

## Income/Franchise:

### Vermont Department of Taxes Reminds Employers of New Payroll Tax that Took Effect July 1

*Press Release: June 2024 Update – Child Care Contribution Payroll Tax Begins for Vermont Employers and Self-Employed Individuals on July 1, 2024, Vt. Dept. of Taxes (6/27/24).* Pursuant to legislation enacted in 2023 [see H.B. 217 (2023), and *State Tax Matters*, Issue 2023-25, for more details on this new tax], the Vermont Department of Taxes (Department) reminds that beginning July 1, 2024, employers must pay the “Vermont Child Care Contribution” tax – specifically, a 0.44% payroll tax on wages paid, with an option to withhold up to 25% of the tax from employees. Additionally, self-employed individuals must pay a 0.11% tax on self-employment income. According to the Department, employers must remit these payroll tax payments in the same manner and frequency as they remit Vermont Income Tax Withholding, with quarterly reporting on the WHT-436 Quarterly Withholding Reconciliation. Additionally, self-employed individuals must pay the self-employment Child Care Contribution when filing their 2024 Vermont personal income taxes in calendar year 2025. Please contact us with any questions.

**URL:** <https://tax.vermont.gov/press-release/june-2024-update-child-care-contribution-payroll-tax-begins-vermont-employers-and>

**URL:** <https://legislature.vermont.gov/bill/status/2024/H.217>

**URL:** [https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230623\\_3.html](https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230623_3.html)

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