



Sage 300 Construction and Real Estate

Payroll Tax (United States) 2022
Release Notes

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Payroll Tax (United States)

This document describes changes to payroll taxes in the United States. Please read this document carefully before you use the software.

Note: The changes in the 2022 tax updates are compatible with Sage 300 Construction and Real Estate version 20.5 or later. If you are on an earlier version when you install the 2022 tax update, confirm the taxes calculate correctly.

Important! The sample check forms that come with Sage 300 Construction and Real Estate may not be fully compliant with all federal, state, and local laws and other requirements, which can differ from one jurisdiction to another. It is your responsibility to familiarize yourself with all applicable laws and requirements, and to modify your check forms as needed to ensure compliance.

Downloading and installing updated taxes

You can download the tax update from within Payroll.

Caution! Do not install the tax update until all payroll checks for 2021 have been processed.

1. If you use security, log onto your system as a user with permissions to the Download Taxes task
(PR: Tools > Download Taxes).
2. Start the Payroll application.
3. Select **Tools > Download Taxes** to download the latest version of the tax files.

Note: If you are using a firewall, you must allow access to <http://downloads.timberline.com/route.asp> to enable Payroll to download the tax update.

4. Verify your **Client Number**.
5. Select the **Update tax file when download is complete** check box if you want to update the taxes automatically after the files are downloaded. If you do not select this check box, you must update the taxes, as described on [page 2](#).

Note: For information about what happens when you download taxes and select the check box to update tax files, see [Knowledgebase article 22170](#).
For information about what happens when you download taxes without selecting this check box, see [Knowledgebase article 21521](#).

6. View the printed journal for any error messages.
7. If you have multiple tax files, open the data folder and repeat these steps for each company.

Updating taxes

If you chose not to install taxes when you downloaded the tax update, you will need to perform additional steps.

New installations

If you did not select the **Update tax file when download is complete** check box when you downloaded the taxes, the system displays the following error message when you select **Tools > Update Taxes**:

“The PR Tax file was not found. The file will be created.”

Click **[OK]** to continue.

Tax updates

If you downloaded the taxes but you did not select the **Update tax file when download is complete** check box, replace the old taxes with any new ones:

1. Start the Payroll application.
2. When you are ready to begin using the latest tax rates, select **Tools > Update Taxes**.
3. In the **Update Taxes - Print Selection** window, make any necessary print selections, and then click **[Start]**.

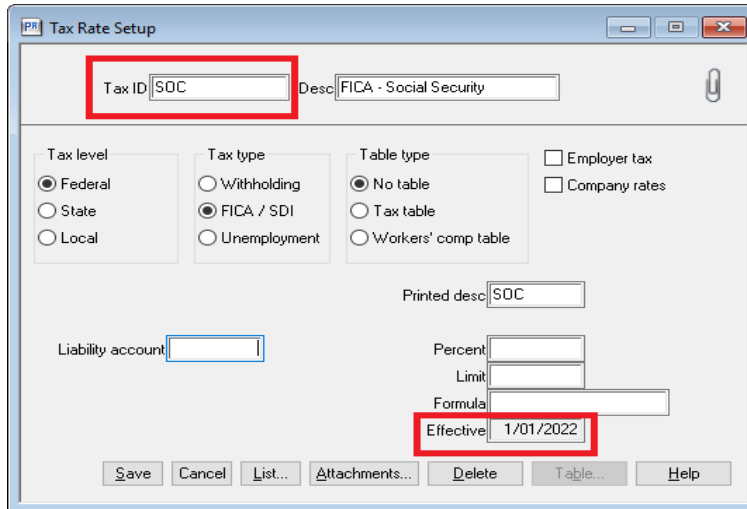
Note: The program automatically creates a backup file containing the existing Payroll tax file (**Tax.prx**) and the Payroll formula file (**Pr.frm**) in the **backup_tax** subdirectory of the folder containing the **Tax.prx** file that is being updated.

4. If you have multiple tax files, open the data folder and repeat steps 2 and 3 for each company. See the "To Update Payroll tax rates" topic in Payroll Help for details.

Verification

To verify that the latest tax rates were installed or updated:

1. Select **Setup > Taxes > Tax Rates**.
2. In the **Tax Rate Setup** window for **Tax ID**, type the tax ID of one of the taxes listed in this document under **Federal Tax Changes** or **State Tax Changes**, and then press **TAB**.



The screenshot shows the 'Tax Rate Setup' window with the following fields and options:

- Tax ID:** SOC (highlighted with a red box)
- Desc:** FICA - Social Security
- Tax level:** Federal (selected)
- Tax type:** FICA / SDI (selected)
- Table type:** No table (selected)
- Employer tax:**
- Company rates:**
- Printed desc:** SOC
- Liability account:** (empty)
- Percent:** (empty)
- Limit:** (empty)
- Formula:** (empty)
- Effective:** 1/01/2022 (highlighted with a red box)

Buttons at the bottom: Save, Cancel, List..., Attachments..., Delete, Table..., Help.

3. Check the date displayed for **Effective** in the lower-right area of the window.
 - If this date matches the effective date listed for that tax rate in the next section of this document (and the effective date was not manually changed in the setup), the taxes updated correctly.
 - If the effective dates do not match, review the installation instructions in the previous section of this document and repeat any necessary steps.

Payroll Tax Update 22.08

Update 22.08 includes state tax changes.

State tax changes

- Idaho State Withholding (IDSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
Exemption allowance (ICTCAT) changed from \$3154 to \$3417.

Payroll Tax Update 22.07

Update 22.07 includes state tax changes.

State tax changes

- District of Columbia Paid Family Leave (DCPFL_E)
Effective date: July 1, 2022
The employer contribution rate changed from 0.62 to 0.26.

Payroll Tax Update 22.06

Update 22.06 includes state tax changes.

State tax changes

- Alabama State Withholding (ALSWH)
Effective date: January 1, 2022
Tax brackets changed for Exemption formulas

Payroll Tax Update 22.05

Update 22.05 includes state tax changes.

State tax changes

- Maryland State Withholding (MDSWH)
Effective date: January 1, 2022
Tax tables changed for all filing statuses.
Standard deduction changed.
Tax rate for St. Mary's county decreased to 3.10%.
Tax rate for Washington county decreased to 3.00%.

- Utah State Withholding (UTSWH)
Effective date: May 1, 2022
Tax tables changed for all filing statuses.
Tax rate decreased from 4.95% to 4.85%.
Deduction changed for Married and Single.

Payroll Tax Update 22.04

Update 22.04 includes state tax changes.

State tax changes

- Illinois State Withholding (ILSWH)
Effective date: January 2, 2022
Tax rate remains at 4.95%.
Exemption allowance increased to \$2,425.
- New Jersey State Withholding (NJSWH)
Effective date: January 1, 2021
Tax tables have changed in the highest income range for all filing statuses.
- Rhode Island State Disability Insurance (RISDI)
Effective date: January 1, 2022
Taxable wage limit increased to \$81,500.
Employee contribution rate decreased to 1.1%.
- Washington Long-Term Care (WALTC)
Effective date: January 2, 2022
Removed tax rate as a result of recent legislation that delays this tax until July 2023.
For more information, see [KB 25159](#) (What are the recent government and form changes for Washington) and <https://wacaresfund.wa.gov/employers/>

Payroll Tax Update 22.03

Update 22.03 includes state tax changes.

State tax changes

- Arkansas State Withholding (ARSWH)
Effective date: January 1, 2022
The tax formula has changed for all filing statuses.

- Louisiana State Withholding (LASWH)
Effective date: January 2, 2022
The tax formulas have changed for all filing statuses.
- Mississippi State Withholding (MSSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.

Payroll Tax Update 22.02

Update 22.02 includes state tax changes.

Federal tax changes

- Federal Withholding (FWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.

State tax changes

- Kentucky (KYSWH)
Effective date: January 1, 2022
The standard deduction has increased to \$2,770.
- Minnesota (MNSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
Exemption Allowance increased from \$4,350 to \$4,450.
- North Carolina (NCSWH)
Effective date: January 1, 2022
The tax rate has been decreased to 5.09% for all statuses.
The standard deduction increased for all filing statuses.
- North Dakota (NDSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
For Forms W-4 before 2020: Exemption allowance remains \$4,300 for all filing statuses.
For Forms W-4 for 2020 and after: Use H2 filing status for Head of Household and do not select **Use Federal**.
- Rhode Island (RISWH)
Effective date: January 2, 2022
The tax tables have changed for all filing statuses.
- Vermont (VTSWH)
Effective date: January 1, 2022

The tax tables have changed for all filing statuses.
The withholding allowance has increased to \$4,500.

Payroll Tax Update 22.01

Update 22.01 includes federal, state, and local tax changes.

As of December 9, 2021 changes to 2022 Federal Withholding (FWH) have not been finalized and are not included in this update.

Federal tax changes

- Social Security (SOC and SOC_E)
Effective date: January 1, 2022
The maximum taxable earnings have increased to \$147,000.
The tax rate remained at 6.2%.

State tax changes

Note about State Unemployment Insurance
These tax updates do not include changes to the Employer State Insurance rates (SUI_E) because those rates vary by company.
See [Knowledgebase article 20718](#) for information about specifying those rates.

- Alaska State Unemployment Insurance (AKSUI)
Effective date: January 1, 2022
The limit has been updated from \$43,600 to \$45,200.
Employee withholding rate changed from 0.5% to 0.56%.
- California State Disability Insurance (CASDI)
Effective date: January 1, 2022
The withholding rate decreased to 1.1%.
The maximum amount to withhold increased to \$1,601.60.
The taxable wage limit increased to \$145,600.
- California State Withholding (CASWH)
Effective date: January 1, 2022
The tax tables changed for all filing statuses.
Increase in Credit and Exemption allowances.
- Connecticut Paid Family Leave (CTPFL)
Effective date: January 1, 2022
The taxable wage limit has been increased to \$147,000.
The employee contribution rate remains at 0.5%.
- Georgia State Withholding (GASWH)
Effective date: January 1, 2022
Standard deductions have increased.
- Hawaii Temporary Disability Insurance (HITDI and HITDI_E)
Effective date: January 1, 2022
The maximum weekly deduction has changed to \$6.00.
- Iowa State Withholding (IASWH)
Effective date: January 1, 2022
The tax tables changed for all filing statuses.
Increased allowances.
- Louisiana State Withholding (LASWH)
Effective date: January 1, 2022
A minor error was fixed in the LASWH_M formula. This formula was last updated in 2018.

- Massachusetts Paid Family Leave (MAPFL and MAPFL_E)
Effective date: January 1, 2022
 The taxable wage limit is same as Social Security cap of \$147,000.
 The employee contribution rate for MAPFL is .34400%.
 The employer contribution rate for MAPFL_E is .33600% (for employers with 25 or more employees).
 (Note that employers with fewer than 25 covered individuals will not be required to pay the employer's contribution, so they should not add MAPFL_E to the MA tax group.)
- Maine State Withholding (MESWH)
Effective date: January 1, 2022
 The personal exemption allowance increased to \$4,450.00.
 The tax tables have changed for all filing statuses.
- Michigan State Withholding (MISWH)
Effective date: January 1, 2022 The tax tables have changed for all filing statuses.
 Tax rate remains at 4.25%, but the exemption allowance increased to \$5,000 from \$4,900.
- Missouri State Withholding (MOSWH)
Effective date: January 1, 2022
 The standard deduction amount and tax tables have changed for all filing statuses.
- Nebraska State Withholding (NESWH)
Effective date: January 1, 2022
 The tax tables have changed for all filing statuses.
- New Jersey Family Leave Insurance (NJFLI)
Effective date: January 1, 2022
 The taxable wage limit has increased to \$151,900.
 The employee tax rate decreased to 0.14%.
- New Jersey State Disability Insurance (NJSDI)
Effective date: January 1, 2022
 The taxable wage limit has increased to \$151,900.
 The tax rate decreased to 0.14%.
- New Jersey State Unemployment Insurance (NJSUI)
Effective date: January 1, 2022
 The taxable wage limit has increased to \$39,800.
 The tax rate remains unchanged at 0.425%.

- New Mexico State Withholding (NMSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
- New York Paid Family Leave (NYPFL)
Effective date: January 1, 2022
The taxable wage limit is \$82,917.64.
The employee contribution rate is 0.511%.
- New York State Withholding (NYSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
- Oklahoma State Withholding (OKSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
- Oregon State Withholding (ORSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
- Rhode Island State Withholding (RISWH)
Effective date: January 1, 2022
The exemption allowance limit has increased to \$241,850.
- South Carolina State Withholding (SCSWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.
The personal allowance has increased to \$2,750.

- Washington Long Term Care (WALTC)
Washington Long Term Care (WALTC) is a new tax in 2022.
The tax rate record is included in the tax update, but you must add it manually to the Washington tax group. See [Knowledgebase article 25159](#) for instructions and more information.
IMPORTANT: Due to late-breaking changes, this tax will not be effective until April 2022 or later. Check with your accountant or <https://wacaresfund.wa.gov/employers/> for information about when to begin using this tax.
Effective date: to be determined
The employee contribution rate is 0.58%.
- Washington Paid Family Leave (WAPFL and WAPFL_E)
Effective date: January 1, 2022
The taxable wage limit is same as Social Security cap of \$147,000.
The employee contribution rate is 0.43932%.
The employer contribution rate is 0.16068% (for 50 or more employees, otherwise optional).
- Wisconsin State Withholding (WISWH)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.

Local tax change

- Yonkers Resident Withholding (YONKR)
Effective date: January 1, 2022
The tax tables have changed for all filing statuses.