

Sage

Sage 300 U.S. Payroll

Q4 SR1 2025 Release Notes

January 2026

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Contents

Product update release notes	1
Product update information	1
Software requirements	1
Support and resources	2
Payroll Tax Updates	3
Federal Legislative Updates	3
State and Local Legislative Updates	3
Alaska	4
Arkansas	4
Hawaii	4
Idaho	4
Illinois	4
Indiana	5
Louisiana	5
Massachusetts	5
Michigan	6
Minnesota	6
Mississippi	6
Montana	6
New Mexico	6
New York	6
North Carolina	6
North Dakota	7
Ohio	7
Oregon	7
Pennsylvania	8
Rhode Island	9
Utah	10
Vermont	10
Washington	10

Contents

Product updates	11
Payroll product updates	11
U.S. Payroll product updates	11
My Workforce Forms updates	12
Sage Payroll Tax Forms and eFiling by Aatrix	13
Supported W-2 Forms	13
Quarterly Wage on Disk(ette)	14
Preparing for Year-end Processing	15
Product update installation instructions	16
Installing the product update	16
Activating the tax update	16
Verifying the product update	17
Updating the local tax repository and rates	17

Product update release notes

Important! All customers who update, maintain, and use Sage 300 U.S. Payroll should read these release notes to obtain valuable information about changes to the software program and payroll legislative database.

Product update information

Product: Sage 300 U.S. Payroll

Version: Product Update Q4 SR1 2025

If we receive additional payroll tax changes for this period and/or this year, a new update will be made available.

Software requirements

To use this product update, you must have Sage 300 U.S. Payroll 8.0, which is supported in Sage 300 2026, 2025, 2024 and 2023.

- There are no changes included in the Canadian Payroll Product Update Q4SR1 2025. However, this update must be installed if you are running Payroll Web Screens and have both Canadian and US Payroll on the same system.
 - [Download the CT80E_Q42025_SR1_ProductUpdate.exe](#) for January 31, 2026 Canadian Payroll Tax Updates.
- If you are using the Sage HR Integration with Sage 300, you can only use the Sage 300 desktop interface to print checks. The 'Payroll Checks' screen is not available in Web Screens.

Support and resources

Sage strives to provide you with the best help and support in the industry. If you have a question, we're here to help!

- **Help and documentation:** Many answers to common questions can be found in the help and documentation included with Sage 300. Visit the [Sage 300 Product Documents website](#) for access to more documents.
- **Sage University:** Learn pro tips for year-end processing in online or classroom courses. Visit <http://SageU.com> and log on or create an account to register for training.
- **Community Hub Year-end Center:** Visit <https://communityhub.sage.com/p/yearend> for help, guidance, documents, and downloads specific to Sage 300 Payroll and Year end 2025.
- **Customer Support:** For additional articles and resources, visit the Sage Knowledgebase at <https://us-kb.sage.com/portal/ss/> or contact Customer Support at 800-253-1372 (U.S. and Canada). Please have your Sage Customer Number handy when contacting Support.
- **Tax forms:** Because all printed forms have variations, Sage 300 Payroll only supports forms printed by Sage Checks and Forms. Call Sage Checks and Forms at 800-617-3224 or order online at www.SageChecks.com.

Tip: For information about ordering W-2 forms, see Sage Knowledgebase article: [Which forms should I order for year-end? \(Solution ID: 223924750040172\)](#).

Payroll Tax Updates

The following federal, state, and local tax changes are included in this update.

Federal Legislative Updates

There are no federal legislative updates with this release.

State and Local Legislative Updates

This section lists state and local legislative updates available with this release. If a state or locality is not listed in this section, there are currently no tax updates or product modifications for that state or locality.

Note: Sage 300 U.S. Payroll includes some system-supported State Disability Insurance (SDI) codes, which are updated automatically (for example, with rate changes) when you install product updates. To use these codes, your SDI codes must match the system-supported codes.

If you use custom tax codes to capture SDI taxes, note the following:

- If your codes match the system-supported tax codes, you should review the tax code setup before processing payroll.
- If your codes do not match the system-supported tax codes, you can switch to using the system-supported codes. To do this, you must deactivate your custom tax codes, and then set up the system-supported tax codes.
- Regardless of whether or not your codes match the system-supported tax codes, you must follow your existing procedures for reporting and filing SDI taxes as custom taxes.

Information about changes to specific system-supported SDI codes is included in the sections for the related states.

Alaska

The Unemployment Insurance wage base limit changes to \$54,200 for 2026.

Arkansas

Arkansas withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Hawaii

Hawaii withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

- The Unemployment Insurance wage base limit changes to \$64,500 for 2026.
- State disability insurance rate is updated for 2026.
 - The temporary disability insurance (TDI) maximum weekly wage base will increase to \$1,500.21.
 - The maximum weekly deduction from employee wages will increase to \$7.50.
 - The tax rate of .5% of the wage base remains unchanged.

For more details about setting up related local tax codes, see Knowledgebase article [231030191128320](#).

Idaho

The Unemployment Insurance wage base limit changes to \$58,300 for 2026.

Illinois

Illinois withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to \$14,250 for 2026.

Indiana

Indiana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
IN0013	Union 81 CO Regular (NR) IT	2.75%
IN0022	Shelby 73 CO Regular (NR) IT	1.7%
IN0059	Howard 34 CO Regular (NR) IT	2.35%
IN0065	Greene 28 CO Regular (NR) IT	2.35%
IN0066	Grant 27 CO Regular (NR) IT	2.75%
IN0085	Carroll 08 CO Regular (NR) IT	2.4733%
IN0104	Union 81 CO Regular IT	2.75%
IN0113	Shelby 73 CO Regular IT	1.7%
IN0151	Howard 34 CO Regular IT	2.35%
IN0157	Greene 28 CO Regular IT	2.35%
IN0158	Grant 27 CO Regular IT	2.75%
IN0177	Carroll 08 CO Regular IT	2.4733%

Louisiana

Louisiana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Massachusetts

Massachusetts withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Michigan

Michigan withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Minnesota

Minnesota withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to \$44,000 for 2026.

Mississippi

Mississippi withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Montana

Montana withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to \$47,300 for 2026.

New Mexico

The Unemployment Insurance wage base limit changes to \$34,800 for 2026.

New York

The Unemployment Insurance wage base limit changes to \$17,600 for 2026.

North Carolina

North Carolina withholding tables and instructions, including rates on supplemental wages, have been updated for January 1, 2026. Refer to the state publication for more details.

North Dakota

North Dakota withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The Unemployment Insurance wage base limit changes to \$46,600 for 2026.

Ohio

Ohio rates on supplemental wages have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
OH0800	Lockbourne VI Regular IT	2.5%
OH0890	Miami TP Dayton City JEDD CT Regular IT	2.25%
OH0946	Circleville-Pickaway TP JEDD CT Regular IT	2.5%

For quarterly reports, employers are now required to indicate if an employee is an owner or officer.

How to indicate that an employee is owner or officer:

- In the **Employee Supplemental Information** window, select the **Corporate Officer** checkbox. After doing this, the quarterly unemployment report shows the employee as an owner or officer.

Oregon

Oregon withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
OR0007	Oregon (NR) Statewide Transit Tax	0.1%
OR0008	Oregon Statewide Transit Tax	0.1%

Effective January 1, 2026, there are changes to Metro and Multnomah County local taxes. For more information, see Sage Knowledgebase [220924960111399](#).

Pennsylvania

The following local taxes have either been added or have updated rates in the supported tax tables:

Unless otherwise indicated, they are effective January 1, 2026.

Code	Description	Rate
PA0041	Warrington TP, Northern York SD (NR) LST	\$52
PA0107	Canaan TP, Western Wayne SD (NR) LST	0
PA0754	Chester TP, Chester-Upland SD (NR) LST	\$52
PA0798	Pine TP, Conneaut SD (NR) LST	\$52
PA0807	Cussewago TP, Penncrest SD (NR) LST	\$52
PA1217	New Hanover TP, Boyertown SD (NR) LST	\$52
PA1398	Walker TP, Juniata SD (NR) LST	\$52
PA1536	Marion TP, Moniteau SD (NR) LST	\$52
PA1601	Elizabeth TP, Elizabeth Forward SD (NR) LST	\$52
PA2222	South Newton TP, Big Spring SD (NR) LST	\$52
PA2235	Dickinson TP, Carlisle SD (NR) LST	\$52
PA2249	Briar Creek TP, Berwick SD (NR) LST	\$52
PA2667	Langhorne Manor BO, Neshaminy SD (NR) Regular IT	0.5%
PA2668	Langhorne Manor BO, Neshaminy SD Regular IT	0.5%
PA2919	Canaan TP, Western Wayne SD (NR) Regular IT	1.0%
PA2920	Canaan TP, Western Wayne SD Regular IT	1.0%
PA3552	Williams TP, Wilson SD Regular IT	1.25%
PA6138	Upper Frederick TP, Boyertown SD Regular IT	1.04%

Rhode Island

Code	Description	Rate
PA6175	Narberth BO, Lower Merion SD (NR) Regular IT	1.0%
PA6176	Narberth BO, Lower Merion SD Regular IT	1.0%
PA6984	South Whitehall TP, Parkland SD Regular IT	1.1%
PA7080	Pittston CT, Pittston SD Regular IT	2.7%
PA7272	Kingston TP, Dallas SD Regular IT	1.84%
PA7825	Lanesboro BO, Susquehanna SD (NR) Regular IT	1.0%
PA7826	Lanesboro BO, Susquehanna SD Regular IT	1.0%

Effective December 31, 2025, the following local taxes have expired:

Code	Description
PA0267	Callimont BO, Meyersdale SD (NR) LST
PA0654	South New Castle BO, Shenango SD (NR) LST
PA2261	Sandy TP, Dubois SD (NR) LST
PA3331	Callimont BO, Meyersdale SD (NR) Regular IT
PA3332	Callimont BO, Meyersdale SD Regular IT
PA4545	South New Castle BO, Shenango SD (NR) Regular IT
PA4546	South New Castle BO, Shenango SD Regular IT
PA5113	Sandy TP, Dubois SD (NR) Regular IT
PA5114	Sandy TP, Dubois SD Regular IT

Rhode Island

The Unemployment Insurance wage base limit changes to \$30,800 for 2026.

The following local tax has either been added or has an updated rate in the supported tax tables:

Code	Description	Rate	Effective Date
RISDI	Rhode Island Disability Insurance Tax	1.1%	01/01/2026

Utah

The Unemployment Insurance wage base limit changes to \$50,700 for 2026.

Vermont

Vermont withholding tables and instructions have been updated for 2026. Refer to the state publication for more details.

Washington

Effective January 1, 2026, there are changes to the payroll expense tax for businesses that operate in Seattle. For more information, see Sage Knowledgebase [220924660108679](#).

Product updates

The following product updates are included with this release.

Payroll product updates

U.S. Payroll product updates

The following new features and improvements to payroll are included in this update.

Enhancement to Transaction History Reports

The Detail format of the following reports have been updated to include the Qualified OT Amt for OBBB (One Big Beautiful Bill Act):

- UPHIST1.RPT
- UPHIST2.RPT

Note: The Summary format remains unchanged and does not display the qualified overtime amount for OBBB.

My Workforce Forms updates

This update does not include any new features or improvements to My Workforce forms.

To download and install My Workforce Forms, see Sage Knowledgebase article [250128222256470](#).

Sage Payroll Tax Forms and eFiling by Aatrix

Sage Payroll Tax Forms and eFiling by Aatrix is a feature included with Sage 300. This functionality provides updated reports and forms at no cost and enables you to fill out and file tax forms electronically for a fee.

To begin using tax forms with Sage Payroll Tax Forms and eFiling by Aatrix, open one of the tax forms available in **Payroll > Government Reports > Federal Tax Filing or State Tax Filing**. You will be prompted to register your organization with Sage Payroll Tax Forms and eFiling by Aatrix. After registering, you have the option to enroll your company (or companies) in the eFiling service.

For a detailed overview and a price structure of the Sage Payroll Tax Forms and eFiling by Aatrix options, visit our website here:

<https://partner.aatrix.com/partners/sage300>

Supported W-2 Forms

For information about ordering W-2 forms, see the Sage Knowledgebase article [Which forms should I order for year-end? \(solution ID 223924750040172\)](#) on the Sage Support website.

Quarterly Wage on Disk(ette)

If you use Sage 300 U.S. Payroll, note that tax filing for Puerto Rico is not currently supported by Sage Payroll Tax Forms and eFiling by Aatrix. To produce State Unemployment Tax (SUTA) quarterly wage reports for Puerto Rico, use the Quarterly Wage on Disk(ette) feature.

For more information, see the following Sage Knowledgebase articles:

- [Producing Quarterly Wage Reports on Disk\(ette\) or Hard Disk \(Solution ID: 240315223951660\)](#)
- [State-Specific Information for Quarterly Wage on Disk\(ette\) \(Solution ID: 240315225836580\)](#)
- [Entering Employee Supplemental Information \(Solution ID: 223924350032880\)](#)

Preparing for Year-end Processing

Before you start processing your 2026 payroll, visit the Community Hub Year-end Center, where you can get fast answers from Sage support, peers, and product experts at the busiest time of year. You'll find helpful articles, discussion forums, and other links and resources to help your year-end processing go smoothly.

To get started, visit <https://communityhub.sage.com/p/yearend>, select your region, and then select Sage 300.

The Year-End Center includes an FAQ and provides you with information various topics, including employee-related forms, processing reports, and preparing for the first payroll of a new year.

Product update installation instructions

Follow the instructions in this section to install, apply, and verify this Product Update.

Before you start:

- Back up your data.
- Make sure all users have exited the program.
- Verify your service pack or product update level. To verify what service pack or product update you have installed, click the **System Information** option on the **Help** menu in Sage 300.

Installing the product update

To install the product update:

1. Right-click the Product Update file to Run as Administrator (or make sure you have administrator rights to run the installation) and launch the installation program.
2. On the Welcome window, click **Next** to continue to the Software License Agreement window.
3. Select the features to install. Click **Next**, then **Install**.
4. On the Setup Complete window, click **Finish** to finish the installation.

Activating the tax update

To activate the tax update:

1. Start Sage 300.
2. In the **Administrative Services** folder, select **Data Activation**.
3. Select the current tax update, and then click **Activate**.
4. If you are prompted to convert a previous payroll tax update to the current version, click **Proceed**.

After you complete installation and activation, and after you have made any adjustments described in this document, you can resume processing payroll.

Verifying the product update

After the update is complete, you can confirm that the update was installed successfully by selecting **Help > System Information**. The tax update version will be listed with a product update number.

Updating the local tax repository and rates

This section applies only if you use local tax codes in U.S. Payroll.

To update the local tax repository and rates:

1. After the Product Update is complete, log in to Sage 300.
2. On the Local and Other Custom Taxes window, click the **Install Repository** button to update all of the local tax rates in the system.
3. When asked if you want to continue updating company-level local tax records with information from the local repository, click one of the following:
 - **Yes** to automatically update the company rates for all local taxes.
 - **No** to update local taxes individually (select each tax and click the Update button to apply the rate changes). Doing this enables you to validate rates before and after the changes.
4. Depending on your choice in the previous step, update employee-level local tax records as follows:
 - If you clicked **Yes** in the previous step, when asked if you want to continue updating employee local tax records from the local tax repository, click one of the following:
 - **Yes** to automatically update the employee-level rates for all local taxes.
 - **No** to select each employee or use the Update Taxes tax, then update each tax or employee individually.

- If you clicked **No** in the previous step, you must manually update each employee-level tax. This can be done for all employees at once by tax from **U.S. Payroll > Update Taxes**, or by individual employee from **Employee Payroll > Taxes**.

Important! This process requires security permissions in Sage 300 to access all employees. Otherwise you may not receive the prompts as described above and employee rates will not be updated.