Tax Payments Checklist (Year-to-Date Payroll)

> **Important**: Before you enter tax payments in the **Enter Tax Payments** window, you must enter all your year-to-date paychecks in the **Enter Paychecks** window.

What is the Enter Tax Payments window?

The **Enter Tax Payments** window lets you enter the *tax liabilities you've paid so far this year* so that QuickBooks can determine how much you still owe to federal and state agencies and help ensure your filings are accurate.

What is a payroll tax liability?

A **payroll tax liability** is money you owe a government agency for a payroll tax item. Some examples include:

- Federal or state withholding (also called **Income Tax**; does not include Social Security or Medicare)
- Social Security company-paid tax
- Social Security employee-paid tax
- Medicare company-paid tax
- Medicare employee-paid tax
- Federal Unemployment Tax (also called **FUTA**)
- State disability insurance (also called **SDI**)
- State unemployment insurance (also called **SUI**)

What is a tax payment?

A tax payment is an amount you paid to a federal or state agency to cover *one or more tax liabilities you owe that agency*.

How do you determine the breakdown of your payments?

You probably know how much you paid to federal and state tax agencies. Now you need to figure out how those payments are broken down into individual liabilities.

Example: You made a tax payment to the US Treasury for $500 on 3/15/08. That $500 is 1 payment that is broken down into several liabilities:

> **$250** for Federal Withholding taxes
> + **$100** for Social Security company- and employee-paid taxes
> + **$150** for Medicare company- and employee-paid taxes
> TOTAL = **$500** paid on 3/15/08 to US Treasury

Where do you get this information?

Depending on how you've managed your payroll, liability payment information may be available from several sources:

- Your accountant or tax professional
- Your payroll tax payment tax records such as: your ledger, checkbook, payment journal
- Reports from your previous payroll service

Questions to ask yourself and your accountant:

- Did the payment go to an agency for multiple liabilities (a *batched payment*)? For example, you might have made one payment to the IRS that covers Federal Withholding, Social Security, and Medicare. Determine the breakdown of the payment and make note of how much you paid toward each liability in the batched payment.

- Determine if you made *multiple payments* for a liability at different times or in different batches. For example, you made 3 separate payments for Social Security on different dates. Determine what those separate payments were.

- Was the payment for liabilities accrued in the quarter in which the payment was *paid* or was it for a past or future quarter? The payment date may fall in a different quarter than the quarter in which liabilities accrued.

Examples

You may have a record of a payment you made to a tax agency. But what you need to know is which tax liabilities that payment went toward – for example, how much of the 941/944 payment you made to the IRS for went toward income tax withholding, Social Security, Medicare, and so on?

To figure this out, get a detailed report from your accountant or previous payroll service that shows the exact breakdown of your payment to the IRS. In the following example below, you see that the payment of $1,129.44 is broken down as follows:

$444.00	Federal Withholding
$64.96	Medicare Employee
$277.76	Social Security Employee
$64.96	Medicare Company
$277.76	Social Security Company
$1,129.44	**TOTAL PAYMENT ON 3/6/08**

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Tax Payments
01/01/2008 - 04/29/2008

Payment Date	Tax Payment	Net Amt	Check Num
3/6/2008	Federal Taxes (941/944)	$1,129.44	E-Payment
3/6/2008	CA PIT / SDI	$141.92	E-Payment
3/20/2008	Federal Taxes (941/944)	$1,052.90	E-Payment
3/20/2008	CA PIT / SDI	$129.07	E-Payment
4/3/2008	Federal Taxes (941/944)	$1,269.00	E-Payment
4/3/2008	CA PIT / SDI	$175.10	E-Payment
4/17/2008	Federal Taxes (941/944)	$1,299.46	E-Payment
4/17/2008	CA PIT / SDI	$181.70	E-Payment
4/28/2008	FUTA (940)	$69.66	E-Payment
4/28/2008	CA SUI/ETT	$304.78	E-Payment

Fig. 1 Tax payments sample

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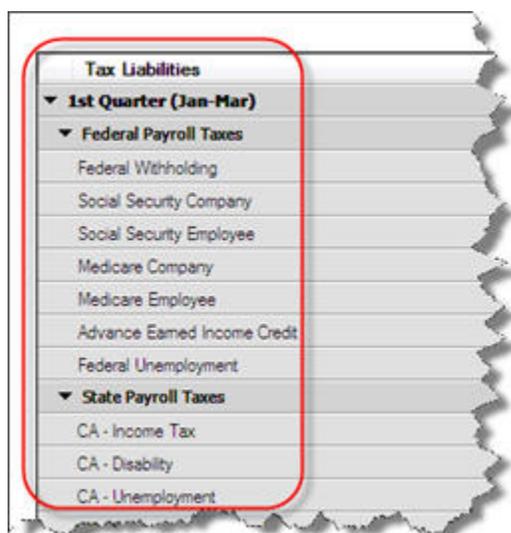**Liabilities**
01/01/2008 - 04/29/2008

	Mar 1, 08	Mar 15, 08	Apr 5, 08	Apr 15, 08	BALANCE
Payroll Liabilities					
Federal Withholding	444.00	406.00	515.00	534.00	1,899.00
Medicare Employee	64.96	61.31	71.46	72.54	270.27
Social Security Employee	277.76	262.14	305.54	310.19	1,155.63
Federal Unemployment	35.84	33.82	39.42	40.02	149.10
Medicare Company	64.96	61.31	71.46	72.54	270.27
Social Security Company	277.76	262.14	305.54	310.19	1,155.63
CA - Withholding	106.08	95.25	135.68	141.68	478.69
CA - Disability	35.84	33.82	39.42	40.02	149.10
CA - Unemployment	152.32	143.75	167.56	170.09	633.72
CA - Employment Training Tax	4.48	4.23	4.92	5.01	18.64
401k Emp.	448.00	422.80	492.80	500.30	1,863.90
Health Insurance (taxable)	150.00	150.00	150.00	150.00	600.00
Wage Garnishment	238.04	222.39	260.06	260.06	980.55
401k Co. Match	268.80	253.68	295.68	300.18	1,118.34
Total Payroll Liabilities	**2,568.84**	**2,412.64**	**2,854.54**	**2,906.82**	**10,742.84**

Fig. 2 Tax liabilities sample

Now what do you do? (Tax Payments checklist)

1. Print this document for easy reference.

2. Gather your payroll tax payment records – information about the payments you made and the breakdowns of each.

   Important: Again, most likely your accountant or previous payroll service has this information, so get it from them.

3. Figure out the following: For each quarter, how much did you pay toward each liability? Remember, you need to look at your payments and determine the breakdowns of each one.

4. Add up the amounts of the breakdowns and figure out the total amount you paid for each liability for that particular quarter.

5. In the **Enter Tax Payments** window, look at the list of tax liabilities for each quarter:

6. For each tax liability, review the **QuickBooks Calculated Amount**.

Tax Liabilities	QuickBooks-Calculated Amount
▼ 1st Quarter (Jan-Mar)	
▼ Federal Payroll Taxes	
Federal Withholding	23.00
Social Security Company	
Social Security Employee	21.00
Medicare Company	
Medicare Employee	22.00
Advance Earned Income Credit	-34.00
Federal Unemployment	
▼ State Payroll Taxes	
CA - Income Tax	22.00

Based on the year-to-date paychecks you entered earlier, this is the amount that QuickBooks has determined you should have paid for each liability.

Important: You may not have paid these amounts yet, in which case your records don't match what's on the screen. You can continue this task anyway –QuickBooks will help you reconcile the difference.

7. Next to each liability, in the **Total Amount You've Paid** column, enter the amount you determined you've already paid for that quarter's liability:
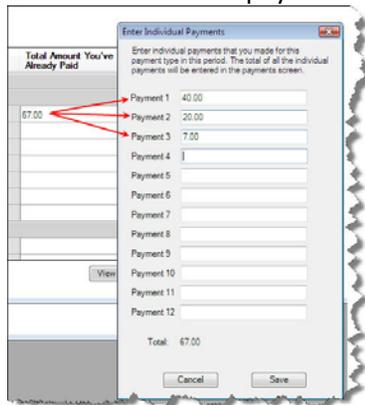

Tax Liabilities	QuickBooks-Calculated Amount	Total Amount You've Already Paid	
▼ 1st Quarter (Jan-Mar)			
▼ Federal Payroll Taxes			
Federal Withholding	23.00	67.00	
Social Security Company			
Social Security Employee	21.00		
Medicare Company			
Medicare Employee	22.00		
Advance Earned Income Credit	-34.00		
Federal Unemployment			
▼ State Payroll Taxes			
CA - Income Tax	22.00		

8. Within a quarter, if you made multiple payments for a single liability at different times or in different batches:

   a. Click the calculator icon in the **Total Amount You've Already Paid** field.
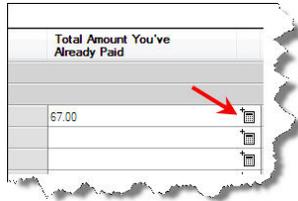
   b. Enter the individual payments.

   c. Then click **Save**.

   Note: You don't need to enter the payment dates.

9. Continue entering your payment information. The **Balance Remaining** field shows you what you still owe the federal or state agency for each liability.

10. After you've entered all your payment amounts for all liabilities for each quarter, click **Done Entering Payments**.

Glossary