



# 170,000+

**Local Wage Basis Rules  
Oracle Delivered.**

**That You Probably  
Haven't Loaded.**

If no one on your team can confirm this was done — keep reading.

*For Payroll Directors, HRIS Leads, and  
Oracle HCM implementation teams.*

Swipe →

# Oracle HCM Cloud ships with robust tax rules at the federal and state level.

*Most implementation teams check this box and move on.*



## FEDERAL WAGE BASIS RULES

Fully delivered out of the box



## STATE WAGE BASIS RULES

Fully delivered out of the box



## LOCAL WAGE BASIS RULES

“Designed for customer configuration”

That third line is easy to overlook—  
but it changes everything for local tax accuracy.

## Here's what gets missed in most implementations.

Local wage basis rules require customer configuration — by design.

10,000+ US jurisdictions — each with unique city, county, and school district tax rules. It's simply not feasible to pre-configure them all.

So they're left for the implementation team to load.

### And here's the kicker:

The system doesn't complain.

Payroll runs. Taxes calculate. No errors.

It just silently defaults to state-level logic for every local tax jurisdiction.

## These aren't edge cases. These are states where local rules materially differ.

1

### Ohio

401(k) deductions ARE subject to city tax — state says exempt, city says taxable

2

### Kentucky

ALL Section 125 pretax deductions are taxable at the local level

3

### Pennsylvania

County-level rules diverge significantly from state wage basis

4

### Alabama

City tax calculations use different exclusion rules than state

5

### Delaware

County tax wage basis varies from state defaults

*If you have employees in any of these states, your local taxable wages are likely wrong right now.*

## Oracle delivered the rules. When they're not loaded, here's what happens.



Employees under- or over-withheld at the local level — every single pay period



W-2 Box 18/19 amounts don't reconcile at year-end



Local tax authorities flag discrepancies during audits



Amended W-2s and back-pay corrections that erode employee confidence

This isn't a product issue — it's a missed step.  
And it compounds every pay cycle it goes unresolved.



Oracle already built the fix.  
You just need to know it exists.

170,335

Pre-Built Local Wage Basis Rules

5

States  
Covered

2

Tax Types  
City + County

<30

Minutes  
to Load

Available on My Oracle Support

[Doc ID 2505285.1](#) — TaxabilityRule HDL

*No custom code. No formula overrides.  
Just a data load Oracle has already prepared.*

# Three steps. Thirty minutes. Zero development resources.

01

## Download

Get the TaxabilityRule HDL file from  
My Oracle Support (Doc ID 2505285.1)

02

## Load

Navigator → Data Exchange →  
Import and Load Data → Submit

03

## Validate

Run test payrolls for employees in  
affected jurisdictions. Confirm local  
taxes recalculate correctly.

*This is a 30-minute fix for a problem that  
compounds every pay cycle it goes unresolved.*



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*Were local wage  
basis rules loaded  
during our Oracle HCM  
implementation?*

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If the answer is uncertain — we should talk.  
Reach us at [info@phoenixcloudtech.com](mailto:info@phoenixcloudtech.com) OR  
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