Sage 300 U.S. Payroll

Q2 2023 Release Notes

June 2023

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Product update release notes

> **Important!** All customers who update, maintain, and use Sage 300 U.S. Payroll should read these release notes to obtain valuable information about changes to the software program and payroll legislative database.

Product update information

Product: Sage 300 U.S. Payroll

Version: Product Update Q2 2023

Software requirements

To use this product update, you must have Sage 300 U.S. Payroll 7.3, which is supported in Sage 300 2023, 2022, 2021, and 2020.

Upcoming requirements

In the upcoming release of Sage 300 2024 this September, there will be a new version of Payroll, 8.0. The tax tables for Payroll 7.3 will be available until March 2024. After this date, tax tables and support will only be available for Payroll 8.0.

> **Note:** If you are using an older version of Sage 300, please reach out to your Business Partner for your upgrade options.

	Sage 300 2024	Sage 300 2023	Sage 300 2022	Sage 300 2021
Payroll versions supported **up to** March 2024	7.3 & 8.0	7.3 & 8.0	7.3 & 8.0	7.3 & 8.0
Payroll versions supported **after** March 2024	8.0	8.0	8.0	8.0

Support and resources

Sage strives to provide you with the best help and support in the industry. If you have a question, we're here to help!

- **Help and documentation:** Many answers to common questions can be found in the help and documentation included with Sage 300. Visit the Sage 300 Product Documents website for access to more documents.

- **Sage City:** Visit https://sagecity.na.sage.com for blogs, tips, and guidance specific to Sage 300.

- **Customer Support:** For additional articles and resources, visit the Sage Knowledgebase at https://support.na.sage.com or contact Customer Support at 800-253-1372 (U.S. and Canada). Please have your Sage Customer Number handy when contacting Support.

Payroll Tax Updates

The following federal, state, and local tax changes are included in this update.

Federal Legislative Updates

There are no federal legislative updates with this release.

State and Local Legislative Updates

This section lists state and local legislative updates available with this release. If a state or locality is not listed in this section, there are currently no tax updates or product modifications for that state or locality.

> **Note:** Sage 300 U.S. Payroll includes some system-supported State Disability Insurance (SDI) codes, which are updated automatically (for example, with rate changes) when you install product updates. To use these codes, your SDI codes must match the system-supported codes.
>
> If you use custom tax codes to capture SDI taxes, note the following:
>
> - If your codes match the system-supported tax codes, you should review the tax code setup before processing payroll.
>
> - If your codes do not match the system-supported tax codes, you can switch to using the system-supported codes. To do this, you must deactivate your custom tax codes, and then set up the system-supported tax codes.
>
> - Regardless of whether or not your codes match the system-supported tax codes, you must follow your existing procedures for reporting and filing SDI taxes as custom taxes.
>
> Information about changes to specific system-supported SDI codes is included in the sections for the related states.

Arkansas

Retroactive to January 1, 2023, the personal income tax rate has been reduced from 4.9% to 4.7% for those who make between $24,300 and $87,000.

Arkansas withholding tables and instructions have been updated. Refer to the state publication for more details.

Idaho

The number of tax brackets has been decreased to two from four. The income tax withholding tables have been updated with lower tax rates. Idaho withholding tables and instructions have been updated, effective May 16, 2023. Refer to the state publication for more details.

Kentucky

The following local taxes have been added in the supported tax tables:

Code	Description	Rate	Effective Date
KY0116	Russell CO Regular IT	1%	4/1/2023
KY0200	Cadiz CT Regular IT	1.9%	4/1/2023
KY0204	Breathitt CO Regular IT	2%	2/1/2023
KY0273	Mason CO Regular IT	1%	5/1/2023
KY0274	Grand Rivers CT Regular IT	1%	3/1/2023
KY0275	Hanson CT Regular IT	1.5%	7/1/2023
KY0276	Union CT Regular IT	2%	7/1/2023

Michigan

Retroactive to January 1, 2023 and only in effect for 2023, the income tax rate has been reduced from 4.25% to 4.05%. Michigan withholding tables and instructions have been updated. Refer to the state publication for more details.

Utah

Retroactive to January 1, 2023, the personal income tax rate has been reduced from 4.85% to 4.65%. Utah withholding tables and instructions have been updated. Refer to the state publication for more details.

West Virginia

Retroactive to January 1, 2023, the personal income tax rate for the top income bracket for individuals[1] or married individuals filing separately has been reduced from 6.5% to 5.12%. For individuals, the top bracket is over $60,000. For married individuals filing separately, the top bracket is over $30,000.

West Virginia withholding tables and instructions have been updated. Refer to the state publication for more details.

The following local taxes have been added in the supported tax tables:

Code	Description	Rate	Effective Date
WV0013	Smithers CT Service Fee	$52	1/1/2023

New York

Effective July 1, 2023, the employer rates for Metropolitan Commuter Transportation Mobility Tax (NY0007) have changed. Refer to the state publication for more details.

Oregon

Effective July 1, 2023, the Eugene Community Safety Payroll Tax exemption will increase accordingly with Oregon state minimum wage. The minimum rates will increase as follows:

- Standard Minimum Wage: $14.20 per hour
- Portland Metro Minimum Wage: $15.45 per hour
- Non-Urban Minimum Wage: $13.20 per hour

For more information, including details about setting up related local tax codes, see Sage Knowledgebase article 111399

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[1] Individual includes individuals filing joint returns, heads of households, and estates and trusts; however, it does not include married individuals filing separate returns.

Pennsylvania

The following local taxes have been added in the supported tax tables:

Code	Description	Rate	Effective Date
PA2328	Johnstown CT, Greater Johnstown SD (NR) LST	$52	4/29/2023
PA3610	East Allen TP, Northampton SD Regular IT	1.45%	1/1/2023
PA6983	South Whitehall TP, Parkland SD (NR) Regular IT	0.5%	1/1/2023
PA7946	Scranton CT, Scranton SD Payroll Preparation Tax	1.034%	1/1/2023

Washington

The following local taxes have been added in the supported tax tables:

Code	Description	Rate	Effective Date
WA0005	Washington Cares Fund Tax	0.58%	7/1/2023

For more information, including details about setting up local tax codes, see Sage Knowledgebase article 95277.

Ohio

The following local taxes have been added in the supported tax tables:

Code	Description	Rate	Effective Date
OH0182	Lordstown VI Regular IT	1.5%	7/1/2023
OH0205	Wilmot VI Regular IT	1%	1/1/2023
OH0339	Lakeview VI Regular IT	1%	7/1/2023
OH0428	Indian Hill VI Regular IT	0.475%	1/1/2023
OH0503	Bucyrus CT Regular IT	2.25%	7/1/2023
OH1054	Marysville-Jerome TP JEDD CT Regular IT	1.5%	3/15/2023
OH1055	Perry-Canton 22-01 JEDD CT Regular IT	2.5%	3/9/2023
OH1056	Turtlecreek-Monroe 2022 JEDD CT Regular IT	2%	4/1/2023
OH1057	Berkshire TP JEDD II CT Regular IT	1.85%	11/1/2001

Ohio

Code	Description	Rate	Effective Date
OH1058	Stockport VI Regular IT	1%	7/1/2023
OH1059	Warsaw VI Regular IT	1%	7/1/2023

Product updates

The following product updates are included with this release.

Payroll product updates

The following new features and improvements to payroll are included with this update.

Fix for Data Activation

We have fixed a problem that occurred after activating payroll tax updates which caused an internal error to appear after activation completed.

Fix for deleting terminated employees

We have fixed a problem that occurred when running Delete Terminated Employees in Periodic Processing, Delete Inactive Records that prevented terminated employees from being deleted successfully.

Fix for printing datapipe reports in Sage 2023 PU3

We have fixed a problem that prevented datapipe reports, such as Payroll Register and Earnings and Hours, from printing in Sage 300 2023 PU3.

My Workforce Forms updates

This update does not include any new features or improvements to My Workforce Forms.

Sage Payroll Tax Forms and eFiling by Aatrix

Sage Payroll Tax Forms and eFiling by Aatrix is a feature included with Sage 300. This functionality provides updated reports and forms at no cost and enables you to fill out and file tax forms electronically for a fee.

To begin using tax forms with Sage Payroll Tax Forms and eFiling by Aatrix, open one of the tax forms available in **Payroll** > **Government Reports** > **Federal Tax Filing** or **State Tax Filing**. You will be prompted to register your organization with Sage Payroll Tax Forms and eFiling by Aatrix. After registering, you have the option to enroll your company (or companies) in the eFiling service.

For a detailed overview and a price structure of the Sage Payroll Tax Forms and eFiling by Aatrix options, visit our website here:

https://partner.aatrix.com/partners/sage300

Quarterly Wage on Disk(ette)

If you use Sage 300 U.S. Payroll, note that tax filing for Puerto Rico is not currently supported by Sage Payroll Tax Forms and eFiling by Aatrix. To produce State Unemployment Tax (SUTA) quarterly wage reports for Puerto Rico, use the Quarterly Wage on Disk(ette) feature.

For more information, see the following Knowledgebase articles at https://support.na.sage.com:

- Knowledgebase article 32877 - Producing Quarterly Wage Reports on Disk(ette) or Hard Disk
- Knowledgebase article 32876 - State-Specific Information for Quarterly Wage on Disk(ette)
- Knowledgebase article 32880 - Entering Employee Supplemental Information

Product update installation instructions

Follow the instructions in this section to install, apply, and verify this Product Update.

Before you start:

- Back up your data.

- Make sure all users have exited the program.

- Verify your service pack or product update level. To verify what service pack or product update you have installed, click the **System Information** option on the **Help** menu in Sage 300.

Installing the product update

To install the product update:

1. Right-click the Product Update file to Run as Administrator (or make sure you have administrator rights to run the installation) and launch the installation program.

2. On the Welcome window, click **Next** to continue to the Software License Agreement window.

3. Select the features to install. Click **Next**, then **Install**.

4. On the Setup Complete window, click **Finish** to finish the installation.

Activating the tax update

To activate the tax update:

1. Start Sage 300.

2. In the **Administrative Services** folder, select **Data Activation**.

3. Select the current tax update, and then click **Activate**.

4. If you are prompted to convert a previous payroll tax update to the current version, click **Proceed**.

After you complete installation and activation, and after you have made any adjustments described in this document, you can resume processing payroll.

Verifying the product update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help** > **System Information**. The tax update version will be listed with a product update number.

Updating the local tax repository and rates

This section applies only if you use local tax codes in U.S. Payroll.

To update the local tax repository and rates:

1. After the Product Update is complete, log in to Sage 300.

2. On the Local and Other Custom Taxes window, click the **Install Repository** button to update all of the local tax rates in the system.

3. When asked if you want to continue updating company-level local tax records with information from the local repository, click one of the following:

   - **Yes** to automatically update the company rates for all local taxes.

   - **No** to update local taxes individually (select each tax and click the Update button to apply the rate changes). Doing this enables you to validate rates before and after the changes.

4. Depending on your choice in the previous step, update employee-level local tax records as follows:

   - If you clicked **Yes** in the previous step, when asked if you want to continue updating employee local tax records from the local tax repository, click one of the following:

     - **Yes** to automatically update the employee-level rates for all local taxes.

     - **No** to select each employee or use the Update Taxes tax, then update each tax or employee individually.

   - If you clicked **No** in the previous step, you must manually update each employee-level tax. This can be done for all employees at once by tax from **U.S. Payroll** > **Update Taxes**, or by individual employee from **Employee Payroll** > **Taxes**.

Important! This process requires security permissions in Sage 300 to access all employees. Otherwise you may not receive the prompts as described above and employee rates will not be updated.