (2026 rate notice mailed 12-08-25)	\$9,500	0.5–7.4% Schedule C	2.5% (1.6% government, building rate varies)	None	0.0% (solvency surcharge)
Iowa* ⁵ (2026 rate notice mailed 11-20-25)	\$20,400 [↓]	0–5.4% Table D	1% (building 5.4%)	None	None
Kansas* ⁵ (2025 rate notice mailed 11-06-24)	\$15,100 [↑]	0.00–6.95% [↑] Schedule C	1.75% (building 5.55%, 0.10% government) <input type="checkbox"/>	None	0.0% (Fund building surcharge)
Kentucky* (2026 rate notice mailed 12-29-25)	\$12,000 [↑]	0.3%–9.0% Schedule A	2.7% (building 9% to 10%)	None	0.00% ^{↓3} (Service Capacity Upgrade Fund Tax (SCUF))
Louisiana ⁵ (2026 rate notice mailed 12-10-25)	\$7,000 [↓]	0.09–6.2%	Varies (average rate for employers in the same industrial classification (NAICS code))	None	Varies ⁴ (Incumbent Worker Training Program and Integrity Social Charge Fund rates)
Maine* (2026 rate notice mailed 12-19-25)	\$12,000	0.0–6.29% [↑] Schedule A	2.23% <input type="checkbox"/>	None	0.14% ³ <input type="checkbox"/> (Competitive Skills Scholarship Fund or CSSF) 0.17% ^{↑3} <input type="checkbox"/> (Unemployment Program Administrative Fund or UPAF)
Maryland (2025 rate notice mailed 3-17-25)	\$8,500	0.3–7.5% Table A	1.0 to 2.6% (building, varies)	None	None

Jurisdiction	2025 taxable wage base	2026 range of SUI tax rates for merit-rated employers ¹	2026 rate for new employers ⁶	2026 employee rate	2026 surcharge not reported on Form 940 ²
Massachusetts (2025 rate notice mailed 1-21-24)	\$15,000	0.83–12.65% [□] Schedule D	2.13% [□] (building 5.45% [□])	None	0.056% ³ (Workforce Training Fund or WTF)
Michigan* ^{5, 7} (2026 rate notice mailed 12-30-25)	\$9,000 [□] (\$9,500 for delinquent employers)	0.06–10.3%	2.7% (building 4.9%) [□]	None	None
Minnesota* ⁵ (2026 rate notice mailed 12-12-25)	\$44,000 [↑]	0.40–8.9% [□] (For 2026, an additional assessment of 14% [↑] of the SUI tax due applies because the trust fund balance fell below the specified threshold as of March 31, 2025)	Varies by industry with rates ranging from 1.0% to 8.90%	None	0.1% (Workforce Development Assessment) 0.0% ³ (Federal interest assessment)
Mississippi (2025 rate notice mailed 3-3-25)	\$14,000	0.2–5.4%	1%, 1.1%, 1.2%	None	0.2% ³ (Workforce investment, Mississippi Works, and Workforce Enhancement Training surcharges)
Missouri* ⁵ (2026 rate notice mailed 11-18-25)	\$9,000 [↓]	0–6.0%	2.376% (nonprofit 1%)	None	0.02% ³ (Automation Adjustment)
Montana* ⁵ (2026 rate notice mailed 12-16-25)	\$47,300 ^{↑□}	0–6.12% Schedule 1	Varies (1.0%–2.0%) [□]	None	0.18% ⁴ (Administrative Fund Tax or AFT)
Nebraska* (2026 rate notice mailed 12-12-25)	\$9,000/\$24,000	0–5.4% (For 2026, a SUIT Allocation surcharge applies of 20% of the employer's SUI tax rate)	1.25% (building 5.4%)	None	
Nevada ⁵ (2026 rate notice mailed 12-23-25)	\$43,700 ^{↑□}	0.25–5.4%	2.95%	None	0.05% ³ (Career Enhancement Program (CEP) surcharge)
New Hampshire ⁸ (Rate notices for fiscal year 2026 mailed on 8-27-25)	\$14,000	2.7–7.0% Table I effective 7-1-25 to 9-30-26, rates may change each quarter)	2.7% (effective 7-1-25 to 9-30-26)	None	0.4% ³ (Administrative Surcharge or AC)
New Jersey ^{5, 8} (Rate notices for fiscal year 2026 mailed on 8-22-25)	\$44,800 ^{↑□}	0.5%–5.8% Table C (effective 7-1-25 to 6-30-26)	2.6825% [↓] (effective 7-1-25 to 6-30-26)	0.0825%	0.1% ⁴ (Workforce Development Fund) 0.0175% ⁴ (Supplemental Workforce Fund)
New Mexico* ^{5, 7} (2026 rate notice mailed on 11-26-25)	\$34,800 [↑]	0.33–6.4%	1% (or industry average if higher)	None	None
New York* ^{5, 7} (2025 rate notice mailed 2-10-25)	\$17,600 [↑]	0.25–9.825	4.025%	None	0.075% ³ (Reemployment Services Fund Surcharge) 0.00% ^{↓3} (Interest Assessment Surcharge)

Jurisdiction	2025 taxable wage base	2026 range of SUI tax rates for merit-rated employers ¹	2026 rate for new employers ⁶	2026 employee rate	2026 surcharge not reported on Form 940 ²
North Carolina ⁵ (2025 rate notice mailed on 12-16-24)	\$34,200 [↑] <input type="checkbox"/>	0.06–5.76%	1.0%	None	None
North Dakota ⁵ (2025 rate notice mailed on 12-6-24)	\$46,600 [↑] <input type="checkbox"/>	0.10–9.67% [↓] <input type="checkbox"/>	1.03% [↓] <input type="checkbox"/> 6.07% [↓] <input type="checkbox"/> (building 9.67% [↓] <input)<="" td="" type="checkbox"/> <td>None</td> <td>None</td>	None	None
Ohio* (2026 rate notice mailed on 11-7-25)	\$9,000	0.55–10.25% [↑] <input type="checkbox"/>	2.7% (building 5.6%)	None	0.15% [↑] ³ (Technology and Customer Service Fee)
Oklahoma* ⁵ (2026 rate notice mailed 9-30-25)	\$25,000 [↓] <input type="checkbox"/>	0.2–5.8% [↓] Conditional Factor A and State Factor of 30%	1.5%	None	5% of the SUI tax rate (OESC Technology Reinvestment Assessment was reinstated effective 1-1-2023 and through 12-30-27 under HB 2456)
Oregon ⁵ (2026 rate notice mailed on 11-14-25)	\$56,700 [↑] <input type="checkbox"/>	0.9–5.4% <input type="checkbox"/> Schedule 3	2.4% <input type="checkbox"/>	None	0.135% (Special Payroll Tax Offset)
Pennsylvania (2026 rate notice mailed on 12-31-25)	\$10,000	1.4190–10.3734% <input type="checkbox"/>	3.8220% <input type="checkbox"/> (building 10.5924% <input)<="" td="" type="checkbox"/> <td>0.07%</td> <td>0.00% (Interest tax factor for bonds sold to repay the federal UI loan)</td>	0.07%	0.00% (Interest tax factor for bonds sold to repay the federal UI loan)
Puerto Rico* ⁷ (2025 rate notice mailed 12-6-24)	\$7,000	2.0–5.4% <input type="checkbox"/> Table E	3.4%	None	1.00% (Tax Rate Special Assessment) ³
Rhode Island* ⁵ (2026 rate notice mailed on 1-2-26)	\$30,800/ \$32,300 [↑] <input type="checkbox"/>	0.9–9.4% [↓] <input type="checkbox"/> Schedule F	1.00% <input type="checkbox"/>	None	0.21% ³ (Job Development Fund or JDF)
South Carolina (2026 rate notice mailed on 11-21-25)	\$14,000	0–5.4%	1.0%	None	0.06% ³ (Contingency Surcharge) 0.00% ³ (Solvency Surcharge)

Jurisdiction	2025 taxable wage base	2026 range of SUI tax rates for merit-rated employers ¹	2026 rate for new employers ⁶	2026 employee rate	2026 surcharge not reported on Form 940 ²
South Dakota (2026 rate notice mailed on 10-31-25)	\$15,000	0–9.39% ⁴	1.2%, 1.0% (building 6%, 3%)	None	0.08% ^{↑3} (Administrative Fee Surcharge) 0.00–0.53% ^{↓3} (Investment Fee)
Tennessee* ⁸ (Rate notices for fiscal year 2026 mailed August 14, 2025)	\$7,000	0.01–10% (Table 6) (effective 7-1-25 to 6-30-26)	Rate is based on the reserve ratio of the industry (NAICS) sector	None	None
Texas (2026 rate notice mailed 12-22-25)	\$9,000	0.32–6.32% [↑]	2.7% (or industry average if higher)	None	0.10% ³ (Employment & Training Investment assessment) 0.01% ^{↑3} (Bond Obligation Assessment Rate)
Utah ⁵ (2026 rate notice mailed on 12-10-25)	\$50,700 [↑] [□]	0.1–7.1% [↓]	Building 7.1% [↓] (Other rates vary by industry)	None	None
Vermont ^{5, 8} (2026 rate notice mailed 6-25-25)	\$15,400 [↑] [□]	0.4%–5.4% Schedule 1 (effective 7-1-25 to 6-30-26)	1% (varies for certain industries) (effective 7-1-25 to 6-30-26)	None	None
Virginia* (2026 rate notice mailed 12-29-25)	\$8,000	0.1–6.2% [□]	2.5% (6.2% for foreign contractors and delinquent employers)	None	0.00% (Fund Building Surcharge) 0.05% (Administrative Fee Charge)
Virgin Islands ⁵ 24 V.I.C. §308 (2025 rate notice mailed 2-11-25)	\$32,100 [↑] [□]	2.43%–5.4% [↓] [□]	2%	None	\$25 per employee (Interest assessment for federal loan)
Washington ⁵ (2026 rate notice mailed on 12-5-25)	\$78,200 [↑]	0.00–6.12% [↑] [□]	90% of the industry average and a minimum of 1.0%	None	0.03% ³ (Employer Administrative Fund or EAF) 0.00% ³ (Solvency Surcharge)
West Virginia* (2026 rate notice mailed on 12-17-25)	\$9,500 [□]	1.5–8.5% Column C	2.7% (building 8.5%)	None	None
Wisconsin (2026 rate notice mailed on 10-06-25)	\$14,000	0.0–12% (small employer); 0.05–12% (large employer) Schedule D	3.05% for small employer; 3.25% for large employer; 2.5%/2.7% for building	None	None
Wyoming* ^{5, 7} (2026 rate notice mailed on 12-31-25)	\$33,800 [↑] [□]	0%–8.5%	Varies	None	0.060 ^{↑3} (Employment Support Fund Factor) 0.020 ^{↑3} (Workforce Development Fund Training Factor)

Footnotes:

* See state-specific note 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, may change over time and hence cannot be relied upon.

[↑] Increase from prior year

 Decrease from prior year

EST – 2026 SUI wage base is estimated.

TBD — 2026 SUI wage base has not yet been published.

¹ This is the base SUI tax rate that is eligible for the 5.4% federal unemployment insurance (FUTA) tax credit and is reported on Form 940 as a state contribution. This rate does not include surcharges that are not eligible for the 5.4% FUTA credit.

² Additional surcharges are those rates that are not certified to the federal government as employer unemployment taxes for Form 940 purposes. Unless otherwise noted, the surcharge is in addition to the range of UI rates for merit-rated employers shown in the third column. Certain employers (i.e., maximum — rated) may be exempt from the surcharge. For states that have borrowed from the federal government, an additional surcharge for payment of interest may apply.

³ The surcharge is shown separately on the quarterly contribution report (or billed on a separate notice).

⁴ The surcharge is combined with the unemployment tax rate on the quarterly contribution report. Deduct the surcharge when completing the Form 940 worksheet.

⁵ The wage base is adjusted annually.

⁶ "Building" refers to the construction industry.

⁷ 2026 SUI tax rate information is not yet available. See gray shaded cells.

⁸ The state's SUI tax rates are in effect July 1 through June 30.

Arkansas

Under [HB 1430](#) (2023 Act 196), effective January 1, 2024, the SUI taxable wage is \$7,000 when the UI Trust Fund is in excess of \$600 million as of June 30 of the most recently completed state fiscal year and increases to the taxable wage base are limited to \$2,000 each year. ([Ark. Code Ann. § 11-10-215](#).)

Colorado

Legislation in 2020 ([SB 20-207](#)) held the SUI taxable wage base at \$13,600 for calendar year 2021 with incremental increases each year thereafter until it reaches \$30,600 in 2026.

Specifically, SB 20-207 provides that the SUI taxable wage base will increase incrementally to \$30,600 by calendar year 2026.

Under the legislation, the SUI taxable wage base is set at:

- \$13,600 for 2021
- \$17,000 for 2022
- \$20,400 for 2023
- \$23,800 for 2024
- \$27,200 for 2025
- \$30,600 for 2026

After 2026, the wage base is adjusted by changes in the annual average weekly wage.

Connecticut

Under [HB 6633/Public Act 21-200](#), enacted in 2021, the taxable wage base is indexed each year for inflation.

Delaware

Effective January 1, 2024, [HB 236](#) (2023) redirects the Special Assessment from the SUI trust fund to a special administrative fund to pay for future technology needs. Therefore, starting in 2024, the Special Assessment of 0.2% (previously 0.15%) is not included in certified SUI contributions reported on the federal Form 940. (See EY Tax Alert [2023-1813](#).)

[HB 433](#) (2024) phases in a permanent taxable wage base over three years — \$12,500 for calendar year 2025, \$14,500 for calendar year 2026, and \$16,500 for calendar year 2027 and thereafter.

Effective in 2027, the current benefit wage ratio methodology will be replaced with the benefit ratio methodology. Until the effective date of that new tax rate structure, HB 433 provides temporary relief to experience-rated employers in calendar years 2025 and 2026 by reducing new employer tax rates, simplifying tax rate schedules, reducing or holding constant overall employer tax rates, and lowering the maximum SUI tax rate.

Georgia

Effective January 1, 2024, [SB 160](#) (2024) restores the administrative assessment of 0.6% through December 31, 2026. The administrative assessment,

which is shown on the quarterly SUI return, applies only to experience-rated employers and not to reimbursing employers or those assigned the new employer rate.

The assessment is not included in SUI contributions reported on the federal Form 940. SB 160 also reverts the new employer rate to the lower 2.64% through December 31, 2026, and returns it to 2.7% effective January 1, 2027.

Hawaii

In 2022, [HB 2471](#)/Act 281 amended the definition of “adequate reserve fund,” the factor used to determine the SUI rate schedule for the calendar year, to exclude the Benefit Cost Rate (BCR) from June 2020 to August 2021, effective from calendar years 2023 through 2030.

Idaho

Effective January 1, 2024, [H.B. 428](#) staves off a large increase in SUI tax rates by lowering the multiplier from 1.3 to 1.2 in determining the size of the unemployment insurance (UI) trust fund.

The reduction in the multiplier to 1.2 lowered the 2024 SUI tax increase by 20%, resulting in net savings to employers of \$44 million. It is anticipated that employer tax savings will be \$117 million by the end of five years.

Illinois

Note that an experience rate of 5.4% applies to employers with a contribution rate higher than 5.4% but total quarterly wages of less than \$50,000.

Indiana

Legislation enacted in 2020 ([HB 1111](#)) set a new SUI series of rate schedules in the state’s UI law, beginning calendar year 2021. However, for calendar years 2021–2025, the bill froze employer basic SUI contribution rates (under new basic Rate Schedule C) to within the same range of basic rates as were in effect for calendar years 2011–2020 (under previous basic Rate Schedule E).

Iowa

On June 5, 2025, Governor Kim Reynolds signed [Senate File 607](#) into law, simplifying Iowa’s UI tax tables and cutting the maximum employer tax rate from 9% to 5.4%, while also significantly reducing the portion of wages subject to SUI. As a result of the new law, the taxable wage base for calendar year 2026 decreased to \$20,400, down from \$39,500 in 2025.

Kansas

Under [H.B. 2570](#) enacted in 2024, the wage base is set at \$14,000 through 2025. Effective in 2026, the wage base will be based on a percentage of the statewide average annual wage.

Starting in 2025, H.B. 2570 revised the SUI rate schedules to include a 0% rate group for employers with the highest positive rating and SUI tax rates are lowered for all positive-rated employers. Also starting in 2025, the SUI tax rate for new employers was lowered from 6% to 5.55% for construction industry employers, and from 2.7% to 1.75% for all other employers.

Starting in 2026, changes are also made to the solvency and credit rate adjustments in conformity with the adjustments to the SUI wage base.

Kentucky

The taxable wage base was subject to incremental increases of \$300 per year until it reached \$12,000.

New Kentucky construction employers are assigned the highest rate in the rate chart in effect for the calendar year. (*Kentucky Unemployment Insurance Employer Guide*, p. 25.)

Maine

The Unemployment Program Administrative Fund (UPAF) was created in 2021 to ensure adequate funding for the state’s UI program ([2019 Chapter 616](#)). This surcharge is not credited to employer accounts as SUI taxes and should not be used when calculating the federal unemployment (FUTA) liability on Form 940.

Michigan

The law provides for a reduced taxable wage base of \$9,000 if the Trust Fund balance reaches or exceeds \$2.5 billion for two consecutive quarters; otherwise, the wage base is \$9,500. ([Michigan taxable wage base](#).)

To qualify for the lower wage base of \$9,000, individual employers are required to be in “good standing,” which means they have filed all SUI quarterly tax reports and there are no missing reports or estimated reports. Also, an employer’s unpaid SUI tax contribution (including tax, penalty or interest) cannot exceed \$25.

Delinquent employers are sent Form 6354, *Notice of \$9500 Taxable Wage Base*, to remind them to file any missing report and/or pay any outstanding balance. Delinquent employers have 14 days to fix outstanding issues with their account to qualify for the wage base reduction. ([Michigan Employer Advisor, December 2024](#).)

Minnesota

Per Minnesota law, the base tax rate and whether an additional assessment will be in effect for any year is determined by the balance in the UI Trust Fund on March 31 of the previous year.

Missouri

Effective January 1, 2023, [H.B. 2168](#) requires employers with an unemployment contribution rate greater than zero to pay an annual unemployment automation adjustment surcharge of 0.02% of its total taxable wages for the 12-month period ending the preceding June 30. The automation adjustment is used to modernize the state’s unemployment automated systems and improve the program. The Division of Employment Security is authorized to reduce the percentage to ensure that the total amount collected annually does not exceed \$5 million. This surcharge is not credited to employer accounts as SUI taxes and should not be used when calculating federal unemployment (FUTA) liability.

The taxable wage base can be increased by \$1,000 or decreased by \$500 for any year, depending on the average balance of the Unemployment Compensation Trust Fund of the four preceding calendar quarters. In no event shall the state taxable wage base increase beyond \$13,000 or decrease to less than \$7,000. ([RSMO Section 288.036\(2\)](#).)

Montana

The Montana legislature enacted [H.B. 210](#) in 2025, which creates an automatic trigger to reduce SUI tax rates when the trust fund balance exceeds 2.8% of total wages for the previous fiscal year. Accordingly, 32,873 employers saw a SUI tax rate reduction of 0.20 percentage points for all experience-rated employers. Additionally, more than 7,100 employers received a 0% tax rate. ([State of Montana press release, 12-12-2025](#).)

Nebraska

2019 legislation ([LB 428](#)) increased the SUI taxable wage base to \$24,000 for employers assigned the maximum rate. This change was effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

Nebraska Governor Jim Pillen signed into law [LB 1393 \(2024\)](#) which lowers the SUI tax rates for years 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.

New Jersey

Employee contribution rate includes the Workforce Development/Supplemental Workforce Funds surcharge.

New Mexico

Per [NMSA §51-1-11](#), the minimum tax rate is set at 0.33% and is not to exceed 5.4%. If the contribution rate calculates at lower than 0.33%, it will be adjusted to 0.33%. If the rate calculates at higher than 5.4%, the contribution rate will be adjusted to 5.4%. Per HB 283, as of July 1, 2016, the contribution rate is the benefit ratio multiplied by the reserve factor, multiplied by 100, multiplied by the employer’s experience history factor. ([2025 employer SUI rate notice](#).)

New York

Starting in 2026, the taxable wage base is computed as 16% of the state’s average annual wage.

Ohio

Under [H.B. 96](#), enacted in 2025 and effective January 1, 2026, a new technology and customer service fee of no more than 0.15% of wages paid per covered employee applies to experience-rated employers.

Oklahoma

Oklahoma law requires that if the state UI trust fund balance falls to less than \$25 million, employers will be assessed a quarterly fund — building surcharge as great as 33.3%. The diversion of 5% of employers’ tax rates for the OESC Technology Reinvestment Assessment was reinstated effective

1-1-2023 and through 12-30-27 under [HB 2456](#).

In 2025, the Oklahoma legislature passed [S.B. 911](#), which reduces the taxable wage base and tax rate table used to calculate the SUI tax rates effective January 1, 2025. Specifically, S.B. 911 lowers the percentage of the state's average annual wage used in determining the adjusted SUI wage base for an applicable calendar year. The reduction of the tax rate table lowers the upper limit rate by almost 3%. (*Oklahoma Employment Security Commission [press release, 5-27-2025](#).*)

Puerto Rico

2017 legislation grants the territory's Secretary of Labor the discretion to increase the taxable wage base to as much as \$10,500 if deemed necessary.

Rhode Island

Negative-balanced employers assigned the maximum tax rate will have a taxable wage base that is \$1,500 higher than other employers.

Tennessee

Under Tennessee UI law, if the UI trust fund balance on December 31 of any year is less than \$900 million, the taxable wage base is \$9,000. If the trust fund balance is above \$900 million, but less than \$1 billion on December 31, the taxable wage base is \$8,000. If the trust fund balance is over \$1 billion on December 31, the taxable wage base is \$7,000.

Virginia

Effective January 1, 2025, base tax rates are reduced by 0.05% and a special administrative fee of 0.05% is assessed. The administrative fee is necessary for the proper and efficient administration of the Virginia Unemployment Compensation Act and is not included as certified SUI contributions on the federal Form 940. ([§60.2-117 Code of Virginia; Appropriation Act, Item 356 K.1, Special Session 1, 2024](#).)

West Virginia

Under [SB 841\(2024\)](#) and effective July 1, 2024, the SUI taxable wage base is set at \$9,500. Under prior law, the SUI wage base was lowered to \$9,000 if the unemployment trust fund was at least \$220 million on February 15 of any year; provided however, the taxable wage base was increased or decreased by the same percentage that the state's average weekly wage increased or decreased. If the federal taxable wage base was increased above the West Virginia limit, the West Virginia taxable wage base would be increased by an equal amount. ([W. Va. Code § 21A-1A-28; Code of State Rules § 83-1-7 .1; SB 246 passed in 2009](#).)

SB 841 also removes the requirement that the maximum weekly unemployment benefit be adjusted for inflation. Instead, the maximum weekly benefit is frozen at the amounts specified in SB 841.

Wyoming

Under [SF 0059 \(2024\)](#) and [SF 0058 \(2024\)](#) and effective January 1, 2025, the adjustment factor assessed for noncharged and ineffectively charged UI benefits is revised. Of this adjustment, the Unemployment Compensation Fund receives 20% of the total revenue (down from 60%), the Employment Support Fund receives 60% (up from 40%) and the Workforce Development Training Fund, which did not receive any allocation receives 20% of the total revenue distribution. ([Workforce Services news release, 3-13-2024](#).)

Contact us for more information

Workforce Tax Services - Employment Tax Advisory Services

Kristie Lowery

kristie.lowery@ey.com

Ken Hausser

Kenneth.hausser@ey.com

Debera Salam

debera.salam@ey.com

The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting or tax advice or opinion provided by Ernst & Young LLP to the reader. The reader is also cautioned that this material may not be applicable to, or suitable for, the reader's specific circumstances or needs, and may require consideration of non-tax and other tax factors if any action is to be contemplated. The reader should contact his or her Ernst and Young LLP or other tax professional prior to taking any action based upon this information. Ernst & Young LLP assumes no obligation to inform the reader of any changes in tax laws or other factors that could affect the information contained herein. Copyright 2026. Ernst & Young LLP. All rights reserved. No part of this document may be reproduced, retransmitted, or otherwise redistributed in any form or by any means, electronic or mechanical, including by photocopying, facsimile transmission, recording, rekeying, or using any information storage and retrieval system, without written permission from Ernst & Young LLP.