

## What's New in Elite Salon & Spa Payroll™, Release 3.7.3 (for 2011)

### 1. **FUTA Tax Rate Reduced to 0.6% for the Last Two Quarters of 2011**

The Internal Revenue Service has reduced FUTA tax for employers from the minimum rate of 0.8% to 0.6% for quarter three and four of 2011. Tax for quarter three is due October 31, 2011; tax for quarter four of 2011 is due January 31, 2012. Please be aware that this particular release (Release 3.7.3) does not include the annual U.S. Form 940 (FUTA) for 2011. You will need to order a newer release in January 2012 which will include the new 940 form for 2011. Such form must be filed by all employers by January 31, 2012.

### 2. **Alabama State Tax Formulas**

Release 3.7.3 corrects a previous error when calculating state withholding tax for Alabama.

## What's New in Elite Salon & Spa Payroll™, Release 3.7.2 (for 2011)

### 1. **New U.S. Form 941 for 2011**

### 2. **Information about the [Additional Questions for Federal Form 941]**

A new line has been added for reporting social security and Medicare taxes on unreported tips. Prior to 2011, the 3121(q) liability was reported on the line "Current quarter's adjustments for tips and group-term life insurance." Please consult your tax advisor for more information.

## What's New in Elite Salon & Spa Payroll™, Release 3.7 (for 2011)

### 1. **New U.S. Form 940 for 2010**

This tax form must be filed by taxpayers by January 31, 2011.

### 2. **Information about the [Employer's Annual Federal Unemployment (FUTA) Tax Return] Screen**

Two new states are subject to the credit reduction, South Carolina and Indiana. A state that has not repaid money it borrowed from the federal government to pay unemployment benefits is called a *credit reduction state*. Currently, our program allows the user to enter paid wages subject to the unemployment tax laws for **Michigan only**. For South Carolina and Indiana, please consult your tax advisor for more information.

**Employer's Annual Federal Unemployment (FUTA) Tax Return**

Year:  Filing Date:  State unemployment tax payments made:

1. Did you pay unemployment contributions to only one state?  Yes  No  
 Check the box for every state in which you were required to pay state unemployment tax this year.

AK  CO  GA  IN  MD  MS  NH  OH  SC  VA  WY  
 AL  CT  HI  KS  MI  MT  NJ  OK  SD  VT  PR  
 AR  DC  IA  KY  MN  NC  NM  OR  TN  WA  VI  
 AZ  DE  ID  LA  MO  ND  NV  PA  TX  WI  
 CA  FL  IL  MA  ME  NE  NY  RI  UT  WV

2. Were all wages that were taxable for FUTA tax also taxable for your state's unemployment tax (SUTA)?  Yes  No

3. Were ALL of your taxable FUTA wages excluded from state unemployment tax?  Yes  No

4. Were SOME of your taxable FUTA wages excluded from state unemployment tax?  Yes  No

5. Did you pay any state unemployment tax late?  Yes  No

6. Did you pay wages in a state that is subject to CREDIT REDUCTION?  Yes  No  
 (Michigan) Total taxable FUTA wages paid in MI

**3. Updated Social Security Tax Amount for Employees.**

The employee tax rate for social security is 4.2% for employees for 2011. The employer tax rate for social security remains unchanged at 6.2% for 2011.

The screenshot shows a dialog box titled "Other Taxes Setup" with two sections: "Employee" and "Employer".

Tax	%	Wage Base
Social Security	4.20	\$106,800.00
Medicare	1.45	No Limit
UD Tax 1	0.000000	\$0.00
UD Tax 2	0.000000	\$0.00

  

Tax	%	Wage Base
Social Security	6.20	N/A
Medicare	1.45	N/A

At the bottom of the dialog box are two buttons: "Accept" (with a green checkmark icon) and "Cancel" (with a red X icon).

**4. Unchanged Wage Base for Social Security**

The wage base for social security is \$106,800.00 unchanged for 2011.

**5. Updated Advanced Earned Income Tax Credit (EIC)**

Legislation signed into law on August 10, 2010 repeals the Advanced Earned Income Credit. Recipients will not receive Advance EIC on their paychecks after December 31, 2010. The EIC has been disabled in this release.

**6. Updated Federal Withholding Taxes**

The formula for calculating federal income tax has been updated for 2011.

**7. Updated State Withholding Taxes**

The formulas for calculating state taxes have been updated for 2011 for the following states:

Arizona (New withholding tables were implemented June 2010; however, users must manually enter the percentage rates within the [Employee Information] screen for each employee.)

California

Colorado

District of Columbia

Hawaii

Indiana

Kentucky

Maine  
Maryland  
Michigan (Several cities changed taxes, state tax remains unchanged.)  
Minnesota  
Missouri  
New Mexico  
New York City  
North Dakota  
Oklahoma  
Oregon  
Pennsylvania (Several cities changed taxes, state tax remains unchanged.)  
Rhode Island  
Vermont