

## Child Care Contribution Taxes

Connie Bona <cbona@richmondvt.gov>

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To: Josh Arneson <jarneson@richmondvt.gov>

📎 1 attachments (25 KB)

2023 box 1 wages.pdf

[Child Care Contribution](#) | [Department of Taxes \(vermont.gov\)](#)

My understanding is that the new tax, starting on July 1, 2024, is .44% of box 1 wages on our W-2s. The employer can pass on .11% of that amount to the employees.

I have attached a summary page of the W-2 reporting for 2023 and circled the W2 box 1 value.

Based on 2023 numbers this would come to:

Employer paying .44%, the amount comes to  $.44\% \times 1,334,869.51 = \$5,873.43$ .

or

Employer paying .33% and Employees paying .11%

Employer:  $.33\% \times \$1,334,869.51 = \$4,405.07$

Employees:  $.11\% \times \$1,334,869.51 = \$1,468.36$

Obviously the amount will be higher for Calendar year 2024 as there are wage changes that will happen

This will involve the Selectboard passing a motion on how to handle this new tax, and NEMRC will set up the payroll to account for this additional tax.

My assumption is there will be further updates as we move toward July 1, 2024.

*Connie Bona*  
*Finance Director*  
802-336-2094

*“Just because you can doesn't mean you should”*  
*Sherrilyn Kenyon*

Total W-2 Employees: 62 in 2023	Alloc Tips	0.00		
	Fed W/H	116975.30	Gross Wages	1334869.51
	Fica tax	90942.84	Fica Wages	1466820.82
	Medi tax	21268.85	Medi Wages	1466820.82
	SSTip	0.00	NonQual	0.00
	DCB	0.00		

Box 14: VMER 74364.32  
 Box 14: VMER 9808.88  
 Box 14: INSF 7977.66  
 Box 14: INSS 1565.08  
 Box 14: INSC 8542.10  
 Box 14: DUES 758.52

Box 12G - Employee 457:	47778.11
Box 12W - Employee HSA:	8015.00
Box 12W - Employer HSA:	1914.00
Total Box 12W - HSA:	9929.00
Box 12DD - Employee Cost of Health:	20053.52
Box 12DD - Employer Cost of Health:	216835.40
Total Box 12DD - Cost of Health:	236888.92

SWT: 43903.19 GSW 1334869.51 State:      LOC:      0.00 GLW:      0.00 LOCId:  
 YOUR FEDERAL ID: 03-6000646      YOUR STATE ID: WHT10068831

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