

Income/Franchise:

Maine: New Law Creates 1% Payroll Tax and Requires Employers to Remit It

L.D. 258 (H.P. 163), signed by gov. 7/11/23. Beginning January 1, 2025, for each employee, newly signed Maine budget legislation generally requires an employer to remit employer contribution reports and quarterly premiums, where the premium is initially defined as not more than a combined rate of 1.0% of wages. Annually, for the 2028 calendar year and each calendar year thereafter, this payroll tax rate is subject to change depending on certain defined factors and solvency maintenance of the underlying fund. Under the new law, an employer with fifteen or more employees may deduct up to 50% of the premium required for an employee from that employee's wages and must remit 100% of the combined premium contribution. Please contact us with any questions.

URL: <https://legislature.maine.gov/LawMakerWeb/summary.asp?ID=280085493>

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