



# MasterNews

Information for the MasterTax User

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## ➤ Penalty & Interest Abatement Webinar

MasterTax is pleased to present Best Practices – Penalty & Interest Abatement, the second webinar in our Best Practices series. This free webinar will focus on employer responsibilities, types of penalties, common penalty scenarios, prevention tips, and proven methods for handling the abatement process.

This one-hour webinar will be held Tuesday, March 29, at 10:00 a.m., Arizona time (1:00 p.m. EST). Watch for an e-mail notification from MasterTax containing registration information.

## ➤ New Structure for Quarter-End and Enhancements Webinars

Each quarter, the Account Management Team hosts Quarter-End Processing and Enhancements webinars for MasterTax customers. In an effort to better address the needs of our user types, separate webinars will be held for Service Providers and End Users beginning the first quarter of 2011.

“Service Providers and End Users have different business practices,” said Lisa Cohodes, Senior Account Manager. “The goal is to tailor the presentations to each group’s specific processing issues, and eliminate any irrelevant information.”

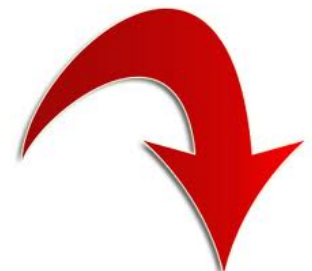
The Quarter-End Processing webinar is designed for those who are new to MasterTax, or would like a refresher on quarter-end processing procedures. The Enhancements webinar explains compliance changes and product improvements that will be included in that quarter’s release.

Watch for an e-mail notification from MasterTax, which will include webinar dates and times.

## ➤ Reader Survey

At MasterTax, we have designed *MasterNews*, our quarterly newsletter, to provide our customers with valuable tools and information to make their jobs easier. Our goal is to make it as useful and interesting as possible, and the best way to do that is to get feedback directly from you, our customers.

We have created a short survey, and would appreciate it if you would take about five minutes to share your opinions with us. Your responses will help us identify what we are doing well, and what can be improved. Thank you in advance for your participation!



**Take the  
Survey**

## ➤ MasterTax Help Desk

### Q: How do I register for a remitter ID, and where do I enter it in MasterTax?

A: Complete instructions for obtaining and entering remitter IDs are available in the e-Filing Instructions [Help>e-Filing Instructions]. Depending on the agency, the instructions may differ for service providers and businesses. In addition, the type of remitter ID will vary by agency. For example, for Florida form FL UCT-6, businesses need to record their employer account number as the wage remitter ID, and service providers need to record their Agent ID; while for New Jersey form NJ WR-30, both businesses and service providers need to record their Tumbleweed mailbox number as the wage remitter ID.

1. Select **List>Tax>Tax Forms** from the menu bar.
2. Highlight the form, and make sure the return filing method or wage filing method (as applicable) is set to **e-File**.
3. Enter your remitter ID.
4. Click **Submit**.

### Q: What can I do if I receive a new SUI Rate Notice after I have variance posted?

- A:
1. Restart the applicable SUI tax code [Utilities>Reconciliation Utilities>Restart]. If the payment has not already been remitted, select the **Reopen** option in the Default Action field.
  2. On the Tax>Rate tab in the Company View window, insert a new line.
  3. Enter the effective date and the new rate in the corresponding fields.
  4. Click **Submit**. MasterTax will perform an automatic recalculation.
  5. Click **Close**.
  6. Run the Variance Post process, and then create a new return.

## ➤ User Spotlight: T.J. Caballero



T.J. Caballero is the Tax and Compliance Specialist at Breedlove & Associates, LLC. He has worked on payroll and payroll taxes for household employers for eight years, and has been with Breedlove & Associates for four years. T.J. has a bachelor's degree in Economics from the University of Texas.

Breedlove & Associates, LLC, formed in 1992, provides payroll, tax, and labor law compliance services for household employers across the United States. The company is based in Austin, Texas. For more information, visit [www.breedlove-online.com](http://www.breedlove-online.com).

### **MasterNews:** What prompted you to begin using MasterTax, and what was your experience when you first implemented the software?

T.J. Caballero: Breedlove & Associates, LLC, began using MasterTax in March 2009. The number of clients we were servicing had reached a point where our current systems were no longer as efficient and reliable as they had been in the past. It was an adjustment to begin exporting payroll data to a third-party software product, but MasterTax and our IT department handled it with ease.

## ➤ Important Dates:

### March 15, 2011

First Quarter Release

### March 29, 2011

Best Practices - Penalty & Interest Abatement Webinar

### April 4, 2011

Quarter-End Support Hours Begin: 7:30 a.m.- 5:30 p.m., MST

### April 7, 2011

First Quarter Update

### April 7, 2011

Quarter-End Processing Webinars

### April 8, 2011

Enhancements Webinars

### April 10-13, 2011

MasterTax Exhibiting at Microsoft Convergence

### May 12-13, 2011

MasterTax Exhibiting at PayPlus User Conference

### May 25-26, 2011

MasterTax Exhibiting at APA Annual Congress

### May 30, 2011

Office Closed: Memorial Day

## User Spotlight: T.J. Caballero (Continued)

**MN: Since implementing MasterTax, how have your daily and quarterly tasks changed?**

TJC: It once took a team of approximately 15 people to prepare quarterly federal and state returns for our clients; MasterTax reduced that number to two. The old process required us to print multiple copies of each return: one for the agency, one for our client, and one for our files. We now create returns only for the states that do not accept mag media or bulk e-files.

**MN: Which MasterTax utilities do you use most often, and why?**

TJC: We use the Reprint Tax Coupon and Reprint Tax Return utilities quite often when dealing with state taxing authorities. We can provide them with an original copy of any return as proof that it was processed and mailed on time.

**MN: Which MasterTax reports do you find most useful, and why?**

TJC: The Deposit Analysis report is one that we employ each quarter. We use this tool to balance the Deposit Preview report in the event that we have discrepancies caused by credits or deductions.

**MN: How do these reports assist you outside of MasterTax?**

TJC: Breedlove & Associates uses these reports as a starting point for our tax collection process. We compare our tax calculations for 7000+ household employer accounts to the disbursements created by MasterTax. This gives us and our clients peace of mind knowing that we confirmed the tax amounts before releasing them to the federal and state agencies. It also eliminates the need for additional balancing transactions.

**MN: Please comment on your experience with MasterTax support. Can you give an example of when you called on MasterTax support?**

TJC: We keep the MasterTax Support team busy with issues pertaining to household employment taxes. The Support staff has always been very helpful, and always thoroughly addresses our questions.

When we first began using MasterTax, there was no function to allow for State of Georgia unemployment taxes for domestic workers to be filed on an annual basis. We reported this issue to MasterTax, and they were pleased to make this enhancement.

**MN: Have you found the quarterly webinars helpful? How have you benefited from them?**

TJC: Although we are a niche service, and cannot take full advantage of MasterTax's functionality, the webinars are a great source for continuing education, and underscore MasterTax's commitment to user satisfaction.

**MN: What would you say to someone who might be considering trying MasterTax?**

TJC: MasterTax is a well-run company with a knowledgeable and trustworthy staff. They are committed to producing a cutting-edge product which has exceeded our expectations.

**MN: Do you have any additional comments about MasterTax?**

TJC: I would like to thank the Account Managers, and the Support and Development staffs, for providing great customer service. We consider customer service to be the absolute top priority at Breedlove & Associates, and it is always refreshing to work with a company that is as dedicated to it as we are.

## Custom Programming... Yes, We Do That!

Optimize your G/L and A/P reporting with a custom file interface, identify improvement opportunities, or customize your MasterTax software to meet and complement your company's specific business needs.

Our Professional Services team can customize MasterTax to your specifications, as well as provide custom support for software installations, test database setups, and server migrations. For more information, or to discuss any questions you may have regarding your usage of MasterTax, please contact Support at [support@mastertax.net](mailto:support@mastertax.net).

## ➤ Did You Know?

### SUI Rate Exchange

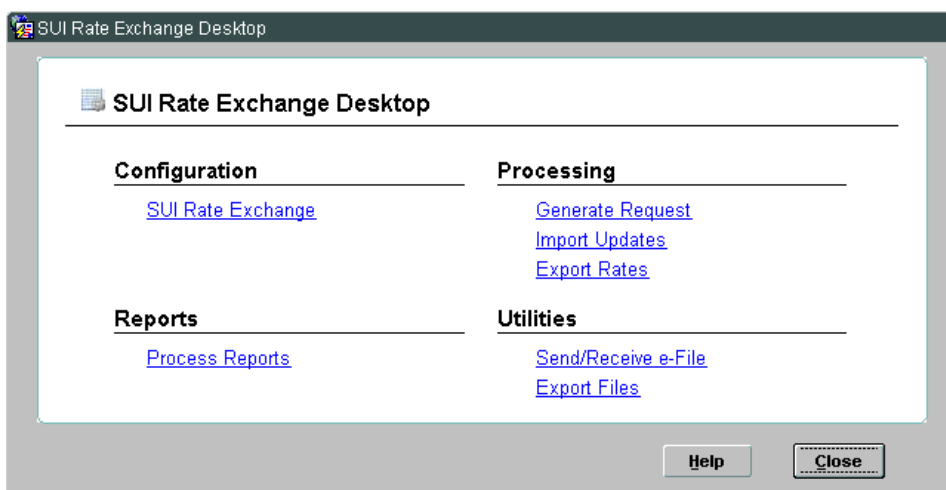
The MasterTax SUI Rate Exchange feature makes determining and updating state unemployment tax rates simple.

Each taxing authority has its own rules for determining when and how requests can be submitted. The SUI Rate Exchange feature enables users to easily create rate requests in the appropriate formats for their companies. Specific submission instructions are provided for each authority.

The taxing authorities will return the rates, using the same method as your original submission. For rates returned via an electronic file, you can use the Import Updates process to import them into MasterTax. The process can be run in **Preview Only** mode first, enabling you to review the clients' rates before actually updating them.

The Import Updates process sets the effective date of the rates to the date you specify. For certain taxing authorities, the process will also update the EIN information of clients with an Applied For EIN type.

To make processing as convenient as possible, all components related to this feature are available on the **SUI Rate Exchange Desktop** (see below) [Features>SUI Rate Exchange].



The table below (accessed by clicking the **Help** button on the SUI Rate Exchange Desktop) describes each link available on the desktop.

Heading	Selection	Description
Configuration	<b>SUI Rate Exchange</b>	Opens the <a href="#">SUI Rate Exchange window</a> where you can assign the request methods for SUI taxes.
Processing	<b>Generate Request</b>	Opens the <a href="#">SUI Rate Request window</a> where you can generate SUI rate requests.
	<b>Import Updates</b>	Opens the <a href="#">SUI Rate Import window</a> where you can import rate request files that have been received back from SUI taxing authorities.
	<b>Export Rates</b>	Opens the <a href="#">SUI Rate Export window</a> where you can export your clients' SUI tax rates to a text file that can be imported into your payroll system.
Reports	<b>Process Reports</b>	Opens the <a href="#">SUI Rate Exchange Process Reports window</a> in which you can reproduce audit reports that were generated by the SUI Rate Request and SUI Rate Import processes.
Utilities	<b>Send/Receive e-File</b>	Opens the <a href="#">Send/Receive e-File window</a> where you can submit SUI rate request e-files to the applicable agencies.
	<b>Export Files</b>	Opens the <a href="#">Export Files window</a> where you can export SUI Rate Request files.

“ I look back on our implementation of MasterTax not as a solution to our problems, but instead as a springboard that has allowed our business to expand to the next level with plenty of room for future growth.”

Mike Dunaway,  
Director of Operations,  
Teamworks

## ➤ Tax, Form, and Software Updates

### New Tax Setup

*The following tax codes will be added to MasterTax as of the first quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- **OH9146-001** – Village of Miller City (City), Putnam - Withholding
- **OH9146-001R** – Village of Miller City (City), Putnam Resident - Withholding
- **PA1472-051** – Lower Gwynedd (Township), Montgomery - Local Services Tax (LST)
- **PA2093-053** – Chestnut Ridge SD (Pleasantville Borough) Bedford - SD
- **PA2107-001** – Pocopson (Township), Chester - Withholding
- **PA2346-001** – Sharon Hill (Borough), Delaware - Withholding
- **PA2578-051** – Susquehanna (Township), Cambria - LST
- **PA2578-053** – Susquehanna (Township), Cambria - School
- **PA9008-051** – Northern Cambria (Borough), Cambria - LST
- **PA9008-147** – Northern Cambria (Borough), Cambria - School - LST
- **PA9013-001** – East Lansdowne EIT (Borough), Delaware - Withholding

**“For me,  
it’s all  
about our  
customers.”**

**-Michael Nedd**

### Inactive Tax Codes

*The following tax codes will be deactivated as of the first quarter 2011 Release. These codes are being deactivated in an effort to minimize generic codes within the MasterTax database. Please refer to the Release Notes for a more detailed list.*

**Note:** A large number of Pennsylvania local tax codes will be deactivated as of the first quarter 2011 Release due to preliminary support of Pennsylvania Act 32. Please refer to the Release Notes for a detailed list.

### Tax Rule Changes

*The following tax rule changes will be made to MasterTax as of the first quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- **Alabama Unemployment (AL0000-010)** – The Alabama Department of Industrial Relations no longer accepts payment by Super (batch) check. Support of batch check payments for Alabama Unemployment has been removed from MasterTax.
- **Minnesota Employer Interest Assessment on Federal Loan (MN0000-130)** – This assessment is active again for 2011 at a rate of 2%.
- **South Carolina Contingency Assessment (SC0000-128)** – This tax has been changed from an agency-rated tax to an EIN-rated tax.

## ➤ Account Manager Close-up:



**Name:** Michael Nedd

**Title:** Account Executive

**Time with MasterTax:** Five years

**Experience:** I have 24 years of experience in the Payroll/Payroll Tax Industry. I got my start while working during college. After a hardware failure, I was given the job of reconstructing an entire year's worth of payroll data. Once I spent time working in payroll, I realized I was good at it, and I developed my skills into a career I love.

**Territory:** The Upper Midwest, Florida, and Hawaii

#### What is your favorite part of the job?

For me, it's all about our customers. I really enjoy working with them face-to-face, and helping them develop a level of comfort with MasterTax. The most satisfying part of my job is not just training our customers on how to use the software, but enabling them to improve their work lives through the use of our products.

Continued on next page...

## ➤ Tax, Form, and Software Updates (Continued)



### Tax Rule Changes (Continued)

*The following tax rule changes will be made to MasterTax as of the first quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- **Vermont Withholding (VT0000-001)** – The EIN format has been changed to enforce the prefix of **430**.
- **Altoona (City), Blair Withholding (PA0042-001)** – Effective January 1, 2011, all payments and returns are to be filed with Blair County Tax Collection.
- **Middlefield, Geauga - Withholding (OH1283-001)** – The **M-CALEM** (Monthly Calendar due EOM) frequency has been added.
- **Straban (Township), Adams Withholding and LST (PA2548-001 and PA2548-051)** – Effective January 1, 2011, all payments and returns are to be filed with York Adams Tax Bureau.

### Electronic File Updates

*The following changes will be made to electronic forms in MasterTax as of the first quarter 2011 Release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- **Minnesota Withholding (MN0000-001)** – For tax year 2010, the Minnesota Department of Revenue requires employers with more than 25 W-2 forms to file electronically. Effective for 2011, the agency will require employers with more than 10 W-2 forms to file electronically. Refer to the e-filing instructions for more information [Help>e-Filing Instructions>Tax Return e-Filing Instructions].
- **New Jersey Household Employer Unemployment (NJ0000-013)** – The New Jersey Division of Revenue requires all household employers to e-file their Household Employer's Reports. Support of the e-File method has been added for form NJ NJ-927H. Refer to the e-filing instructions for more information Help>e-Filing Instructions>Tax Return e-Filing Instructions].
- **Ohio Unemployment (OH0000-010)** – The **Mag Media - CD** method has been added for form OH JFS-66111. Effective January 1, 2010, the state no longer accepts submission of this form on tape or cartridge.
- **Oregon Unemployment (OR0000-010)** – Oregon Domestic Employers who want to e-file their wage reports must file and pay quarterly. MasterTax has been updated to support the agency's e-filing requirement. Refer to the e-filing instructions for more information [Help>e-Filing Instructions>Tax Return e-Filing Instructions].

## ➤ Account Manager Close-up (Continued)

### What enhancement/module/utility are you the most excited about?

It's hard to choose only one, especially because each customer's individual circumstances dictate which features would be most beneficial. I highly recommend the Employee Wage and Worksite Reporting module—the time-savings and accuracy that can be achieved is tremendous. I encourage customers using the module to take full advantage of the Amendment feature, which enables them to create amended tax returns for closed quarters. I am also a huge fan of the W-2 Reporting module.

### What would you like to tell our customers?

We are here to help! Let us be your guide to becoming a power user!

## ➤ Compliance Corner

➤ Want More Payroll Tax News?

Follow us on



by clicking [here](#).

Exchange ideas and information with others in the payroll tax compliance community by joining the Payroll Tax Compliance Professionals group on



by clicking [here](#).

*Review the items below for relevant and topical information for the Payroll Professional. The information comes from various agency websites and publications. Please contact the agency involved if you require more information.*

- **City of Omaha Finance Department**

Effective January 1, 2011, employees who work in Omaha, Nebraska, but live outside the city limits and use a vehicle to commute to work for more than 30 days, are required to pay a Commuter Wheel Fee. Employers have the option of paying the fee on behalf of all employees, deducting the fee but allowing the employee to spread payment out over several pay periods, or deducting the entire fee from one of the employee's paychecks. Employees also have the option of paying the fee directly to the city. For more information, click [here](#).

- **Illinois Department of Revenue**

New legislation was enacted January 13, 2011, to increase the income tax rate for individuals to 5% (from 3%). The tax rate increase is retroactive to January 1, 2011. Employers must immediately begin to withhold at the 5% rate. For more information about the new law, click [here](#).

- **Internal Revenue Service**

The Federal Unemployment Tax Act (FUTA) tax rate will remain at 6.2% through June 30, 2011. The FUTA tax rate is scheduled to decrease to 6.0% beginning July 1, 2011. For more information, review pages 28-29 of the 2011 *Employer's Tax Guide* by clicking [here](#).

On December 8, 2010, President Obama signed the Claims Resolution Act of 2010 (CRA; Pub. L. No. 111-291) into law. Section 802 of the CRA amends current law to require employers to report the following information for each newly hired employee to the state Directory of New Hires:

- The employee's name, address, and social security number
- The employer's name, address, and federal employer identification number (FEIN)
- The date the employee first performed services for pay (42 USC §653a(b)(1)(A))

Employers with employees in only one state must report newly hired employees to that state, either on paper, magnetically, or electronically. Employers with employees in two or more states that report new hires magnetically or electronically may designate one state where they have employees as the state to which they will report all their new hires. Multistate employers that wish to file all their new hire reports with one state must designate that state to the Secretary of Health and Human Services. Some states may require employers to report more information than the elements required by federal law.

The new reporting requirement is effective June 8, 2011; however, Section 802 provides for an additional "compliance transition period" in cases where the Secretary of Health and Human Services determines that state legislation is required. For additional information, click [here](#).

- **Michigan Department of Treasury**

Beginning in 2011, employers must file unclaimed wage reports with the Department of Treasury by July 1. The report due on July 1 will cover the nine-month period ending on March 31, 2011. For reports due in 2012 and beyond, the reports will cover the 12-month period ending on the preceding March 31. Previously, unclaimed wage reports were due on November 1 for the 12-month period ending on the preceding June 30. Click [here](#) for more information.

## ➤ IT Connection

### Introducing the New IT Connection

*The IT Connection is geared toward the IT professional who supports your MasterTax software.*



*In this section you can expect to find helpful technical information aimed at enhancing your MasterTax users' experience.*

- **Oracle Database 9i Announcement**

Oracle has ended its extended support of Oracle Database 9i. Effective March 15, 2012, MasterTax will no longer provide support for the 9i database. Watch for additional information from MasterTax regarding this announcement.

- **Oracle Database 11g Announcement**

MasterTax now officially supports Oracle Database 11g. Please watch for future announcements regarding the download availability date for the 11g database.

## ➤ Company News

### MasterTax Cares

MasterTax is proud to announce our participation in a number of new recycling initiatives. The Go Green recycling program aims to raise awareness about environmental responsibility, and provide opportunities for employees to help create cleaner communities.

For 2011, the Go Green Team kicked off the "Giving is Green" campaign. Each month a specific item will be collected and donated to a worthy organization. In January, for example, employees were asked to bring in their used holiday cards, which were donated to St. Jude's Ranch for Children. Through St. Jude's Kids Corp. program, the recycled cards will be refashioned into new greeting cards.

MasterTax also contracts with a document destruction company that shreds and then recycles all of our sensitive papers. The company tracks the number of trees saved by MasterTax each year. Recycled paper reduces air pollution, and uses significantly less energy and water than virgin wood.

"It feels great knowing that the simple things we do in our office can have an impact," said Karen Nace, member of the Go Green Team. "If we all do our part, we can accomplish amazing things!"



### MasterNews

Published by:  
MasterTax, LLC

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