

# Iowa Wage and Tax Facts 2025

## 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:	\$ 39,500
Employee Deduction:	None
Employer Tax Rates:	0 - 7.0%
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](http://revenue.iowa.gov)  
 Dept of Workforce Development:  
[www.iowaworkforcedevelopment.gov](http://www.iowaworkforcedevelopment.gov)  
 New Hire Reporting:  
<https://secureapp.dhs.state.ia.us/epay/Default.aspx?AspxAutoDetectCookieSupport=1>