

Kentucky Wage and Tax Facts

2026

MINIMUM WAGE

Minimum Wage:	\$	7.25
Minimum Cash Wage:	\$	2.13
(Tipped Employee)		
Maximum Tip Credit:	\$	5.12
Effective: 7/1/09		

STATE INCOME TAX

Wage Withholding:	3.50%
Supplemental Wage/Bonus Rate:	3.50%

UNEMPLOYMENT INSURANCE

Maximum Taxable Earnings:	\$	12,000
Employee Deduction:	None	
Employer Tax Rates:	0.30 - 9.00%	
Standard New Employer Rate:	2.700%	
Voluntary Contribution Permitted:	Yes	

DISABILITY INSURANCE

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

LOCAL INCOME TAXES

Please contact your payroll specialist for details.

RECIPROCITY RULES

Illinois, Indiana, Michigan, Ohio,
West Virginia, Wisconsin

WORKERS' COMPENSATION

Please contact your insurance provider for details

STAFFING SERVICES SUBJECT TO SALES TAX

Currently no legislation

AGENCY WEBSITES

Dept of Revenue: <http://revenue.ky.gov>
Office of Employment & Training: <http://oet.ky.gov>
New Hire Reporting: <http://www.kynewhire.com/>