

# Year-End Tax Alert

## Reminder! New Tax Laws Coming into Effect in 2021

With tax year 2020 coming to an end, there are several new laws becoming effective on January 1, 2021. See below for a brief synopsis of the upcoming laws along with federal, state, and local tax updates.

### Federal Updates

The Social Security Administration (SSA) announced the Social Security wage base limit would increase to \$142,800 for tax year 2021 an increase of \$5,100 from \$137,700, in 2020.

The Social Security and Medicare tax for tax year 2021 will remain unchanged. The Social security tax rate remains at 6.2% for 2021 up to the Social Security wage base limit. The maximum social security tax employees and employers will each pay in 2021 is \$8,853.60 an increase of \$316.20 from tax year 2020.

The Medicare tax rate for tax year 2021 remains at 1.45% and applies to all covered earnings for employees and employers. There is no wage base limit for Medicare. In addition, if an individual's earned income exceeds \$200,000 (\$250,000 for married couples filing jointly), the excess income amount is subject to additional Medicare tax rate of 0.9%.

State Unemployment Insurance Wage Base Limits



State Minimum Wage Rates effective January 1st, 2021



Local Minimum Wage Rates effective January 1st, 2021



# State Unemployment Insurance Wage Base Limits

Jurisdiction	2021 Taxable Wage Base	2020 Taxable Wage Base	Jurisdiction	2021 Taxable Wage Base	2020 Taxable Wage Base
Alabama	\$8,000	\$8,000	Missouri	\$11,000	\$11,500
Alaska	\$43,600	\$41,500	Montana	\$35,300	\$34,100
California	\$7,000	\$7,000	Nebraska	\$9,000	\$9,000
District of Columbia	\$9,000	\$9,000	Nevada	\$33,400	\$32,500
Colorado	\$13,600	\$13,600	New Hampshire	\$14,000	\$14,000
Connecticut	\$15,000	\$15,000	New Jersey	\$36,200	\$35,300
Delaware	\$16,500	\$16,500	New Mexico	\$27,000	\$25,800
Federal	\$7,000	\$7,000	New York	\$11,800	\$11,600
Arizona	\$7,000	\$7,000	North Carolina	\$26,000	\$36,400
Arkansas	\$10,000	\$7,000	North Dakota	\$38,500	\$36,400
Florida	\$7,000	\$7,000	Ohio	\$9,000	\$9,000
Georgia	\$9,500	\$9,500	Oklahoma	\$24,000	\$18,700
Hawaii	\$47,400	\$48,100	Oregon	\$43,800	\$42,100
Idaho	\$43,000	\$41,600	Pennsylvania	\$10,000	\$10,000
Illinois	\$12,960	\$12,740	Rhode Island	\$24,600, or \$26,100	\$24,000, or \$25,500
Indiana	\$9,500	\$9,500	South Carolina	\$14,000	\$14,000
Iowa	\$32,400	\$31,600	South Dakota	\$15,000	\$15,600
Kansas	\$14,000	\$14,000	Tennessee	\$7,000	\$7,000
Kentucky	\$11,100	\$10,800	Texas	\$9,000	\$9,000
Louisiana	\$7,700	\$7,700	Utah	\$38,900	\$36,600
Maryland	\$8,500	\$8,500	Vermont	\$14,100	\$16,100
Maine	\$12,000	\$12,000	Virginia	\$8,000	\$8,000
Massachusetts	\$15,000	\$15,000	Washington	\$56,500	\$52,700
Minnesota	\$35,000	\$35,000	West Virginia	\$12,000	\$12,000
Michigan	\$9,500	\$9,000 or \$9,500	Wisconsin	\$14,000	\$14,000
Mississippi	\$14,000	\$14,000	Wyoming	\$27,400	\$26,400

# State Minimum Wage Rates effective January 1st, 2021

Jurisdiction	2021 Taxable Wage Base	2020 Taxable Wage Base	Jurisdiction	2021 Taxable Wage Base	2020 Taxable Wage Base
Alabama	\$7.25	\$7.25	Missouri	\$10.30	\$9.45
Alaska	\$10.34	\$10.19	Montana	\$8.75	\$8.65
Arizona	\$12.15	\$12.00	Nebraska	\$9.00	\$9.00
Arkansas	\$11.00	\$10.00	Nevada	\$8.00	\$8.00
California	\$14 (large employer) / \$13 (small employer)	13 Large ER/	New Hampshire	\$7.25	\$7.25
Colorado	\$12.32	\$12.00	New Jersey	\$12 (large employer) / \$11 (small employer)	\$11.00
Connecticut	\$12.00	\$12.00	New Mexico	\$10.50	\$9.00
Delaware	\$9.25	\$9.25	New York	\$12.50	\$11.80
District of Columbia	\$15.00	\$15.00	North Carolina	\$7.25	\$7.25
Federal	\$7.25	\$7.25	North Dakota	\$7.25	\$7.25
Florida	\$8.65	\$8.65	Ohio	\$8.80	\$8.70
Georgia	\$5.15	\$5.15	Oklahoma	\$7.25	\$7.25
Hawaii	\$10.10	\$10.10	Oregon	\$12.00	\$12.00
Idaho	\$7.25	\$7.25	Pennsylvania	\$7.25	\$7.25
Illinois	\$11.00	\$10.00	Rhode Island	\$11.50	\$10.50
Indiana	\$7.25	\$7.25	South Carolina	\$7.25	\$7.25
Iowa	\$7.25	\$7.25	South Dakota	\$9.45	\$9.30
Kansas	\$7.25	\$7.25	Tennessee	\$7.25	\$7.25
Kentucky	\$7.25	\$7.25	Texas	\$7.25	\$7.25
Louisiana	\$7.25	\$7.25	Utah	\$7.25	\$7.25
Maine	\$12.15	\$12.00	Vermont	\$11.75	\$10.96
Maryland	\$11.75	\$11.00	Virginia	\$7.25	\$7.25
Massachusetts	\$13.50	\$12.75	Washington	\$13.69	\$13.50
Michigan	\$9.65	\$9.65	West Virginia	\$8.75	\$8.75
Minnesota	\$10.08 (large employer) / \$8.21 (small employer)	\$10.00	Wisconsin	\$7.25	\$7.25
Mississippi	\$7.25	\$7.25	Wyoming	\$5.15	\$5.15

## Local Minimum Wage Rates effective January 1st, 2021

Jurisdiction	Local	2021 Rate	Jurisdiction	Local	2021 Rate
Arizona	Belmont	\$15.90		Petaluma	\$15.20
California	Berkeley	\$16.07		Redwood	\$15.21
	Burlingame	\$15.00		Richmond	\$15.21
	Cupertino	\$15.65		San Carlos	\$15.24
	Daly	\$15.00		San Diego	\$14.00
	El Cerrito	\$15.61		San Jose	\$15.45
	Emeryville	\$16.84		San Leandro	\$15.00
	Flagstaff	\$15.00		San Mateo	\$15.62
	Freemont	\$15.00		Santa Clara	\$15.65
	Half Bay Moon	\$15.00		Santa Monica	\$17.13
	Hayward	\$15.00 (large employer)/\$14.00 (small employer)		South San Fran	\$15.24
	Los Altos	\$15.65	Colorado	Sunnyvale	\$16.30
	Los Angeles	\$17.13	New Mexico	Denver	\$14.77
	Mountain View	\$16.30		Bernalillo County	\$8.35 w/ healthcare benefits/\$9.35
	Novato	\$14.00 (small employer)/ \$15.00 (large employer)	New York	Las Cruces	\$10.50
	Novato	14/13		Nassau County	\$14.00
	Oakland	\$14.36		Suffolk County	\$14.00
	Palo Alto	\$15.65	Washington	Westchester County	\$14.00
	Pasadena	\$15.00 (large employer)/\$14.25 (small employer)		Seattle	\$15.00 (employers with 500 or fewer employees)/ \$16.30 (employers with 501 or more employees)

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