



Multi-State Payroll Checklist

This checklist helps employers manage payroll compliance across multiple states, covering registration, taxes, and wage laws.

Step 1 – Register in Each State

- Set up **state income tax withholding accounts**.
- Register for **state unemployment insurance (SUI/SUTA)**.
- Confirm any local city/county payroll tax requirements.

Step 2 – Track Tax Deposit Schedules

- Each state has unique deposit frequencies (monthly, quarterly, etc.).
- Use a payroll calendar to avoid missed deadlines.
- Automate deposits where possible.

Step 3 – Follow State Wage & Hour Laws

- Minimum wage rates vary by state (and sometimes by city).
- Overtime thresholds may differ (e.g., California daily overtime rules).
- Track mandated meal/rest breaks where required.

Step 4 – Manage Employee Residency & Nexus

- Tax withholding is typically based on **employee's work location**.
- Some states have **reciprocal agreements** (e.g., Pennsylvania & New Jersey).
- Watch for **nexus triggers** if employees create a taxable presence.

Step 5 – Reconcile Multi-State Filings

- File quarterly state payroll returns (along with federal Form 941).
- Submit state unemployment insurance reports.
- Reconcile YTD totals for each state at year-end.

Tip: Multi-state payroll is complex — keep a compliance calendar and review state laws annually to avoid missed filings or penalties.