

Changes to Payroll Setup and Payroll Tax Remittance Chapter 12

Payroll setup changes:

A new section has been added to the Payroll Settings screen (Figure 12-40), and there have been some changes to processes in the sections highlighted below.

The screenshot shows the Payroll Settings interface with the following sections and annotations:

- General tax:** Company type, filing name, and filing address.
- Federal tax:** Federal EIN, deposit schedule, and filing requirement.
- California tax:** State EIN, deposit schedule, and state unemployment insurance rate.
- Auto Payroll:** Automatically pay your employees. No employees enrolled.
- Taxes and forms:** Payment and filing preference. **Some screen changes** (red box).
- Employee Profile Management:** Let employees edit their info in Workforce. We'll send you an email when any changes are made. **New section** (red box). Includes sub-sections for Personal (legal name, birth date, gender, address) and Tax withholding, both with **Off** checkboxes (red boxes). Callout: **Click to open the section. Uncheck boxes to turn both Off.**
- Shared data:** Allow employees to import W-2 data into TurboTax. Includes sub-section for Include automated income and employment verification service powered by The Work Number® from Equifax, with **Off** checkboxes (red boxes). Callout: **Click to open the sections. Uncheck boxes to turn both Off.**
- Bank accounts:** Account number and Routing number.
- Printing:** Pay stubs. Pay stub on plain paper.
- Accounting:** Choose how payroll transactions are mapped. **Some screen changes** (red box).

1. In the **Taxes and forms** section, uncheck the box next to **Automate taxes and forms** and select **I'll initiate payments and filing using QuickBooks** in the **How you plan to handle taxes** section.

The screen will look like this:

Taxes and forms 1 Automate taxes and forms Off

You'll be responsible for paying and filing your federal and state payroll taxes (including year-end filings) beginning with tax periods ending on or after The first day of the subsequent month will appear here. For example, if you're doing your homework in October, November 1 would be the date displayed.

[Find out more](#)

How you plan to handle taxes

Select how you plan on making your tax payments and filings.

2 I'll initiate payments and filings using QuickBooks

I'll pay and file the right agencies through their website or by mail

Click **Save**.

If you see the following message, click **Yes**.

! Turn this off? Handle local taxes outside QuickBooks. ×

What you should know

- Local taxes:** You'll no longer be able to pay or file these through QuickBooks. Instead, you'll need to handle these yourself.
- Effective Date:** Your changes will go into effect on **December 1**. We'll still pay and file your taxes for all tax periods through **November 30**. NOTE: Dates displayed here will depend on the date you're doing your homework.

How payments and filings may be handled:

We do it	You do it
Nov 30 and prior / previous quarter	Dec 1 and beyond / this quarter & W-2s

- In the **Employee Profile Management** and **Shared data** sections, you'll need to open the section for editing and uncheck the boxes next to features allowing employees to enter or upload data to QBO. You may be asked why you've elected to deactivate those features. You can select any of the possible answers.
- In the **Accounting** section, the identification of distribution accounts related to employer payroll taxes (Figure 12.46 in your textbook) is now made in two separate screens.

Taxes



Where do you track employer taxes that you've paid (expenses**) in your QuickBooks chart of accounts?**

- All employer taxes are posted to one expense account.
- Employer taxes are posted to different expense accounts for different employees.
- Employer taxes are posted to different expense accounts for different groups of taxes.

Tax Expenses

Labor Costs: Payroll tax expense



Tax Liability Accounts



Where do you track employer taxes that you owe (liabilities**) in your QuickBooks chart of accounts?**

Federal Taxes (941/943/944)

Payroll Taxes Payable



Federal Unemployment (940)

Payroll Taxes Payable



CA PIT / SDI

Payroll Taxes Payable



CA SUI / ETT

Payroll Taxes Payable



Payroll tax remittance change:

As of November 2022, Intuit will not allow users to manually process payroll taxes until the first day of the month AFTER they activate the QBO payroll system.

For those of you submitting homework through myBusinessCourse: This will not affect your ability to complete the assignment. All the information you need to answer questions about payroll taxes can be found in the reports suggested at the end of the assignment.