



Sage 300 U.S. Payroll

Q4 2022 Release Notes

December 2022

This is a publication of Sage Software, Inc.

© 2022 The Sage Group plc or its licensors. All rights reserved. Sage, Sage logos, and Sage product and service names mentioned herein are the trademarks of The Sage Group plc or its licensors. All other trademarks are the property of their respective owners.

Last updated: December 13, 2022

Contents

- Product update release notes 1
 - Product update information 1
 - Software requirements 1
 - Support and resources 1

- Payroll Tax Updates 3
 - Federal Legislative Updates 3
 - State and Local Legislative Updates 3
 - Alabama 3
 - Arizona 4
 - Arkansas 4
 - California 4
 - Colorado 4
 - Connecticut 4
 - District of Columbia 5
 - Hawaii 5
 - Idaho 5
 - Indiana 5
 - Iowa 6
 - Kentucky 6
 - Maine 7
 - Massachusetts 7
 - Minnesota 7
 - Mississippi 7
 - Missouri 8
 - Montana 8
 - Nebraska 8

Contents

Nevada	8
New Jersey	8
New Mexico	8
New York	9
North Dakota	9
Ohio	9
Oklahoma	10
Oregon	11
Pennsylvania	11
South Carolina	13
Utah	13
Vermont	14
Virginia	14
Washington	14
Wyoming	14
Product updates	15
Payroll product updates	15
My Workforce Forms updates	15
Sage Payroll Tax Forms and eFiling by Aatrix	16
Supported W-2 Forms	16
Quarterly Wage on Disk(ette)	17
Preparing for Year-End Processing	18
Product update installation instructions	19
Installing the product update	19
Activating the tax update	19
Verifying the product update	20
Updating the local tax repository and rates	20

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 Q4 2022

If we receive additional payroll tax changes for this period and/or this year, a new update will be made available.

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.

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 University:** Learn pro tips for year-end processing in online or classroom courses. Visit <http://SageU.com> and log on or create an account to register for training.
- **Sage City Year-End Center:** Visit <http://sagecity.na.sage.com/p/yearend> for help, guidance, documents, and downloads specific to Sage 300 Payroll and Year End 2022.
- **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.
- **Tax forms:** Because all printed forms have variations, Sage 300 Payroll only supports forms printed by Sage Checks and Forms. Call Sage Checks and Forms at 800-617-3224 or order online at

www.SageChecks.com.

Tip: For information about ordering W-2 forms, see Knowledgebase article 40172: [Which forms should I order for year-end?](#)

Payroll Tax Updates

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

Federal Legislative Updates

Federal Withholding Tax Changes for 2023

The IRS released draft withholding and allowance amount tables for wages paid on or after January 1, 2023.

Social Security Wage Base Changes for 2023

For 2023, the maximum amount of earnings subject to the Social Security tax (taxable maximum) is \$160,200.

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.

Alabama

The following local tax has an updated rate in the supported tax tables:

Code	Description	Rate	Effective Date
AL0034	Irondale CT Regular IT	0.75%	10/1/2022

Arizona

- The Unemployment Insurance wage base limit changes to \$8,000 for 2023.
- Arizona withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- Effective January 1, 2023, withholding tax rates will be changing. For more information, see Knowledgebase article [117850](#).

Arkansas

Effective October 1, 2022, Arkansas withholding tables and instructions, including rates on supplemental wages, have been updated for 2023. Refer to the state publication for more details.

California

- California withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- State disability insurance tax (CASDI) information is updated for 2023. Effective for wages paid on or after January 1, 2023:
 - The withholding rate is 0.9%.
 - The taxable wage limit is \$153,164 for each employee per calendar year.

Colorado

- The Unemployment Insurance wage base limit changes to \$20,400 for 2023.
- Colorado withholding tables and instructions, including rates on supplemental wages, have been updated for 2023. Refer to the state publication for more details.
- A new Colorado Paid Family and Medical Leave plan will be effective January 1, 2023. For more information, including details about setting up deduction codes, see Sage Knowledgebase article [95277](#).

Connecticut

For the Connecticut Paid Family and Medical Leave plan, the wage base limit changes to \$160,200 for 2023.

For more information, including details about setting up payroll codes, see Sage Knowledgebase article [108247](#).

District of Columbia

Effective January 1, 2022, District of Columbia withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Hawaii

The Unemployment Insurance wage base limit changes to \$56,700 for 2023.

Idaho

The Unemployment Insurance wage base limit changes to \$49,900 for 2023.

Indiana

- Indiana withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
IN0040	Monroe 53 CO Regular (NR) IT	2.035%	10/1/2022
IN0047	LaPorte 46 CO Regular (NR) IT	1.45%	10/1/2022
IN0051	Knox 42 CO Regular (NR) IT	1.7%	10/1/2022
IN0052	Johnson 41 CO Regular (NR) IT	1.4%	10/1/2022
IN0087	Boone 06 CO Regular (NR) IT	1.7%	10/1/2022
IN0132	Monroe 53 CO Regular IT	2.035%	10/1/2022
IN0139	LaPorte 46 CO Regular IT	1.45%	10/1/2022
IN0143	Knox 42 CO Regular IT	1.7%	10/1/2022
IN0144	Johnson 41 CO Regular IT	1.4%	10/1/2022
IN0179	Boone 06 CO Regular IT	1.7%	10/1/2022

- Effective January 1, 2023, there is a new Adopted child dependent exemption. To do so, on the Payroll Employees window, enter the number per qualifying adopted child at the **Adopted Child** field.

Iowa

- The Unemployment Insurance wage base limit changes to \$36,100 for 2023.
- Iowa withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Kentucky

- The Unemployment Insurance wage base limit changes to \$11,100 for 2023.
- Kentucky withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- Wage base limits have been updated for the following local taxes:

Code	Description	Wage Base Limit	Effective Date
KY0009	Highland Heights CT Regular IT	\$160,200	1/1/2023
KY0013	Newport CT Regular IT	\$160,200	1/1/2023
KY0020	Florence CT Regular IT	\$160,200	1/1/2023
KY0022	Crestview Hills CT Regular IT	\$160,200	1/1/2023
KY0023	Covington CT Regular IT	\$160,200	1/1/2023
KY0024	Cold Spring CT Regular IT	\$160,200	1/1/2023
KY0027	Boone CO Regular IT	\$72,906	1/1/2023
KY0029	Alexandria CT Regular IT	\$160,200	1/1/2023
KY0093	Wilder CT Regular IT	\$160,200	1/1/2023
KY0096	Warsaw CT Regular IT	\$160,200	1/1/2023
KY0161	Jackson CT Regular IT	\$160,200	1/1/2023
KY0178	Fort Wright CT Regular IT	\$160,200	1/1/2023
KY0188	Edmonton CT Regular IT	\$160,200	1/1/2023

- Effective July 1, 2022, the following local tax has been expired:

Code	Description
KY0204	Breathitt CO Regular IT

- The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
KY0242	Olive Hill CT Regular IT	2%	10/1/2022
KY0272	Union CT Regular IT	2%	1/1/2023

Maine

Maine withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Massachusetts

For the Massachusetts Paid Family and Medical Leave plan, the wage base limit changes to \$160,200 for 2023.

For more information, including details about setting up payroll codes, see Sage Knowledgebase article [95277](#).

Minnesota

- The Unemployment Insurance wage base limit changes to \$40,000 for 2023.
- Minnesota withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Mississippi

Mississippi withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Missouri

- The Unemployment Insurance wage base limit changes to \$10,500 for 2023.
- Missouri withholding tables and instructions, including rates on supplemental wages, have been updated for 2023. Refer to the state publication for more details.

Montana

- The Unemployment Insurance wage base limit changes to \$40,500 for 2023.
- Montana withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Nebraska

Nebraska withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Nevada

The Unemployment Insurance wage base limit changes to \$40,100 for 2023.

New Jersey

- The Unemployment Insurance wage base limit changes to \$41,100 for 2023.
- State disability insurance tax information is updated for 2023. Effective for wages paid on or after January 1, 2023:
 - The disability insurance rate is 0%.
 - The family leave insurance rate is 0.06%.
 - The taxable wage limit is \$156,800 for each employee per calendar year. For more information, see Sage Knowledgebase articles [102273](#) and [108199](#).

New Mexico

- The Unemployment Insurance wage base limit changes to \$30,100 for 2023.
- New Mexico withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

New York

- The Unemployment Insurance wage base limit changes to \$12,300 for 2023.
- New York withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- City of Yonkers withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.
- There are changes for New York Paid Family Leave for 2023. Refer to the state publication for more details. For more information, see Sage Knowledgebase article [88150](#).

North Dakota

North Dakota withholding tables and instructions have been updated for 2023. Refer to the state publication for more details

Ohio

- Effective December 31, 2022, the following local tax has been expired:

Code	Description
OH0816	Wilmington 1404 SD Regular IT

- The following local taxes have either been added or have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
OH0144	Beverly VI Regular IT	1.25%	1/1/2023
OH0162	Tuscarawas VI Regular IT	1.5%	1/1/2023
OH0279	Mt Gilead VI Regular IT	1.25%	1/1/2023
OH0285	Trotwood CT Regular IT	2.75%	1/1/2023
OH0456	Archbold VI Regular IT	1.8%	1/1/2023
OH0479	Lancaster CT Regular IT	2.3%	1/1/2023
OH0526	North Lewisburg VI Regular IT	1.75%	1/1/2023
OH0544	Athens CT Regular IT	1.95%	1/1/2023

Code	Description	Rate	Effective Date
OH0638	Arlington 3202 SD Regular IT	1.75%	1/1/2023
OH1045	Deer Park-Sycamore TP JEDD CT Regular IT	0.75%	4/19/2022
OH1046	Wauseon 2607 SD Regular IT	1.75%	1/1/2023
OH1047	Shalersville TP JEDD CT Regular IT	2%	12/1/2022
OH1048	Hampton Inn JEDD VII CT Regular IT	2%	10/7/2022
OH1049	Valley View JEDD CT Regular IT	1.5%	10/24/2022
OH1050	Rutland VI Regular IT	1%	1/1/2023
OH1051	Fayetteville VI Regular IT	1%	1/1/2023

- Wage base limits have been updated for the following local taxes:

Code	Description	Wage Base Limit	Effective Date
OH0891	Green TP JEDD II CT Regular IT	\$128,446	1/1/2023
OH0892	Green TP Western Ridge JEDD CT Regular IT	\$135,599	1/1/2023
OH0948	Harrison Greene JEDD IV CT Regular IT	\$124,801	1/1/2023
OH0971	UDF-North Bend JEDD V CT Regular IT	\$120,311	1/1/2023
OH1007	McAlisters JEDD VI CT Regular IT	\$117,605	1/1/2023
OH1045	Deer Park-Sycamore TP JEDD CT Regular IT	\$120,344	4/19/2022

Oklahoma

The Unemployment Insurance wage base limit changes to \$25,700 for 2023.

Oregon

- The following local taxes have updated rates in the supported tax tables:

Code	Description	Rate	Effective Date
OR0005	Tri-Met Transit District Excise Tax	0.8037%	1/1/2023
OR0006	Lane County Transit District Excise Tax	0.78%	1/1/2023

- The Unemployment Insurance wage base limit changes to \$50,900 for 2023.
- A new Oregon Paid Family and Medical Leave plan will be effective January 1, 2023. For more information, including details about setting up deduction codes, see Sage Knowledgebase article [117849](#).

Pennsylvania

The following local tax codes have been expired:

Code	Description	Rate	Effective Date
PA1452	Winfield TP, South Butler SD (NR) LST	Expired	7/1/2022
PA1625	Clinton TP, South Butler SD (NR) LST	Expired	7/1/2022
PA2347	Saxonburg BO, South Butler SD (NR) LST	Expired	7/1/2022
PA2348	Penn TP, South Butler SD (NR) LST	Expired	7/1/2022
PA2438	Jefferson TP, South Butler SD (NR) LST	Expired	7/1/2022
PA6811	Winfield TP, South Butler SD (NR) Regular IT	Expired	7/1/2022
PA6812	Winfield TP, South Butler SD Regular IT	Expired	7/1/2022
PA7023	Saxonburg BO, South Butler SD (NR) Regular IT	Expired	7/1/2022
PA7024	Saxonburg BO, South Butler SD Regular IT	Expired	7/1/2022
PA7099	Penn TP, South Butler SD (NR) Regular IT	Expired	7/1/2022
PA7100	Penn TP, South Butler SD Regular IT	Expired	7/1/2022
PA7289	Jefferson TP, South Butler SD (NR) Regular IT	Expired	7/1/2022
PA7290	Jefferson TP, South Butler SD Regular IT	Expired	7/1/2022

Code	Description	Rate	Effective Date
PA7553	Clinton TP, South Butler SD (NR) Regular IT	Expired	7/1/2022
PA7554	Clinton TP, South Butler SD Regular IT	Expired	7/1/2022

Expired codes			Replaced with new codes	
Code	Description	Rate	Code	Description
PA7554	Clinton TP, South Butler SD Regular IT	1%	PA7948	Clinton TP, Knoch SD Regular IT
PA7553	Clinton TP, South Butler SD (NR) Regular IT	0	PA7949	Clinton TP, Knoch SD (NR) Regular IT
PA1625	Clinton TP, South Butler SD (NR) LST	\$52	PA7950	Clinton TP, Knoch SD (NR) LST
PA7290	Jefferson TP, South Butler SD Regular IT	1%	PA7951	Jefferson TP, Knoch SD Regular IT
PA7289	Jefferson TP, South Butler SD (NR) Regular IT	0	PA7952	Jefferson TP, Knoch SD (NR) Regular IT
PA2438	Jefferson TP, South Butler SD (NR) LST	\$52	PA7953	Jefferson TP, Knoch SD (NR) LST
PA7100	Penn TP, South Butler SD Regular IT	1%	PA7954	Penn TP, Knoch SD Regular IT
PA7099	Penn TP, South Butler SD (NR) Regular IT	0	PA7955	Penn TP, Knoch SD (NR) Regular IT

Expired codes			Replaced with new codes	
Code	Description	Rate	Code	Description
PA2348	Penn TP, South Butler SD (NR) LST	\$52	PA7956	Penn TP, Knoch SD (NR) LST
PA7024	Saxonburg BO, South Butler SD Regular IT	1%	PA7957	Saxonburg BO, Knoch SD Regular IT
PA7023	Saxonburg BO, South Butler SD (NR) Regular IT	0	PA7958	Saxonburg BO, Knoch SD (NR) Regular IT
PA2347	Saxonburg BO, South Butler SD (NR) LST	\$52	PA7959	Saxonburg BO, Knoch SD (NR) LST
PA6812	Winfield TP, South Butler SD Regular IT	1%	PA7960	Winfield TP, Knoch SD Regular IT
PA6811	Winfield TP, South Butler SD (NR) Regular IT	0	PA7961	Winfield TP, Knoch SD (NR) Regular IT
PA1452	Winfield TP, South Butler SD (NR) LST	\$52	PA7962	Winfield TP, Knoch SD (NR) LST

South Carolina

South Carolina withholding tables and instructions, including rates on supplemental wages, have been updated for 2023. Refer to the state publication for more details.

Utah

The Unemployment Insurance wage base limit changes to \$44,800 for 2023.

Vermont

The Unemployment Insurance wage base limit changes to \$13,500 for 2023.

Virginia

Effective 10/1/2022, Virginia withholding tables and instructions have been updated for 2023. Refer to the state publication for more details.

Washington

- The Unemployment Insurance wage base limit changes to \$67,600 for 2023.
- There are changes for Washington Paid Family and Medical Leave for 2023.

For more information, including details about setting up related local tax codes, see Sage Knowledgebase article [95277](#).

- Effective January 1, 2023, there are changes to the payroll expense tax for businesses that operate in Seattle. For more information, see Sage Knowledgebase article [108679](#).

Wyoming

The Unemployment Insurance wage base limit changes to \$29,100 for 2023.

Product updates

Payroll product updates

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

Incompatible Version of Aatrix

The installation will not go ahead if an incompatible version of Aatrix is detected. You will be directed to Knowledgebase article [117696](#) to remove Aatrix before rerunning the payroll tax update installer.

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>

Supported W-2 Forms

For information about ordering W-2 forms, see the article [Which forms should I order for year-end?](#) on the Sage Support website.

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

Preparing for Year-End Processing

Before you start processing your 2023 payroll, visit the Sage City Year-End Center, where you can get fast answers from Sage support, peers, and product experts at the busiest time of year. You'll find helpful articles, discussion forums, and other links and resources to help your year-end processing go smoothly.

To get started, visit <http://sagecity.na.sage.com/p/yearend> and select Sage 300.

The Year-End Center provides you with information on the following topics:

- Printing and filing W-2 forms
- Entering employee supplemental information
- Frequently asked questions for year-end processes
- Information about processing year-end 2022 reports and forms with Sage Payroll Tax Forms and eFiling by Aatrix
- Preparing for your first payroll of 2023

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.