

Create a New Tax Category in Payroll Mate Video Transcript

When you open Payroll Mate, you will always be asked to check for updates. Click “Yes” and any available updates will download and install automatically.

To add a new Tax Category in Payroll Mate...

Click on “Company” ...
and select Tax Categories

Payroll Mate comes loaded with the most commonly used tax categories.

You can also add categories to fit your needs.

Only add custom tax categories that are not built in (such as Local or Special Assessment taxes).

To custom add a tax category...
Select “Add” and follow the wizard.

When you custom add your tax category, first give it a name and an abbreviation. Make sure that the name is descriptive of the tax that you’re creating and that it’s unique.

Select the tax Calculation method from the drop-down menu. There are several calculation method types supported in Payroll Mate.

Percentage.

Fixed.

Variable.

Per Hour.

Per Piece.

Per Mile.

...and lastly, a Percentage of Tax.

For this category, be sure to select which tax this tax applies to.

When choosing a calculation method, remember to input the rate or base amount associated with that calculation.

For example, Percentage requires four quarterly rates, while Per-Hour requires a base hourly amount.

Enter the Wage Base, if it applies to the tax that you've selected. This will be provided by your taxing authority. (It is the cap amount of wages earned by an employee that is subject to the tax that was selected.) **DO NOT ENTER ZERO!**

Choose whether the tax will be paid by the employer or the employee.

Enter the proper W2 Box code and abbreviation, if any apply. This will apply only to Tax categories that show up on box 12 or 14 of the W2 forms. You can find box 12 codes inside W2 forms instructions provided by the IRS.

Most Tax categories do not require codes.

Check this box if the tax is local and you want it to be included on Box 19 of the W2 forms.

Check "Inactive" if you don't want this Tax category to be available as a selection for employees' Tax.

...and finally click OK to save your new Tax Category.

CONGRATULATIONS!

You have successfully created a new Tax Category in Payroll Mate!

When you add a custom Tax Category, the software will check to see if there are any custom Income Categories.

If you had created custom Income Categories, you would be reminded to review them and check your new tax, under "Taxes Applied" in the Income Categories edit wizard, if it applies.

Apply your new Tax Category to an Employee

To apply your new Tax Category, or an existing Tax category, to an employee...

Click Employees

A list of your employees will show in the Employee's screen.

Select the employee that you want to add the Tax to...

Then click on the "Edit" button.

This will open the Modify Employee wizard.

Click "Next" until you get to the Taxes panel.

Find the tax that you want to apply in the list of taxes, and check the box to the left of it.

Now click "Next" until you get to the Modify Employee wizard Finish panel

...and click "Finish".

Your new Tax category has been applied to the employee.

When you pay this employee...

The newly applied tax will appear on their Check Details panel

...and the tax will be applied to their pay.

Any Taxes that you need can be created and applied using these steps.

Thank you for trusting Payroll Mate!