

HOW TO CREATE A CUSTOM TAX CATEGORY THAT IS NOT BUILT IN PAYROLL MATE

Question

PLEASE REFER TO THE STEPS BELOW:

Answer

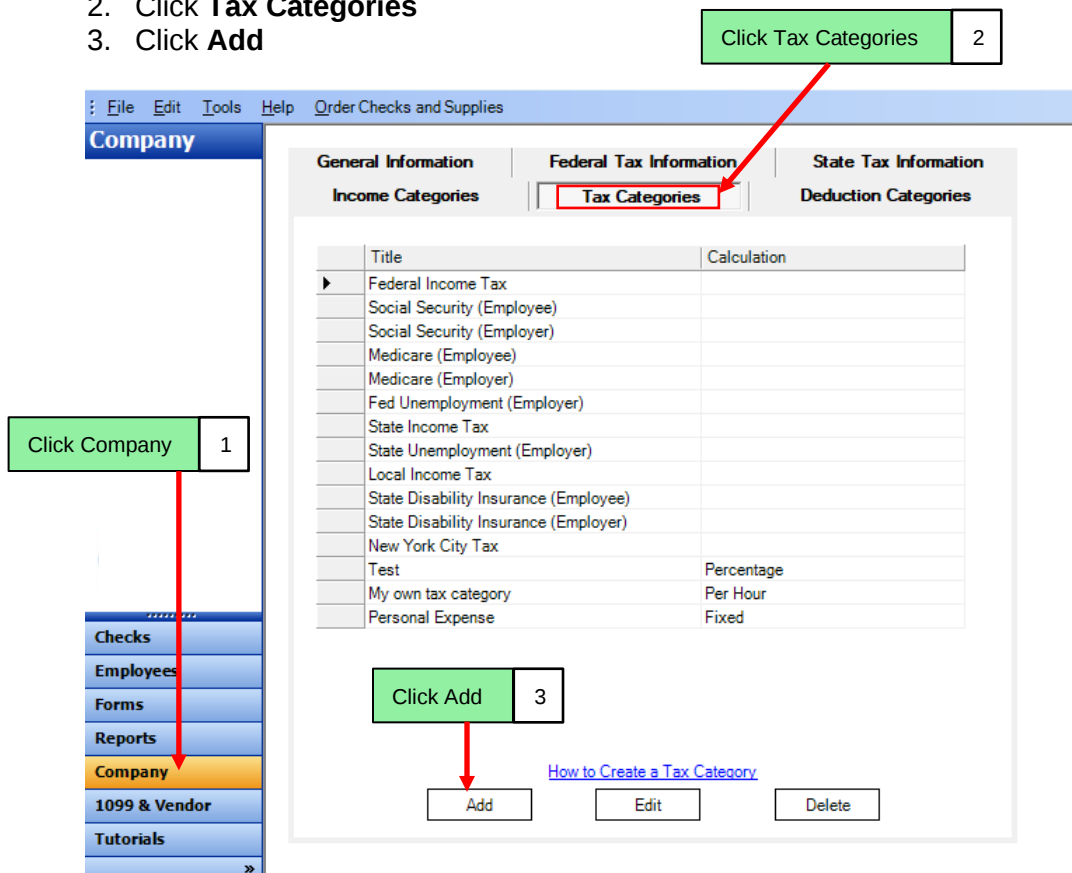
Payroll Mate gives users the ability to create a custom tax category if the tax category does not already exist in the software.

To create a tax category:

Make sure you have the correct company open.

The following is a step-by-step guide to adding a tax category:

1. Click **Company**
2. Click **Tax Categories**
3. Click **Add**



The screenshot shows the Payroll Mate software interface. On the left is a navigation menu with options: Checks, Employees, Forms, Reports, Company (highlighted), 1099 & Vendor, and Tutorials. A green callout box labeled "Click Company" with the number "1" has a red arrow pointing to the "Company" menu item. The main window has a menu bar (File, Edit, Tools, Help, Order Checks and Supplies) and a tabbed interface. The "Federal Tax Information" tab is active, and within it, the "Tax Categories" sub-tab is selected. A green callout box labeled "Click Tax Categories" with the number "2" has a red arrow pointing to the "Tax Categories" sub-tab. The "Tax Categories" sub-tab displays a table with columns "Title" and "Calculation". The table lists various tax categories like Federal Income Tax, Social Security, Medicare, etc. A green callout box labeled "Click Add" with the number "3" has a red arrow pointing to the "Add" button at the bottom of the table. Below the table, there is a link "How to Create a Tax Category" and buttons for "Add", "Edit", and "Delete".

4. **Carefully review the disclaimer** to make sure you understand it.
5. Once you have carefully read and understand the disclaimer, click **I understand**

Carefully read the disclaimer

4

Attention



You are about to custom add a new tax category.

Please remember that this newly created category will directly affect your tax forms and reports.

You may need to seek tax advice from your tax professional before creating this new category.

Once you have finished creating this tax category and before you start creating real checks, we strongly recommend that you create one or more dummy checks and confirm that all related incomes, taxes and deductions are properly reflected on all tax forms and reports.

Once you start creating actual payroll checks it will be very difficult to fix any errors you may have overlooked at this point.

I understand

Click I understand

5

6. **Name the tax** that is being created
7. **Select the Calculation** you need from the dropdown
8. **Select the Paid by** you need from the dropdown (choose Employee or Employer)
9. Click **OK**

Tax Details
✕

Title:

Abbreviation:

Calculation: Percentage ▼

Quarterly Rates:

Wagebase:

Max Amount per Check:

Paid by: Employee ▼

Name the tax 6

Select the Calculation 7

Select the Paid by 8

Click OK 9

W-2 Options

W-2 Box 12 Code:

W-2 Box 14 Abbreviation:

☐ Use on Box 19 (Local income tax)

☐ Inactive

Abbreviation populates automatically but you can make your own abbreviation if needed.

Depending on the Calculation that was chosen enter in the Rates or the Amount.

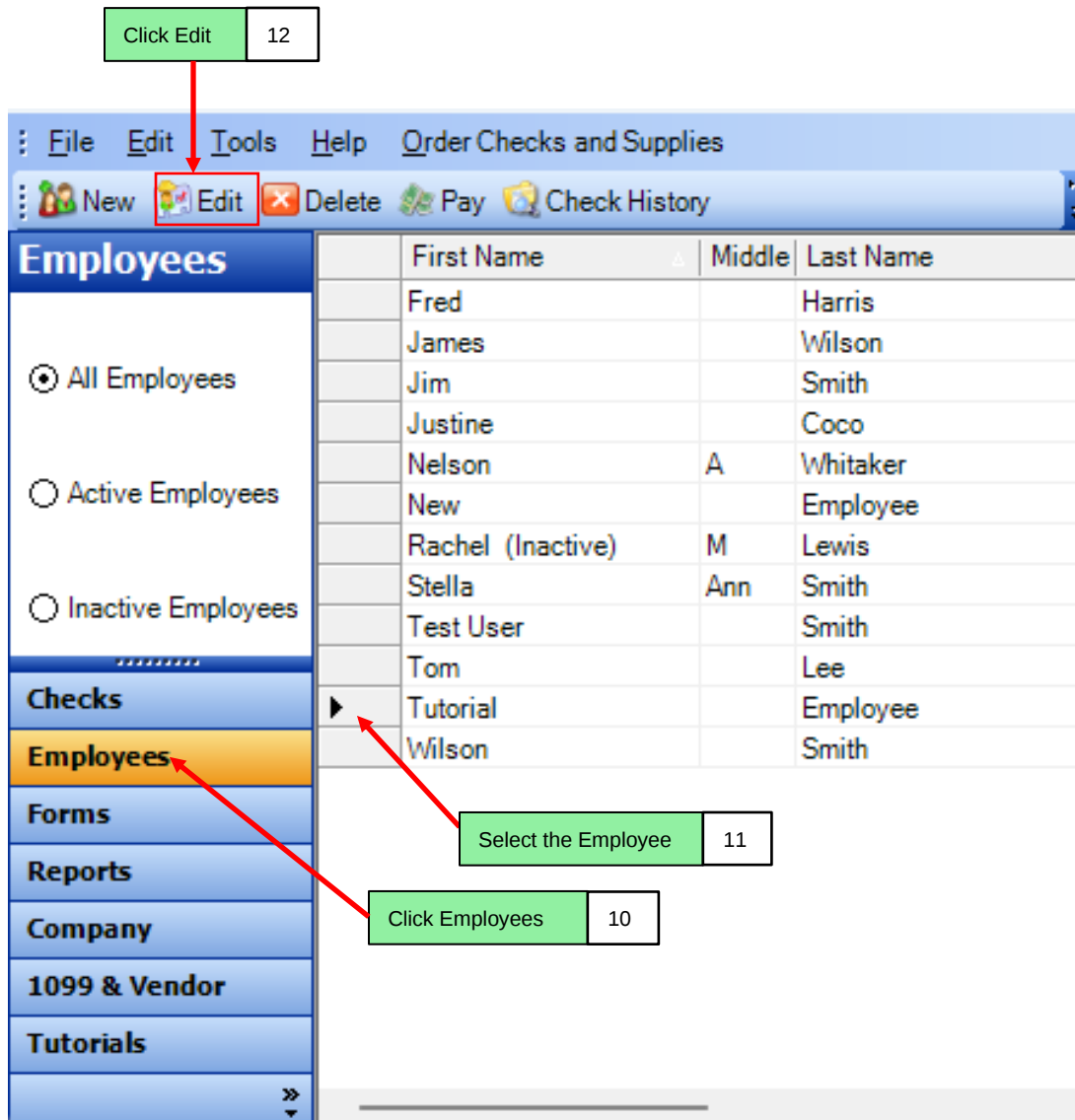
If there is a Wage base, enter it here.
(Wage base is the maximum dollar amount that is subject to the tax)

You have now created your custom tax category.

After creating the custom tax category, you may now apply it to your employee(s).

10. Click **Employees**
11. **Select the Employee** you need to add the newly created custom tax category to.
12. Click **Edit**

Click Edit 12



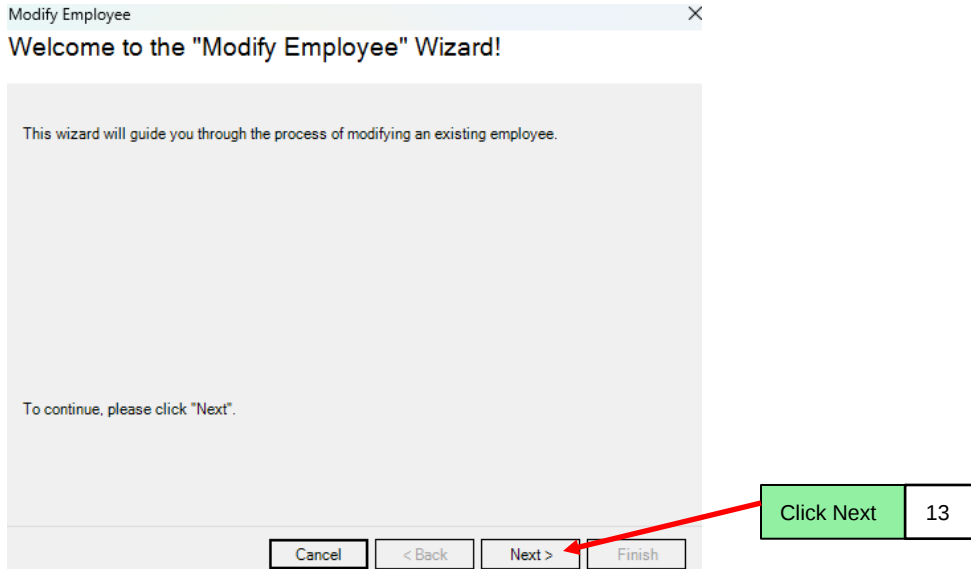
The screenshot shows the Payroll Mate application window. The top menu bar includes File, Edit, Tools, Help, and Order Checks and Supplies. Below this is a toolbar with icons for New, Edit, Delete, Pay, and Check History. The left sidebar contains a navigation menu with options: All Employees (selected), Active Employees, Inactive Employees, Checks, Employees (highlighted with a red arrow), Forms, Reports, Company, 1099 & Vendor, and Tutorials. The main area displays a table of employees with columns for First Name, Middle, and Last Name. The table lists several employees, including Fred Harris, James Wilson, Jim Smith, Justine Coco, Nelson Whitaker, New Employee, Rachel (Inactive) Lewis, Stella Ann Smith, Test User Smith, Tom Lee, Tutorial Employee, and Wilson Smith. A red arrow points from the 'Edit' button in the toolbar to the 'Tutorial Employee' row in the table. Another red arrow points from the 'Employees' option in the left menu to the same row. A third red arrow points from the 'Tutorial Employee' row to the 'Edit' button. Below the table, there are two callout boxes: 'Select the Employee' with the number 11, and 'Click Employees' with the number 10.

First Name	Middle	Last Name
Fred		Harris
James		Wilson
Jim		Smith
Justine		Coco
Nelson	A	Whitaker
New		Employee
Rachel (Inactive)	M	Lewis
Stella	Ann	Smith
Test User		Smith
Tom		Lee
Tutorial		Employee
Wilson		Smith

Select the Employee 11

Click Employees 10

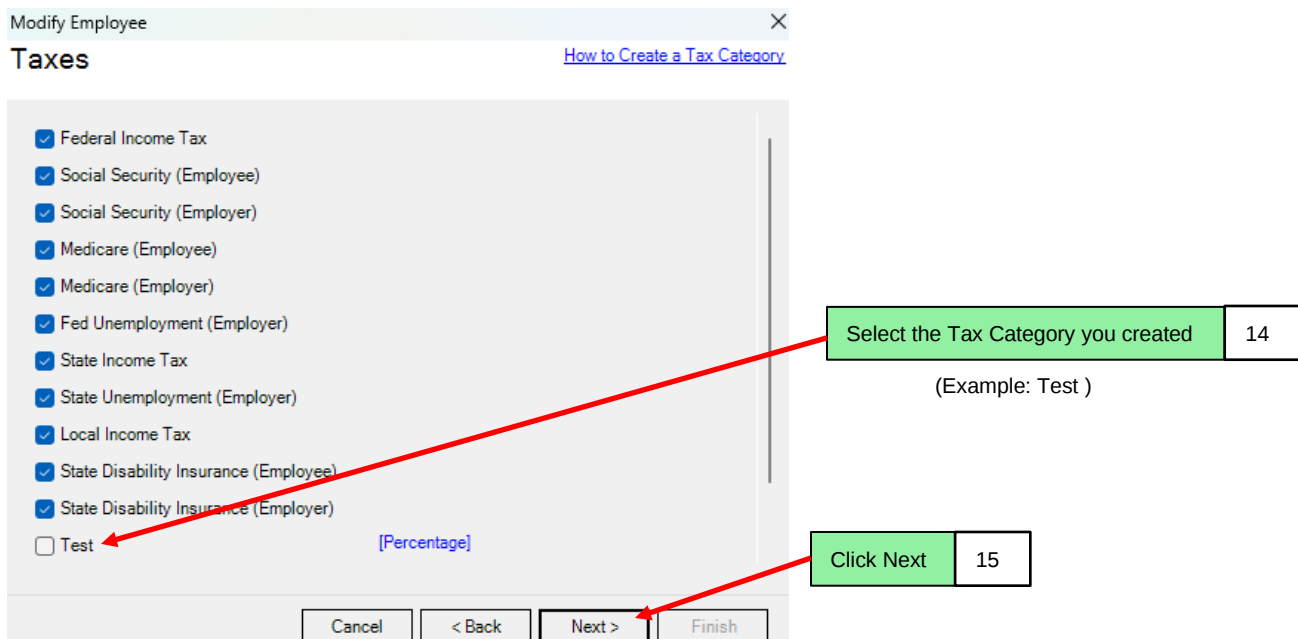
13. The Welcome to the Modify Employee Wizard will appear, click **Next**



Continue to click next until you reach the **Taxes** screen

14. **Select the Tax Category** you just created (Example: Test)

15. Click **Next**



Continue to click next until you reach the **Finish** screen

16. Click **Finish**

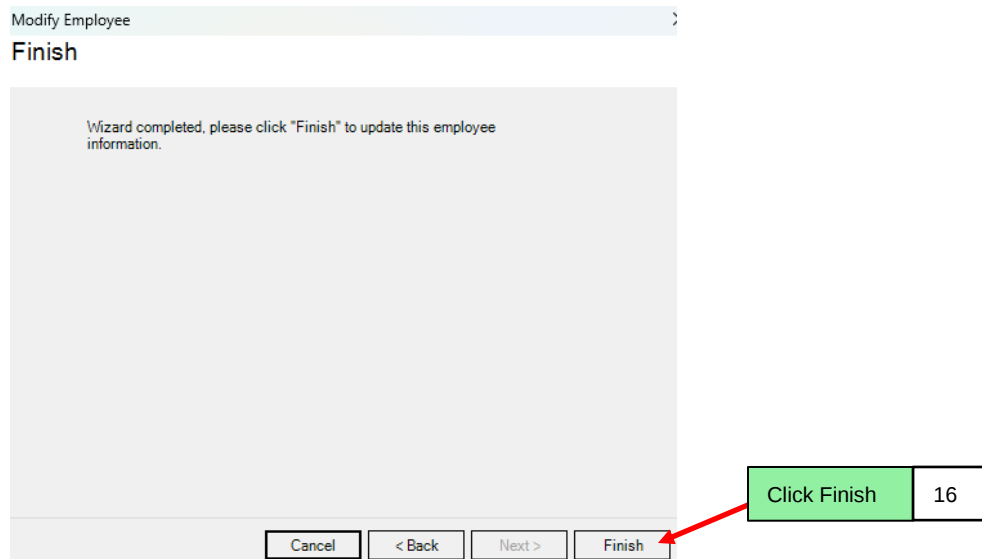
Modify Employee >

Finish

Wizard completed, please click "Finish" to update this employee information.

Cancel < Back Next > Finish

Click Finish 16



You have now applied your newly created custom tax category to that one employee.

You may proceed with applying it other employees, if needed.