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2016 Statutory Change

Federal Changes				
Description	Change	Effective Date	New Rate	
Non-Resident Aliens	NRA EE Annual Additional Amount to Add:	1/1/2016	\$ 2,250.00	
Adoption Assistance	For 2016, the maximum amount that can be excluded for employer-provided adoption assistance increased from \$13,400 to \$13,460. And, the maximum credit allowed for adoptions increased from \$13,400 to \$13,460 for 2016.	1/1/2016		
H S A Contribution limits	Family Coverage	1/1/2016	\$ 6,750.00	
	Maximum out of pocket expense, self coverage	1/1/2016	\$ 6,550.00	
	Maximum out of pocket expense, family coverage	1/1/2016	\$ 13,100.00	
Qualified Transportaion Limit	Federal Qualified Transportation limit for 2016 is \$250 per month, retroactive for 2015.	1/1/2016	\$ 255.00	
Qualified Parking	Federal Qualified Transportation limit for 2016 is \$250 per month, retroactive for 2015.	1/1/2016	\$ 255.00	
Qualified bicycle commuting reimbursement	Federal Qualified Transportation limit for 2016 is \$20 per month.	1/1/2016	\$ 20.00	
Federal	Federal contractor minimum wage	1/1/2016	\$ 10.15	
Social Security	Wage limit - no change from 2015		\$ 118,500.00	
Medicare	Wage limit - unlimited			
401(K), 403(B) contribution limit	Contribution Limit Remains Unchanged at \$18,000 for 2016		\$ 18,000.00	
401(K), 403(B) contribution limit - catch up	Contribution Limit Remains Unchanged at \$6,000 for 2016		\$ 6,000.00	

State Changes				
State	Description	Effective Date	New Rate	
Alabama	Alabama has passed House Bill H42 b, now Act 2015-504, which repeals the provision in the Code which allowed a taxpayer to claim a total exemption from withholding tax. The Form A4-E "Withholding Tax Exemption Certificate" (Rev. 3/2014); "To Be Used By Employee's Who Qualify For An Exemption From Withholding", will no longer be available for use by employees. Any employees currently using this form will now need to submit a new Form A4 to their employer.	1/1/2016		
California	Annual Exemption/Allowance Amount:	1/1/2016	\$ 119.90	

California	Annual Standard Deduction Amount (SI, M Dual Income, M with less than 2 Exemptions):	1/1/2016	\$ 4,044.00	
California	Annual Standard Deduction Amount:	1/1/2016	\$ 8,088.00	
Illinois	Annual Personal Exemption Allowance	1/1/2016	\$ 2,175.00	
Kentucky	Annual Exemption/Allowance Amount:	1/1/2016	\$ 2,460.00	
Maine	Annual Exemption/Allowance Amount:	1/1/2016	\$ 4,050.00	
Maryland	Employees may be entitled to claim an EITC on their 2015 federal and Maryland income tax returns if both their federal adjusted gross income and their earned income are less than the following:	1/1/2016		
Maryland	\$47,747 (\$53,267 married filing jointly) with three or more qualifying children	1/1/2016		
Maryland	\$44,454 (\$49,974 married filing jointly) with two qualifying children	1/1/2016		
Maryland	\$39,131 (\$44,651 married filing jointly) with one qualifying child	1/1/2016		
Maryland	\$14,820 (\$20,330 married filing jointly) with no qualifying children	1/1/2016		
Massachusetts	For 2016, Massachusetts exempts from state income tax, the following transportation fringe benefits up to the stated limits: • Employer provided parking limit will increase from \$250 to \$255 per month in 2016. • Commuter Highway Vehicle Transportation and Combined Transit Passes limit will continue to be \$130 per month in 2016. • Massachusetts does not adopt the federal qualified bicycle commuting reimbursement, nor the increase for the combined transit pass and commuter highway vehicle transportation benefits that was signed into law on December 18, 2015.	1/1/2016		
Minnesota	Annual Exemption/Allowance Amount:	1/1/2016	\$ 4,040.00	
New Jersey	New Jersey has changed the percentage used to calculate the NJEITC (New Jersey Earned Income Tax Credit) from 20% to 30% of the Federal Earned Income Tax Credit.	1/1/2016		
New Mexico	Annual Exemption / Allowance Amount	1/1/2016	\$ 4,050.00	
New York	Annual Exemption/Allowance Amount: Single	1/1/2016	\$ 7,400.00	
New York	Annual Exemption/Allowance Amount: Married	1/1/2016	\$ 7,900.00	
North Carolina	Bonus / Supplemental tax rate & Withholding Tax Rate	1/1/2016	5.85%	
North Carolina	Annual Exemption/Allowance Amount: Head of Household	1/1/2016	\$ 12,400.00	
North Carolina	Annual Exemption/Allowance Amount: Single, Married Filing Separately	1/1/2016	\$ 7,750.00	
North Dakota	Annual Exemption / Allowance Amount	1/1/2016	\$ 4,050.00	
North Dakota	Bonus / Supplemental tax rate	1/1/2016	1.84%	
Oklahoma	SIT Supplemental/Bonus Withholding Rate	1/1/2016	5%	
Oregon	Annual Exemption / Allowance Amount	1/1/2016	\$ 195.00	
Oregon	Annual Standard Deduction Single less than 3 Allowance	1/1/2016	\$ 2,155.00	
Oregon	Annual Standard Deduction Single or Married more than 3 Allowance	1/1/2016	\$ 4,315.00	
Oregon	Annual Maximum Federal Tax Credit	1/1/2016	\$ 6,500.00	

Local Changes				
State	Local	Effective Date	New Rate	

New York City	On October 20, 2015, the Mayor of NYC signed Law 53, which mandates that any employer with 20 or more full time employees must provide employees the opportunity to use pre-tax earnings to purchase qualified transportation fringe benefits, other than qualified parking and bicycle commuting, in accordance with federal law.	10/20/2015		
Ohio	Effective January 1, 2016 the City of Salem, OH will increase their income tax rate from 1.00% to 1.25%. In addition, the resident credit has also increased from 1.00% to 1.25%.	1/1/2016	1%	
Ohio	The Village of Lewisburg, OH passed legislation to increase their income tax rate from 1.50% to 1.75% effective January 1, 2016.	1/1/2016	1.75%	
Ohio	The Village of Wakeman, OH has extended their 1.00% income tax. The tax was due to expire on 12/31/2015	1/1/2016	1%	
Ohio	The Village of North Baltimore, OH has repealed its 100% resident credit effective 01/01/2016. The residents of North Baltimore, OH are responsible for the full 1.00% income tax if paying income tax to another Ohio municipality.	1/1/2016		
Ohio	The Village of Danville, OH will increase their municipal income tax rate from 1.00% to 1.50% effective January 1, 2016.	1/1/2016	2%	
Ohio	The Village of Waynesville, OH Village Council passed legislation to reduce the income tax rate from 1.00% to .50% on all earned income of residents and non residents working in the village who receive income, qualifying wages, commissions and other compensation effective January 1, 2016. In addition, Waynesville will no longer offer a 100% resident credit for income taxes paid to another municipality.	1/1/2016	1%	
Ohio	The Village of Arcanum, OH t passed legislation (ordinance 2015-57) removing the temporary 0.25% income tax, and permanently enacting the 1.00% income tax for the Village of Arcanum	1/1/2016	1%	
Ohio	Effective January 1, 2016 the City of Cleveland Heights, OH income tax rate will change from 2.00% to 2.25%. Cleveland Heights will continue to offer a credit up to 50% of 1.00%.	1/1/2016	2%	
Ohio	Effective January 1, 2016 the Village of Baltic, OH income tax rate will change from 1.00% to 1.50%. Baltic will continue to offer a 100% resident credit	1/1/2016	2%	
Ohio	The Village of Waynesville, OH Village Council passed legislation to reduce the income tax rate from 1.00% to .50% on all earned income of residents and non residents working in the village who receive income, qualifying wages, commissions and other compensation effective January 1, 2016. In addition, Waynesville will no longer offer a 100% resident credit for income taxes paid to another municipality.	1/1/2016	0.5%	
Oregon	Trimet Excise Tax, OR tax rate will change from 0.7237% to 0.7337%, effective 01/01/2016.	1/1/2016	0.007337	
Oregon	Lane Transit Tax, OR tax rate will change from 0.70% to 0.71%, effective 01/01/2016.	1/1/2016	1%	
Pennsylvania	Kingston Boro, PA will be changing their Earned Income Tax for residents to 2.1% and for non-residents to 1%, effective January 1, 2016.	1/1/2016	2.1% / 1%	

School District changes				
State	School District	Effective Date	New Rate	
Ohio	Kenton CSD rate will change from 1.50% to 1.00%.	1/1/2016	1%	

Ohio	Danville CSD rate will change from 1.75% to 1.50%.	1/1/2016	1.5%
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New Locals			
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State	Local	Effective Date	New Rate
Kentucky	Hopkins County, Kentucky enacted a 0.50% Occupational License Fee (OLF) effective November 2, 2015. Withholding for the Hopkins County OLF begins January 1, 2016. The County OLF is imposed on taxable wages up to (and including) \$500,000.00 annually. The wages of employees working in Hopkins County are subject to the County's OLF	1/1/2016	0.50%
Ohio	Effective January 1, 2016 the Village of Ashely, OH has established a 1.00% withholding income tax for all residents and those working in the Village of Ashley.	1/1/2016	1%
Ohio	Northeastern LSD enacted a 1.00% income tax.	1/1/2016	1%
Ohio	Zane Trace LSD enacted a 0.75% income tax.	1/1/2016	0.75%
Ohio	Edon-Northwest LSD enacted a 1.00% income tax	1/1/2016	1%
Ohio	Effective September 1, 2015 the Village of Amanda, OH has established a 1.00% withholding income tax for all residents and those working in the Village of Amanda.	9/1/2015	1%

Occupational Tax Changes			
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State	County	Effective Date	New Rate
Kentucky	Villa Hills, Kentucky will increase the withholding rate of its Occupational License Fee from 1.00% to 1.50% effective January 1, 2016.	1/1/2016	1.5%
Kentucky	Effective January 1, 2016, the Boone County OLF imposed under County Ordinance #07-27 increases its:	1/1/2016	
	Wage base to \$58,727.00 (from \$58,627.00); and	1/1/2016	58,727.00
	Maximum tax to \$469.82 (from \$469.02).	1/1/2016	469.82
Kentucky	Hopkins County, Kentucky enacted a 0.50% Occupational License Fee (OLF) effective November 2, 2015. However the wages of employees working in Hopkins County – up to a maximum of \$500,000 annually - are not subject to the County's .50% OLF until January 1, 2016. The annual tax maximum for the Hopkins County OLF is \$2,500 beginning in 2016.	1/1/2016	0.5%
Kentucky	Morgan County, Kentucky increased the withholding rate of its Occupational License Tax (OLT) from 0.50% to 1.50% effective November 1, 2015.	11/1/2015	1.5%
Kentucky	The City of Coal Run Village, Kentucky will increase the withholding rate of its Occupational License Fee to 1.00% effective October 1, 2015.	10/1/2015	1%

County Taxes			
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State	County	Effective Date	New Rate
Indiana	Blackford Resident income tax rate changed from 1.36% to 1.50%.	10/1/2015	1.50%
Indiana	Blackford Non-resident income tax rate changed from 0.61% to 0.50%.	10/1/2015	0.50%
Indiana	Greene Resident income tax rate changed from 1.00% to 1.25%.	10/1/2015	1.25%
Indiana	Greene Non-resident income tax rate changed from 0.25% to 0.50%.	10/1/2015	0.50%
Indiana	Hendricks Resident income tax rate changed from 1.40% to 1.50%.	10/1/2015	1.50%

Indiana	Howard Resident income tax rate changed from 1.60% to 1.65%.	10/1/2015	1.65%
Indiana	Howard Non-resident income tax rate changed from 0.55% to 0.5625%	10/1/2015	0.56%
Indiana	Putnam Resident income tax rate changed from 1.50% to 1.75%.	10/1/2015	1.75%
Indiana	Tipton Resident income tax rate changed from 1.58% to 1.98%.	10/1/2015	1.98%
Indiana	Clinton Non-Resident income tax rate changed from 0.75% to 0.50%.	1/1/2016	0.50%
Indiana	Delaware Non-Resident income tax rate changed from .60% to .8625%.	1/1/2016	0.8625%
Indiana	Delaware Resident income tax rate changed from 1.05% to 1.50%.	1/1/2016	1.50%
Indiana	Fountain Resident income tax rate changed from 1.10% to 1.55%.	1/1/2016	1.55%
Indiana	Fountain Non-Resident income tax rate changed from 0.35% to 0.50%.	1/1/2016	0.50%
Indiana	Franklin Resident income tax rate changed from 1.25% to 1.50%.	1/1/2016	1.50%
Indiana	Henry Resident income tax rate changed from 1.25% to 1.50%.	1/1/2016	1.50%
Indiana	HeNon-Resident Non-Resident income tax rate changed from 0.50% to .5625%.	1/1/2016	0.5625%
Indiana	Jasper Resident income tax rate changed from 2.964% to 2.864%.	1/1/2016	2.864%
Indiana	Morgan Non-Resident income tax rate changed from 0.52% to .502%.	1/1/2016	0.502%
Indiana	Ohio Resident income tax rate changed from 1.00% to 1.25%.	1/1/2016	1.25%
Indiana	Perry Resident income tax rate changed from 1.56% to 1.81%.	1/1/2016	1.81%
Indiana	Perry Non-Resident income tax rate changed from 1.185% to 1.2475%.	1/1/2016	1.2475%
Indiana	Pulaski Resident income tax rate changed from 3.13% to 3.38%.	1/1/2016	3.38%
Indiana	Rush Resident income tax rate changed from 1.50% to 2.10%.	1/1/2016	2.10%
Indiana	Rush Non-Resident income tax rate changed from 0.75% to 0.67%.	1/1/2016	0.67%
Indiana	Shelby Resident income tax rate changed from 1.25% to 1.50%.	1/1/2016	1.50%
Indiana	Tipton Non-Resident income tax rate changed from 0.58% to 0.50%	1/1/2016	0.5%
Indiana	Union Resident income tax rate change from 1.50% to 1.75%.	1/1/2016	1.75%
Indiana	Washington Non-Resident income tax rate change from 0.75% to 0.50%.	1/1/2016	0.5%
Indiana	Whitley Resident income tax rate change from 1.2329% to 1.4829%.	1/1/2016	1.4829%
Indiana	Gibson Resident income tax rate has changed from 0.50% to 0.70%.	1/1/2016	0.7%
Indiana	Gibson Non-Resident income tax rate has changed from 0.50% to 0.55%.	1/1/2016	0.55%

Minimum Wage Changes				
State	Description	Effective Date	Wage	
Alaska	Minimum wage	1/1/2016	\$ 9.75	
Colorado	Minimum wage	1/1/2016	\$ 8.31	
Iowa	Johnson County minimum wage	11/1/2015	\$ 8.20	
Maine	Minimum wage - Portland	1/1/2016	\$ 10.10	
Maryland	Montgomery County - minimum wage	10/1/2015	\$ 9.55	
Montana	Minimum wage	1/1/2016	\$ 8.05	
New York City	Minimum wage (Food service worker, Service Employees - all establishments)	12/31/2015	\$ 10.50	
New York State (Other than New York City)	Minimum wage (Food service worker, Service Employees - all establishments)	12/31/2015	\$ 9.75	
New York State	Minimum wage	12/31/2015	\$ 9.00	
Ohio	Minimum wage	1/1/2016	\$ 8.10	

Rhode Island	Minimum wage	1/1/2016	\$ 9.60
South Dakota	Minimum wage	1/1/2016	\$ 8.55

SUI Wage Base				
State	Description	Effective Date	New base	
Alaska	SUI Wage base change - Employer	1/1/2016	39,700.00	
California	SUI Wage base change - Employer	1/1/2016	7,000.00	
Colorado	SUI Wage base change - Employer	1/1/2016	12,200.00	
Hawaii	SUI Wage base change - Employer	1/1/2016	42,200.00	
Idaho	SUI Wage base change - Employer	1/1/2016	37,200.00	
Iowa	SUI Wage base change - Employer	1/1/2016	28,300.00	
Kentucky	SUI Wage base change - Employer	1/1/2016	10,200.00	
Minnesota	SUI Wage base change - Employer	1/1/2016	31,000.00	
Montana	SUI Wage base change - Employer	1/1/2016	30,500.00	
Nevada	SUI Wage base change - Employer	1/1/2016	28,200.00	
Nevada	SUI Wage base change - Employer	1/1/2016	28,200.00	
New Jersey	SUI Wage base change - Employer	1/1/2016	32,600.00	
New Mexico	SUI Wage base change - Employer	1/1/2016	24,100.00	
North Carolina	SUI Wage base change - Employer	1/1/2016	22,300.00	
North Dakota	SUI Wage base change - Employer	1/1/2016	37,200.00	
Oklahoma	SUI Wage base change - Employer	1/1/2016	17,500.00	
Oregon	SUI Wage base change - Employer	1/1/2016	36,900.00	
Rhode Island	SUI Wage base change - tier 1	1/1/2016	22,000.00	
Rhode Island	SUI Wage base change - tier 2	1/1/2016	23,500.00	
Rhode Island	EE - Temporary Disability Wage base change	1/1/2016	66,300.00	
Utah	SUI Wage base change - Employer	1/1/2016	32,200.00	
Vermont	SUI Wage base change - Employer	1/1/2016	16,800.00	
Washington	SUI Wage base change - Employer	1/1/2016	44,000.00	
Wyoming	SUI Wage base change - Employer	1/1/2016	25,500.00	