**Utah Payroll Taxes**

**UT State Income Tax Withholding**

<https://tax.utah.gov/withholding>

**Who Must Withhold UT State Income Taxes**

You must withhold Utah income tax if you:

* Pay wages to any employee for work done in Utah
* Pay wages to Utah resident employees for work done outside Utah (you may reduce the Utah tax by any tax withheld by the other state)
* Make payments reported on forms 1099 (or as required under Utah Code §59-10-405).

Employers may register for a withholding tax license and Taxpayer Access Point (TAP) account online at <https://tap.tax.utah.gov/TaxExpress/_/>.

Your payment frequency is determined by the amount you withhold, as follows:



The Tax Commission reviews accounts annually and notifies businesses in writing if the filing frequency changes.

You must file returns quarterly unless you use federal form 1040 Schedule H to report household employment taxes or form 944, *Employer’s Annual Federal Tax Return*. In these cases, you file annually. File withholding returns online using form TC-941E at [tap.utah.gov](http://tap.utah.gov/). You must include your FEIN and withholding account ID number on each return.

You must file an annual reconciliation for each year (or partial year) you have a withholding tax account, even if you have no employees or withholding to report for the year. Whether you file quarterly or annually, you must file an annual reconciliation in addition to your withholding tax return(s).

The annual reconciliation is due January 31 after the year wages were paid. If the due date falls on a weekend or holiday, the reconciliation is due the next business day.

IMPORTANT: You must file your annual reconciliation electronically. Instructions for online filing and paying of withholding taxes are available here: <https://tax.utah.gov/developer/withholding/ti-02.pdf>. A complete reconciliation includes electronic form TC-941E, any W-2s with Utah income, and any W-2s or 1099s with Utah taxes withheld.

**UT W-4 Requirements**

Utah does not require employees to complete a state W-4 form. Withhold amounts based on your employee’s federal W-4 form and the Utah withholding schedules or tables in Publication 14, Withholding Tax Guide, <https://tax.utah.gov/forms/pubs/pub-14.pdf>.

**UT State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Unemployment insurance is administered by the Utah Department of Workforce Services. Employers may create a new UI account, file and pay UI taxes, and manage UI account details online at: <https://jobs.utah.gov/ui/employer/employerhome.aspx>.

Governmental units, Indian Tribal units, and nonprofit 501(c)(3) organizations have the option to: (1) pay contributions into the Utah Unemployment Compensation trust fund based upon payroll wages in the same manner as other employers, or (2) elect to become reimbursable employers who are liable for direct reimbursement to the trust fund for benefits paid to individuals formerly in their employ in lieu of paying quarterly contributions.

Wages must be reported for the calendar quarter in which they are paid, unless you are a domestic employer who has elected annual reporting. The “Due Date” is the last day of the month following the end of the calendar quarter.

UT 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>.

**UT State Workers’ Compensation**

Every Utah employer is required to provide workers’ compensation coverage for all its employees. Employers can provide workers’ compensation coverage in one of three ways:

* Purchase workers’ compensation insurance from the Workers’ Compensation Fund (WCF). WCF is the “insurer of last resort” for Utah employers, meaning that WCF must provide coverage for any Utah employer;
* Purchase coverage from one of the other carriers authorized by the Utah Insurance Department to sell workers’ compensation insurance in Utah; or
* Obtain permission from the Industrial Accidents Division to “self-insure.”

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.

**UT State Paid Family / Medical Leave**

Utah does not have a paid family and medical leave program as of 02/07/2024.

**Helpful resources for Utah**

Utah State Tax Commission Employment Taxes and Fees: <https://tax.utah.gov/utah-taxes/employment-taxes>

Utah Employer Withholding: <https://tax.utah.gov/withholding/employers>

Utah Withholding Taxes Online Workshop: <https://tax.utah.gov/train/withholding/>

Workforce Services UI Employer Contribution & Benefits Training: <https://jobs.utah.gov/ui/employer/Public/UIEmployerTraining.pdf>

Utah Labor Commission (Workers’ Compensation): <https://laborcommission.utah.gov/>

Utah Labor Commission Employer’s Guide to Workers’ Compensation: <https://laborcommission.utah.gov/divisions/industrial-accidents/employers/employers-guide-to-workers-compensation/>