

Sage 300 Construction and Real Estate

Payroll Tax Release Notes 2024

United States

April 2024

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Contents

- Contents** **iii**
- Payroll Tax United States** **4**
 - Downloading and installing updated taxes 4
 - Updating taxes 5
 - New installations 5
 - Tax updates 6
 - Verification 7
- Payroll Tax Update 24.03 8
 - State tax changes 8
- Payroll Tax Update 24.02 8
 - State tax changes 8
- Payroll Tax Update 24.01 10
 - Federal tax changes 10
 - State tax changes 10

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 2024 tax updates are compatible with Sage 300 Construction and Real Estate version 23.2 or later. If you are on an earlier version when you install the 2024 tax update, confirm the taxes calculate correctly.

Important! The Sage tax updates do not include State Employer Unemployment rate and limit changes. These rates are company specific and are not the same for each business.

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 first tax update of a new payroll year until all payroll checks for the previous year 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](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 in [Updating taxes](#).

Note: For information about what happens when you download taxes and select the check box to update tax files, see Knowledgebase article: [What happens when I download taxes and I select the option to update tax files?](#)

For information about what happens when you download taxes without selecting this check box, see Knowledgebase article: [What happens when I download taxes without selecting the option to update tax files?](#).

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**:

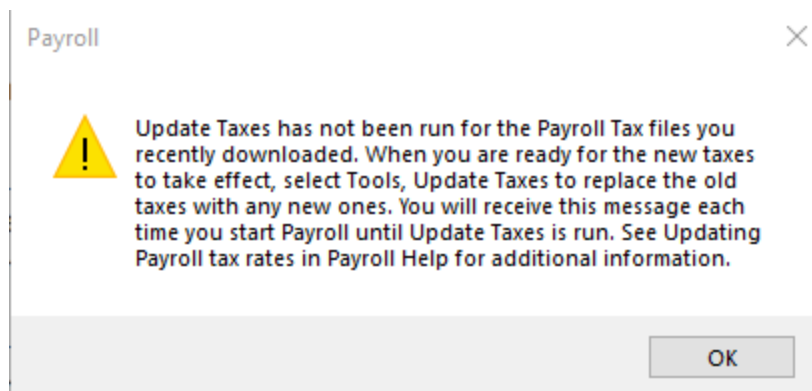
“The PR Tax file was not found. The file will be created.”

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, taxes will not be updated until you run the Update Taxes tool:

1. Start the Payroll application. If the **Update tax file when download is complete** check box was not selected, you will receive a message that Update Taxes has not been run for the payroll tax files you recently downloaded. You will receive this message each time you start Payroll until Update Taxes is run.



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]**.

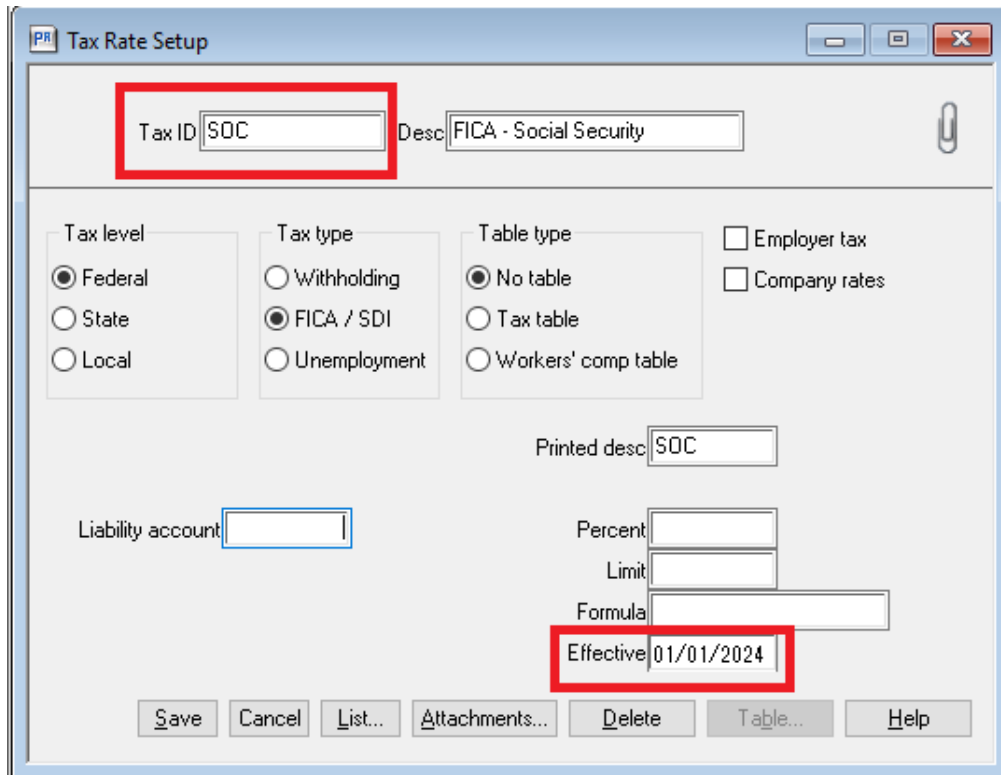
Note: The program automatically creates a backup file containing the existing Payroll tax file (**Tax.prx**) and the Payroll formula file (**Pr.frm**) in the **backup_tax** subdirectory of the folder containing the **Tax.prx** file that is being updated.

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. The 'Tax ID' field is highlighted with a red box and contains the value 'SOC'. The 'Desc' field contains 'FICA - Social Security'. The 'Tax level' section has 'Federal' selected. The 'Tax type' section has 'FICA / SDI' selected. The 'Table type' section has 'No table' selected. The 'Employer tax' and 'Company rates' checkboxes are unchecked. The 'Printed desc' field contains 'SOC'. The 'Liability account' field is empty. The 'Percent', 'Limit', and 'Formula' fields are empty. The 'Effective' date field is highlighted with a red box and contains '01/01/2024'. The window has standard Windows window controls (minimize, maximize, close) in the top right corner and buttons for 'Save', 'Cancel', 'List...', 'Attachments...', 'Delete', 'Table...', and 'Help' at the bottom.

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 24.03

Update 24.03 includes state tax changes.

State tax changes

- Virginia State Withholding (VASWH)
Effective date: April 1, 2024
Standard deduction increased from \$8000 to \$8500.

Payroll Tax Update 24.02

Update 24.02 includes state tax changes.

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 [Where do I change my State Unemployment Insurance rate?](#) for information about specifying those rates.

- Colorado Paid Family Leave (COPFL and COPFL_E)
Effective date: January 1, 2024
The limit has increased to \$168,600.
- Connecticut Paid Family Leave (CTPFL)
Effective date: January 1, 2024
The limit has increased to \$168,600.
- Illinois State Withholding (ILSWH)
Effective date: January 1, 2024
The personal exemption allowance has increased.
- Indiana State Withholding (INSWH)
Effective date: January 1, 2024
The state withholding rate has decreased.

- Maryland State Withholding (MDSWH)
Effective date: January 1, 2024
Standard Deduction Amount Changed.
Rates have changed for Anne Arundel, Frederick, and Cecil counties.
- Massachusetts State Withholding (MASWH)
Effective date: January 1, 2024
Tax percentage changed for all filing status.
Blindness tax calculation method changed.
- Minnesota State Withholding (MNSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
The exemption allowance has increased.
- Mississippi State Withholding (MSSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
- North Dakota State Withholding (NDSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
- Oregon State Disability Insurance (ORSDI, ORSDI_E)
Effective date: January 1, 2024
Workers Benefit Fund Assessment rate has decreased.
- Vermont State Withholding (VTSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
The exemption allowance changed from \$4,850 to \$5,100.

Payroll Tax Update 24.01

Update 24.01 includes federal, state, and local tax changes.

Federal tax changes

- Federal Withholding (FWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
- Social Security (SOC and SOC_E)
Effective date: January 1, 2024
The maximum taxable earnings have increased to \$168,600.
The tax rate remains 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 [Where do I change my State Unemployment Insurance rate?](#) for information about specifying those rates.

- Alaska State Unemployment Insurance (AKSUI)
Effective date: January 1, 2024
The taxable limit increased to \$49,700.
The tax rate decreased to 0.50%.
- Arkansas State Withholding (ARSWH)
Effective date: January 1, 2024
The standard deduction has increased to \$2,340.
The tax tables have changed for all filing statuses.
- California State Disability Insurance (CASDI)
Effective date: January 1, 2024
The withholding rate increased to 1.1%.
The taxable wage limit has been removed.

- California State Withholding (CASWH)
Effective date: January 1, 2024
The tax tables changed for all filing statuses.
The credit and exemption allowances increased.
- Colorado State Withholding (COSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
- Connecticut State Withholding (CTSWH)
Effective date: January 1, 2024
The tax tables have changed for filing statuses A, B, C, D, F.
- Georgia State Withholding (GASWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses using the same rate of 5.49%.
Standard deduction amounts have increased.
Personal allowance was removed.
- Hawaii Temporary Disability Insurance for Employee and Employer (HITDI and HITDI_E)
Effective date: January 1, 2024
The maximum weekly deduction has increased to \$6.87 per week.
- Iowa State Withholding (IASWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
The standard deduction amount has increased.
- Kentucky State Withholding (KYSWH)
Effective date: January 1, 2024
The standard deduction amount has increased to \$3,160.
The tax tables have changed for all filing statuses.

- **Maine State Withholding (MESWH)**
Effective date: January 1, 2024
The personal exemption allowance increased to \$5,000.
The standard deduction has changed for all filing statuses.
The tax tables have changed for all filing statuses.
- **Massachusetts Paid Family Leave (MAPFL and MAPFL_E)**
Effective date: January 1, 2024
The taxable wage limit has increased to \$168,600.
The employee contribution rate for MAPFL is .460%.
The employer contribution rate for MAPFL_E is .420%.
Employers with fewer than 25 covered individuals are not required to pay the employer's contribution and should not add MAPFL_E to the MA tax group.
- **Michigan State Withholding (MISWH)**
Effective date: January 1, 2024
The personal exemption amount has increased to \$5,600.
The tax tables have changed for all filing statuses.
- **Missouri State Withholding (MOSWH)**
Effective date: January 1, 2024
The standard deduction and tax tables have changed for all filing statuses.
- **Montana State Withholding (MTSWH)**
Effective date: January 1, 2024
The personal exemption allowance is removed.
New filing statuses H and H2 are added.
The tax tables have changed for all filing statuses.
- **Nebraska State Withholding (NESWH)**
Effective date: January 1, 2024
The personal exemption amount has increased to \$2,250.
The tax tables have changed for all filing statuses.

- New Jersey Family Leave Insurance (NJFLI)
Effective date: January 1, 2024
 The taxable wage limit has increased to \$161,400.
 The tax rate increased to .09%.

 New Jersey State Disability Insurance (NJSDI)
Effective date: January 1, 2024
 The taxable wage limit has increased to \$161,400.
 The tax rate remains unchanged at 0.0%.
- New Jersey State Unemployment Insurance (NJSUI)
Effective date: January 1, 2024
 The taxable wage limit has increased to \$42,300.
 The tax rate remains unchanged at 0.425%.
- New Mexico State Withholding (NMSWH)
Effective date: January 1, 2024
 The tax tables have changed for all filing statuses.
- New York Paid Family Leave (NYPFL)
Effective date: January 1, 2024
 The taxable wage limit increased to \$89,343.80.
 The employee contribution rate is 0.373%.
- North Carolina State Withholding (NCSWH)
Effective date: January 1, 2024
 The tax rate has been decreased to 4.60% for all filling statuses.
- Oklahoma State Withholding (OKSWH)
Effective date: January 1, 2024
 The tax tables have changed for filing statuses M, M2, MD, and MS.

- Oregon Paid Family Leave (ORPFL and ORPFL_E)
Effective date: January 1, 2024
The taxable wage limit increased to \$168,600.
The employee contribution rate for ORPFL is .6%.
The employer contribution rate for ORPFL_E is .4%.
- Oregon State Withholding (ORSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
- Rhode Island State Disability Insurance (RISDI)
Effective date: January 1, 2024
The taxable wage limit has increased to \$87,000.
The employee contribution rate increased to 1.2%.
- Rhode Island State Withholding (RISWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
The annual limit on exemption allowance has increased to \$274,650.
- South Carolina State Withholding (SCSWH)
Effective date: January 1, 2024
The tax tables have changed for all filing statuses.
The personal allowance has increased to \$4,610.
- Washington Paid Family Leave (WAPFL and WAPFL_E)
Effective date: January 1, 2024
The taxable wage limit has increased to \$168,600.
WAPFL: The employee contribution rate increased to .52858%.
WAPFL_E: The employer contribution rate decreased to .21142%.