

THE MULTIPLE TAX HOMES OPTION

The Multiple Tax Homes Option for DATASMITH Custom Payroll is designed to provide solutions for the following payroll problems:

1. When employees work for extended periods of time in different states, the employer may have to withhold state taxes for more than one state.
2. Employees in certain occupations may be subject to withholding from more than one state and/or more than one locality during a given tax year.

This Option changes the operation and appearance of several parts of the standard program:

Employee File Maintenance is modified to allow selection of up to three Alternate States and/or three Alternate Localities for each Employee. If this feature is used for a given Employee, There is a separate State Tax Basis and State Tax Withheld total maintained for each state.

The Current Report is modified to report up to three Alternate State's totals as well as the Primary State's totals for each employee.

The Check Stub provides up to four state and up to four local withholding taxes. The Check Writing program and the Current Report both use the check stub to provide employee detail for the current period.

The Comparative Report provides detail on up to four states and four localities per employee. The Unemployment Report reports the applicable Employee detail and Totals for any individual state or locality.

The W-2 program can print taxable wages and withholding information for up to two states and two localities per form for each employee. Selections are provided to allow multiple-state and multiple-locality reporting for up to four states per employee in several different ways:

- a. The operator can first print all forms for Federal Submittal, which will include the first and second state and first and second locality for each employee. The operator can then print another run including all forms for the third and fourth state and third and fourth locality, including only the affected employees. This procedure works well for producing the employee copies of the W-2 using the fewest possible forms.

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- b. The operator can print only forms for a selected state and/or a selected locality. This procedure works well for producing the state copies of the W-2. When specific state and/or local selections are made, the operator selection (not the employee setup) governs which employees are included and where the data is printed.
- c. The operator can print forms for two selected states and/or two selected localities. This procedure may work better than (b) when an employer operates primarily in two states. When specific state and/or local selections are made, the operator selection (not the employee setup) governs which employees are included and where the data is printed.

This collection of capabilities, together with the wide variety of supported forms, allows you great flexibility in printing and sorting your W-2's. To minimize the effort necessary to produce W-2's for payrolls containing employees having multiple tax homes, we recommend that you use continuous mailer-style forms for the employee copies (sorted by zipcode), laser forms for the state submittal and employer file copies (sorted alphabetically), and magnetic media for the federal copy.

MULTIPLE TAX HOMES PER PAY PERIOD

Employees in certain occupations may be subject to withholding from more than one state and/or more than one locality in one pay period. The "Multiple Tax Homes Per Pay Period" option provides capability to accurately track these employees in up to four states and up to four localities in a single pay period. The "Multiple Tax Homes" option is a prerequisite for the installation of this option.

When "Multiple Tax Homes Per Pay Period" is installed, the operator must "tag" all pay items which are taxable in a tax home other than the employee's current Primary Tax Home. Any items which are not 'tagged' are treated as taxable in the employee's Primary Tax Home.

Periodic Entry is modified to allow optional entry of a FIPS code for any state allowed by the program configuration, plus a Locality Code for any locality allowed by the program configuration. The State/local codes are entered by the operator by first pressing {F4} followed by <ENTER> to activate the entry screen, and then selecting the proper line and entering the applicable codes for that pay line item.

The program will accept either the standard two-character Postal ID or the numeric FIPS code to identify the state. Localities are identified by a number representing their position on the list of localities defined in the Company Record. If a blank or a zero is entered, the employee's primary state or locality is used as the taxing authority for the line in question.

In addition, the HOURS.PAY file format is altered to add a state code and a local code at the end of each HOURS.PAY line as follows:

Type 1 (Hours block):

TYPE, "CODE", CATEGORY, HOURS, RATE, GROSS, JOB, STATE FIPS CODE, LOCALITY CODE

or TYPE, "CODE", CATEGORY, HOURS, RATE, GROSS, JOB, "STATE POSTAL ID", LOCALITY CODE

Type 2 (Specials block):

TYPE, "CODE", "DESCRIPTION", GROSS, "TAXCODE", JOB, "ACCOUNT", STATE FIPS CODE, LOCALITY CODE

or TYPE, "CODE", "DESCRIPTION", GROSS, "TAXCODE", JOB, "ACCOUNT", "STATE POSTAL ID", LOCALITY CODE

State FIPS Codes

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00=No State designation: Use Employee's Default State (if any)

01=ALABAMA	16=IDAHO	31=NEBRASKA	46=S DAKOTA
02=ALASKA	17=ILLINOIS	32=NEVADA	47=TENNESEE
03=AM SAMOA	18=INDIANA	33=NEW HAMSHR	48=TEXAS
04=ARIZONA	19=IOWA	34=NEW JERSEY	49=UTAH
05=ARKANSAS	20=KANSAS	35=NEW MEXICO	50=VERMONT
06=CALIFORNIA	21=KENTUCKY	36=NEW YORK	51=VIRGINIA
07=(not used)	22=LOUISIANA	37=N CAROLINA	52=VRGN IINDS
08=COLORADO	23=MAINE	38=N DAKOTA	53=WASHINGTON
09=CONN	24=MARYLAND	39=OHIO	54=W VIRGINIA
10=DELAWARE	25=MASS	40=OKLAHOMA	55=WISCONSIN
11=D. C.	26=MICHIGAN	41=OREGON	56=WYOMING
12=FLORIDA	27=MINNESOTA	42=PENNA	
13=GEORGIA	28=MISS	43=P RICO	
14=GUAM	29=MISSOURI	44=RHODE ILND	
15=HAWAII	30=MONTANA	45=S CAROLINA	

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