**Texas State Payroll Taxes**

**TX State Income Tax Withholding**

Texas has no state or local income tax withholding.

**TX State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed.

The Texas Workforce Commission (TWC) requires employers to register with TWC within 10 days of becoming liable. A Government Agency employer is not able to register via TWC’s Unemployment Tax Registration portal. Instead, submit a Contact Request (<https://apps.twc.texas.gov/EXTCBK/ecrs/employer>) to request Form C-1OSGU (Status Report for Out-Of-State Governmental Unit). From the Employer menu, select:

* Reason for Contact: Employer Tax Account Actions/Issues
* Issue that you are having: Need to Register for an Account Number
* In the “Comments” section, specifically request Form C-1OSGU for an Out-Of-State Governmental Unit

Please be advised that all Washington State Community and Technical Colleges have selected the Reimbursable method for Washington unemployment insurance. Whenever possible, it is recommended as a best practice for colleges to adopt the same approach for their non-Washington state unemployment insurance method. A non-Texas Governmental Unit employer may elect to self-pay unemployment insurance via the reimbursable method by checking the “Reimbursing Employer” box on Item #3a of Form C-1OSGU.

The first **$9,000** paid to an employee during a calendar year is taxable. Liable employers must file quarterly wage reports and make quarterly tax payments electronically. Quarterly wage reports and tax payments are due by the last day of the month following the end of the quarter.

File and adjust wage reports, pay unemployment taxes, view your account balance and tax rate, update your contact information, and manage your account using the Unemployment Tax Services (UTS) system (<https://apps.twc.texas.gov/UITAXSERV/security/logon.do>).

Texas has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**TX State Workers’ Compensation**

Texas does not require most private employers to have workers’ compensation.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of

Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard [kimberly.haggard@des.wa.gov](mailto:kimberly.haggard@des.wa.gov) at DES Risk Management.

**TX State Paid Family / Medical Leave**

Texas does not have a paid family and medical leave program as of 02/21/2025.

*\*Note:* Washington Paid Family & Medical Leave (PFML) and Washington Cares benefits are not available to employees who are physically working in Texas. Agencies with WA PFML or WA Cares policy questions may email Washington Employment Security Department at [esddlpfmlpolicy@esd.wa.gov](mailto:esddlpfmlpolicy@esd.wa.gov).

**Helpful resources for Texas**

New Texas Employer Information website: <https://www.twc.texas.gov/businesses/new-texas-employer-information>

Texas Workforce Commission (Unemployment Tax) Contact Information website: <https://www.twc.texas.gov/unemployment-tax-contact-information>

Using Unemployment Tax Services (UTS) to Manage a Tax Account: <https://www.twc.texas.gov/services/manage-tax>

Download the Texas Workforce Commission Guidebook for Employers from the TWC Employer Resources website: <https://www.twc.texas.gov/employer-resources/ebs>

Texas Department of Insurance Workers’ Compensation website: <https://www.tdi.texas.gov/wc/>