



# Kentucky Wage and Tax Facts

## 2026

MINIMUM WAGE		
Minimum Wage:	\$	7.25
Minimum Cash Wage: (Tipped Employee)	\$	2.13
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: <a href="http://revenue.ky.gov">http://revenue.ky.gov</a>
Office of Employment & Training: <a href="http://oet.ky.gov">http://oet.ky.gov</a>
New Hire Reporting: <a href="http://www.kynewhire.com/">http://www.kynewhire.com/</a>