**Iowa Payroll Taxes**

**IA State Income Tax Withholding**

<https://tax.iowa.gov/iowa-withholding-tax-information>

**Who Must Withhold IA State Income Taxes**

Every employer who maintains an office or transacts business in Iowa and who is required to withhold federal income tax on any compensation paid to employees for services performed in Iowa is required to withhold Iowa individual income tax from that compensation. Employers may register online with the Iowa Department of Revenue via GovConnectIowa: <https://govconnect.iowa.gov/tap/_/>.

Withholding returns are submitted electronically through the Department’s online services via the same website. Once an employer is registered as a withholding agent, the Department will send information on how to file and pay.

Filing frequencies are as follows:

* Quarterly if you remit less than $6,000 tax per year (less than $500 per month)
* Monthly if you remit $6,000 - $120,000 tax per year ($500 - $10,000 per month)
* Semimonthly if you remit more than $120,000 tax per year (more than $10,000 per month; more than $5,000 semimonthly)

Based on filing frequency, every employer is required to file for each applicable period during the calendar year, even if compensation was not paid during a period. If no wages or compensation was paid during a period, the employer will enter zeroes on the return/deposit for that period.

* Quarterly filers are required to file a quarterly return for each calendar quarter for which they are registered.
* Monthly filers are required to file two monthly deposits and one quarterly return for each calendar quarter.
* Semimonthly filers are required to file six semimonthly deposits and one quarterly return for each calendar quarter.

Businesses that issue W-2s or 1099s that contain Iowa withholding must electronically file those documents with the Iowa Department of Revenue by February 15 of the following year. If businesses did not withhold any Iowa taxes, filing is not required.

**IA W-4 Requirements**

Employees should complete Form IA W-4 so their employer can withhold the correct amount of state income tax from the employee’s paycheck. Forms are available online at:

<https://tax.iowa.gov/forms>.

**IA State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Register with the Iowa Workforce Development (IWD), file quarterly reports, and submit payments via myIowaUI at: [www.myIowaUI.org](http://www.myIowaUI.org). Once your UI tax account has been established, you will be required to submit a quarterly report even if there are no wages to report.

\**Note*: IWD assigns reimbursable status to government entities unless they optionally elect to pay contributions. The employing agency will be required to reimburse IWD for any UI benefits paid to former employees.

Quarterly UI reports are due the month after quarter end. For example, the 1st quarter report for wages paid January 1 through March 31 is due April 30. If April 30 falls on a weekend or holiday, the report is due the following business day.

Iowa has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**IA State Workers’ Compensation**

Iowa employees are covered by the Iowa workers’ compensation law under most employment relationships. Correspondingly, most employers are required by law to purchase workers’ compensation liability insurance. The Iowa Division of Workers' Compensation (DWC) is responsible for enforcing work comp reporting requirements under Iowa law. DWC Contact Information: <https://www.iowaworkcomp.gov/contact-information>.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**IA State Paid Family / Medical Leave**

Iowa does not have a paid family and medical leave program as of 11/30/2023.

**Helpful resources for Iowa**

Iowa Workforce Development (unemployment insurance) website: <https://workforce.iowa.gov/employers/unemployment-insurance>

IWD (unemployment insurance) Employer Handbook: <https://workforce.iowa.gov/employers/unemployment-insurance/employer-handbook>

IWD New Business Fact Sheet: <https://workforce.iowa.gov/media/1221/download?inline>

Iowa Division of Workers’ Compensation website: <https://www.iowaworkcomp.gov/>