

Income/Franchise:

Vermont: New Law Creates Payroll Tax and Requires Employers to Withhold and Remit It

H.B. 217, House and Senate overrode Governor's veto 6/20/23. Beginning July 1, 2024, new law provides for "Child Care Contribution" in the form of a new payroll tax levied on all wages and self-employment net income with the contribution rate set at 0.44 percent on wage income and 0.11 percent on self-employed net income. Under the new law, employers are responsible for at least three-quarters of this new payroll tax, but may opt to pay more, and must withhold employees' share of the contribution and remit the full amount to the Vermont Department of Taxes. The legislation provides that employers and self-employed individuals are responsible for any unpaid contributions. Please contact us with any questions.

URL: <https://legislature.vermont.gov/bill/status/2024/H.217>

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