

Iowa Wage and Tax Facts

2026

MINIMUM WAGE

Minimum Wage:	\$ 7.25
Minimum Cash Wage:	\$ 4.35
(Tipped Employee)	
Maximum Tip Credit:	\$ 2.90
Effective: 1/1/08	

STATE INCOME TAX

Wage Withholding:	Tables
Supplemental Wage/Bonus Rate:	3.80%

UNEMPLOYMENT INSURANCE

Maximum Taxable Earnings:	\$ 20,400
Employee Deduction:	None
Employer Tax Rates:	0 - 5.4%
Standard New Employer Rate:	1.00%
Voluntary Contribution Permitted:	No

DISABILITY INSURANCE

Employee Deduction:	None
---------------------	------

LOCAL INCOME TAXES

None

RECIPROCITY RULES

Illinois

WORKERS' COMPENSATION

Please contact your insurance provider for details

STAFFING SERVICES SUBJECT TO SALES TAX

Perm Only
<https://tax.iowa.gov/>

AGENCY WEBSITES

Dept of Revenue: revenue.iowa.gov
Dept of Workforce Development:
www.iowaworkforcedevelopment.gov
New Hire Reporting:
<https://secureapp.dhs.state.ia.us/epay/Default.aspx?AspxAutoDetectCookieSupport=1>