

## 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. It features a list of settings categories on the left and their corresponding details on the right. Annotations include red boxes and callouts highlighting specific changes and instructions.

Category	Details	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. <a href="#">Learn more</a> No employees enrolled	
Taxes and forms	Payment and filing preference	Some screen changes
Employee Profile Management	Let employees edit their info in Workforce. We'll send you an email when any changes are made. <a href="#">Learn more</a>	
New section	Personal (legal name, birth date, gender, address) Tax withholding	Off Off
Shared data	Allow employees to import W-2 data into TurboTax Include automated income and employment verification service powered by The Work Number® from Equifax <a href="#">Learn more</a>	Off Off
Bank accounts	Account number Routing number	
Printing	Pay stubs Pay stub on plain paper	
Accounting	Choose how payroll transactions are mapped	Some screen changes

Click to open the section. Uncheck boxes to turn both Off.

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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 [date field]

[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

**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.**

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**.

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

**NOTE: Dates displayed here will depend on the date you're doing your homework.**

- 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.