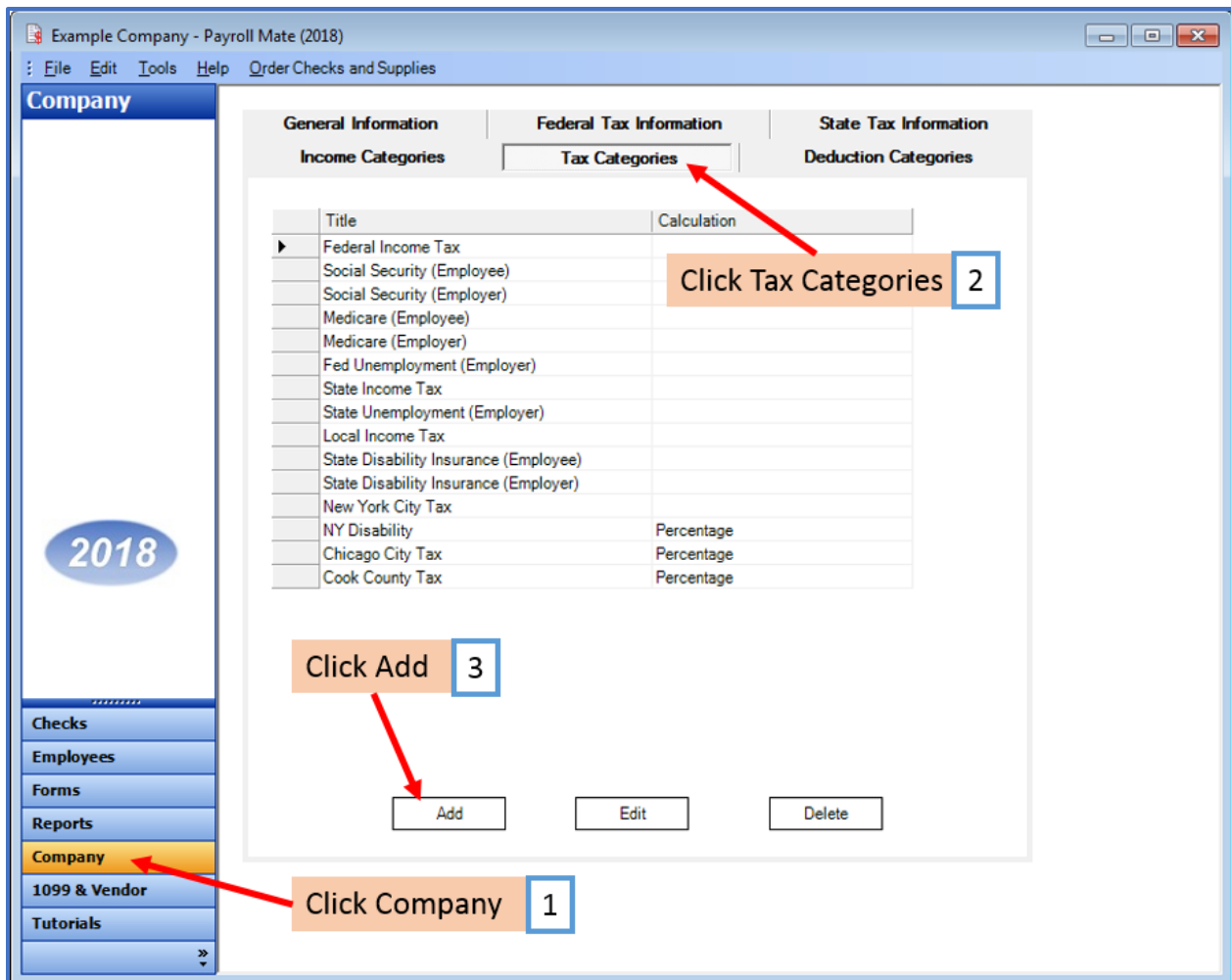


How to Set Up Local Income Tax in Payroll Mate

This tutorial is for information purposes only. It is your responsibility to make sure the payroll setup is correct. Consult your accountant or tax advisor if you are unsure how a certain payroll item or your payroll in general should be set up.

1. Inside Payroll Mate Software, Click Company from Shortcuts
2. Click Tax Categories
3. Click Add



Note: There is a “place holder” listed for Local Income Tax. This built in tax category cannot be edited, a new tax category needs to be created for the correct Local Tax.

4. Complete the Tax information set up (Examples: City, County, School)

- 4a. Title the tax, Example: Chicago City Tax
- 4b. The abbreviation will automatically be filled in, you can make adjustments if you prefer
- 4c. Choose Calculation from the drop-down menu and complete terms (rate, amount, etc)
- 4d. Populate the “Wagebase” field if Applicable
- 4e. Populate the “Max Amount per Check” field if Applicable
- 4f. Select Paid by option
- 4g. Enter the W2 Options if Applicable
- 4h. Checkmark to use on Local income tax box if Applicable

5. Click OK to save the tax category

The screenshot shows the 'Complete Tax Details' window in the Payroll Mate software. The window is titled 'Example Company - Payroll Mate (2018)' and has a menu bar with 'File', 'Edit', 'Tools', 'Help', and 'Order Checks and Supplies'. The 'Company' sidebar is visible on the left. The main window has three tabs: 'General Information', 'Complete Tax Details' (selected), and 'State Tax Information'. Below the tabs are three sub-tabs: 'Income Categories', 'Tax Categories', and 'Deduction Categories'. A table lists existing tax categories: 'Federal Income Tax' and 'Social Security (Employee)'. The 'Tax Details' form for a new tax category is shown, with the following fields and callouts:

- Title:** Chicago City Tax (4a)
- Abbreviation:** Chicago City (4b)
- Calculation:** Percentage (4c)
- Quarterly Rates:** 0.100000, 0.100000, 0.100000, 0.100000
- Wagebase:** 5000.00 (4d)
- Max Amount per Check:** 10.00 (4e)
- Paid by:** Employee (4f)
- W-2 Options:** W-2 Box 12 Code, W-2 Box 14 Abbreviation (4g)
- Use on Box 19 (Local income tax):** (4h)
- OK/Cancel buttons:** (5)

5a. New tax is now added to the list of taxes available in the company

The screenshot shows the 'Example Company - Payroll Mate (2018)' interface. The 'Company' sidebar on the left contains a '2018' button. The main window is divided into three sections: 'General Information', 'Federal Tax Information', and 'State Tax Information'. Under 'Federal Tax Information', the 'Tax Categories' tab is active, displaying a table of tax items.

Title	Calculation
▶ Federal Income Tax	
Social Security (Employee)	
Social Security (Employer)	
Medicare (Employee)	
Medicare (Employer)	
Fed Unemployment (Employer)	
State Income Tax	
State Unemployment (Employer)	
Local Income Tax	
State Disability Insurance (Employee)	
State Disability Insurance (Employer)	
New York City Tax	
NY Disability	Percentage
Chicago City Tax	Percentage

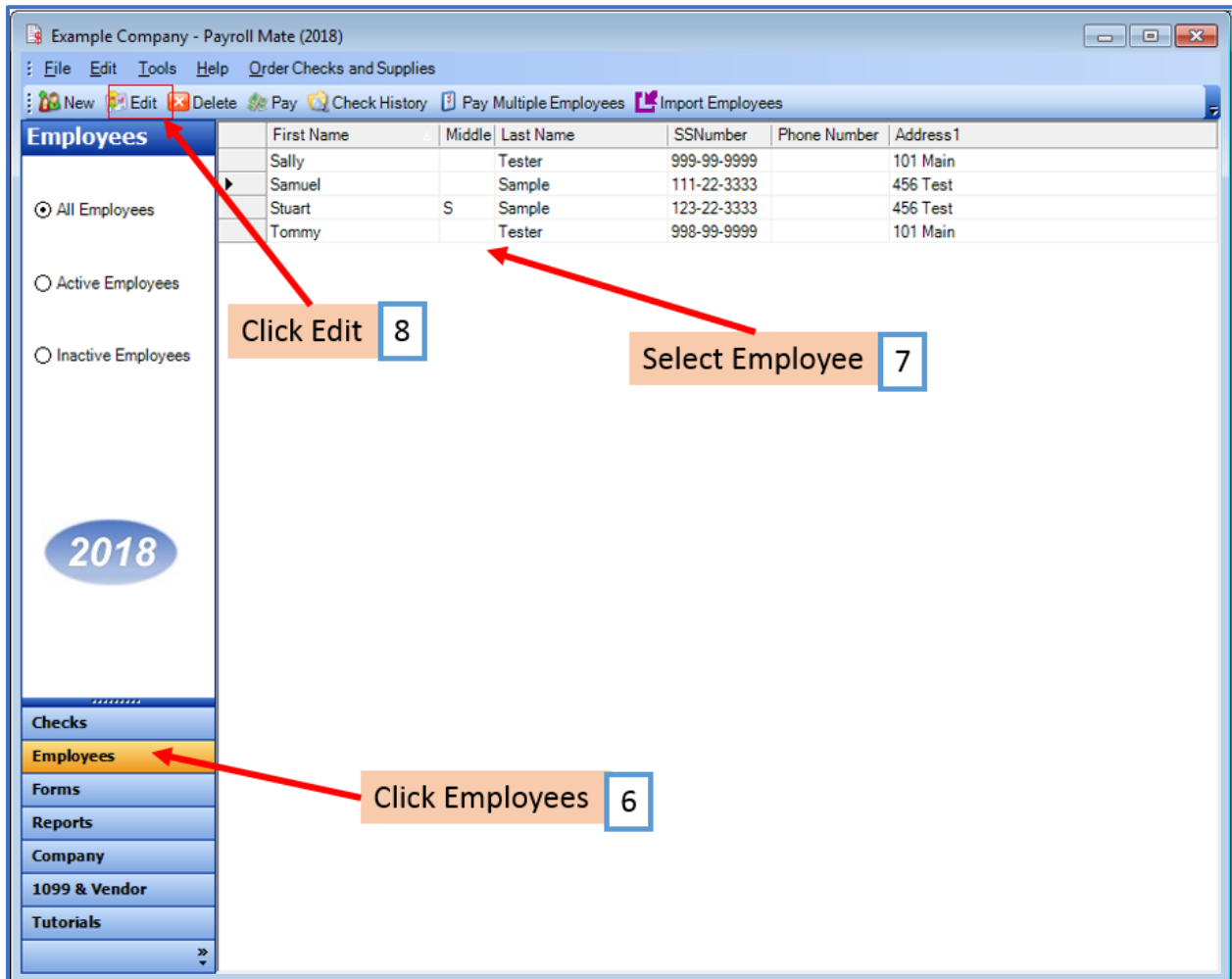
A red arrow points from a callout box labeled 'New Tax in list 5a' to the 'Chicago City Tax' row, which is also highlighted with a red border. The '2018' button in the sidebar is also highlighted with a blue oval.

Now you will need to apply the tax to your applicable employees

6. Click Employees from Shortcuts

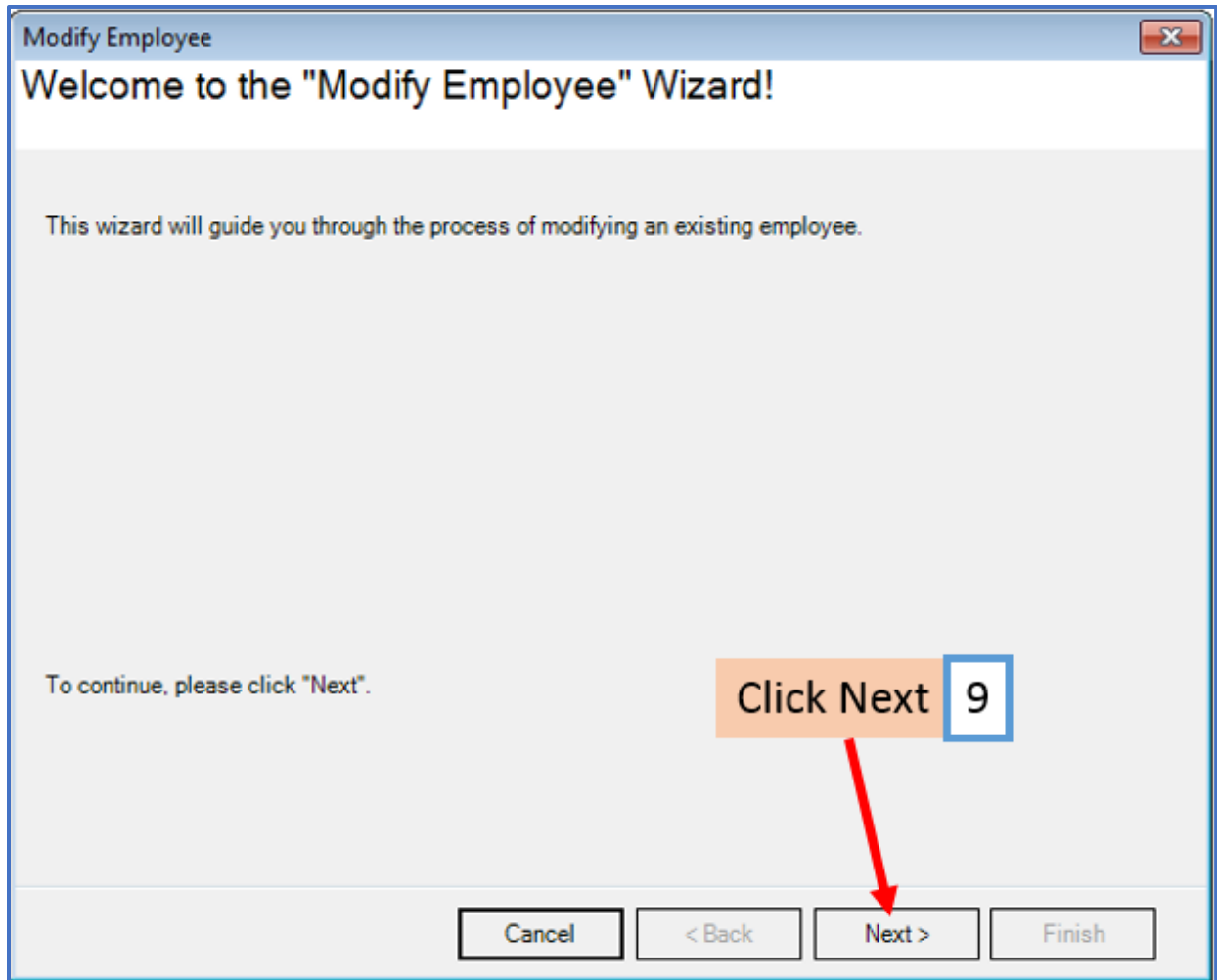
7. Select an employee from the list of employee's names

8. Click Edit



The Modify Employee Wizard will appear on the screen

9. Click Next through the wizard until you get to the Taxes screen

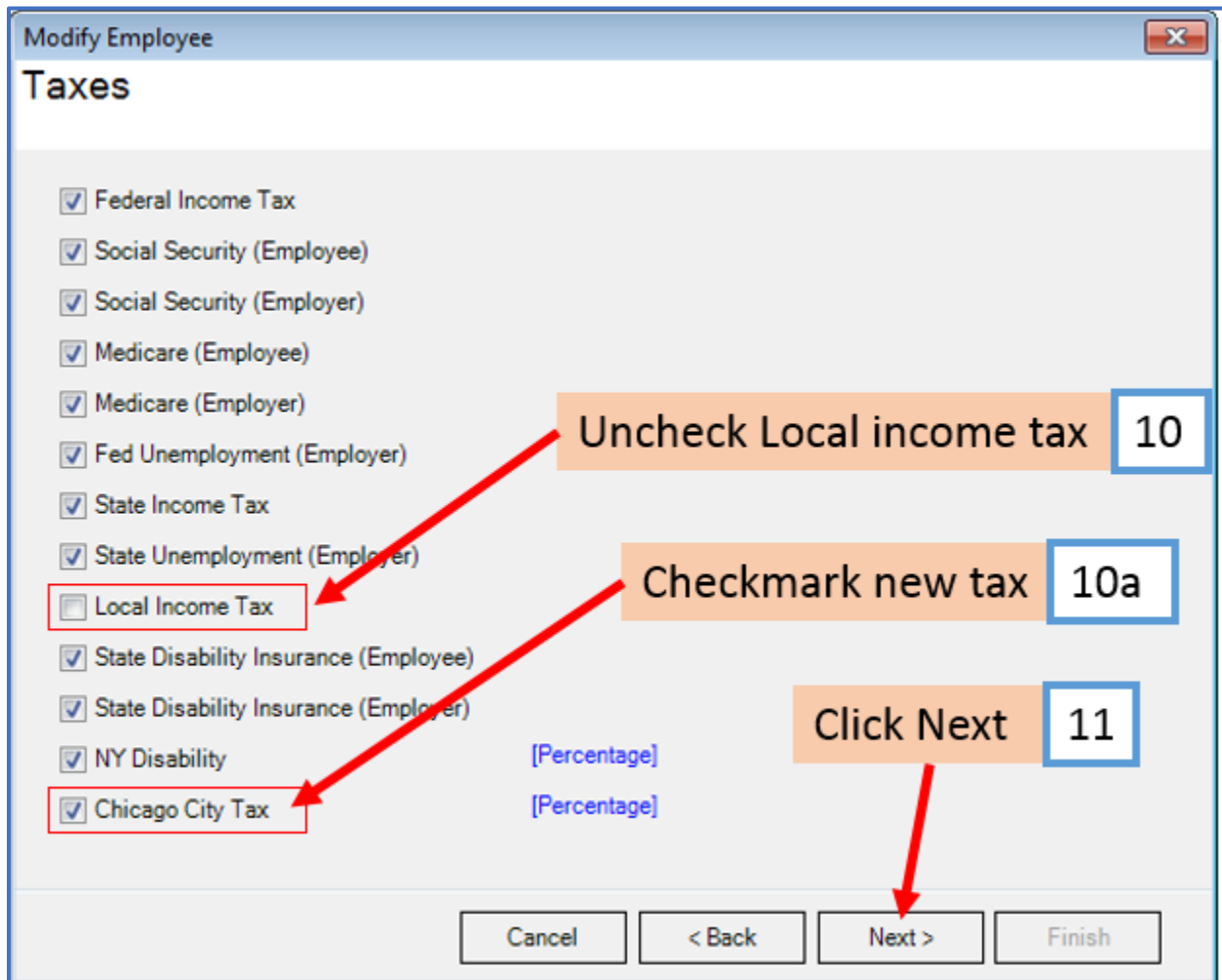


10. Uncheck the built in Local Income Tax category

10a. Checkmark to select the new local tax from the list of taxes

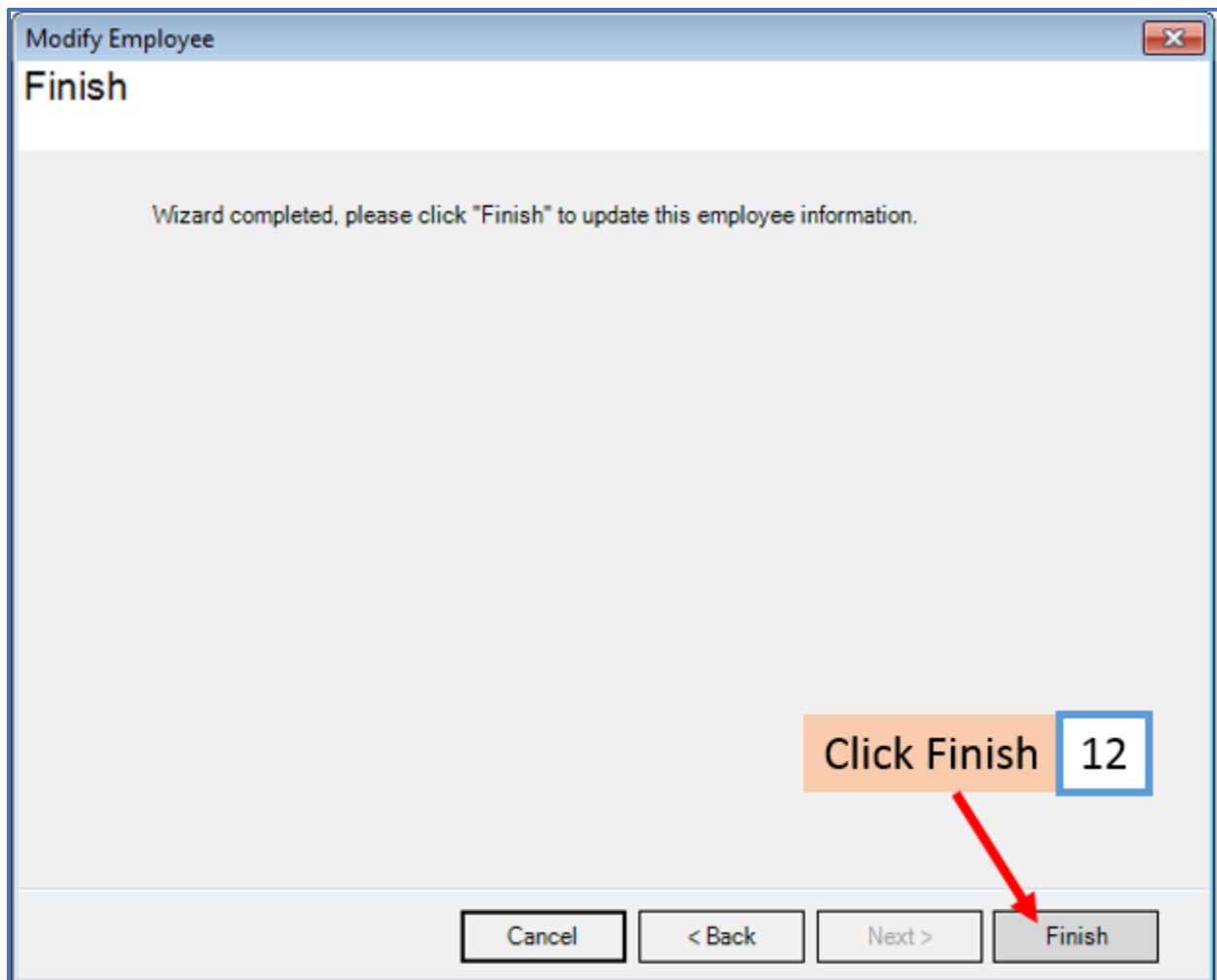
Note: If the new tax does not show in the list for this employee and the employee is set up with a custom income category the custom income will need to be edited to add this new tax. See How to Edit an Income Category tutorial.

11. Click Next until you finish the wizard



12. Make sure to press Finish

Note: Your information will not be saved if you do not click Finish



Repeat steps 6-12 for each applicable employee