



## Volume 5, Issue 4

### Nelco Selected as Blank Check Stock Provider

MasterTax is partnering with Nelco to provide compatible blank check stock to customers that use the MasterTax Check Printing module.

Nelco blank check stock is offered in three security levels, ranging from industry standard to the highest security level available. MasterTax customers can choose checks with a variety of backgrounds and colors. Check-compatible envelopes, including moisture and self-seal, are also available for purchase. Orders are shipped the next business day.

Based in Grand Rapids, Michigan, Nelco has been a trusted source in the forms and check industry for over 50 years. All products are backed by a 30-day money back guarantee.

To view the available MasterTax-compatible products, [click here](#) or go to the Partners page on the MasterTax website at [www.mastertax.net/partners.php](http://www.mastertax.net/partners.php) and click the Nelco banner link.

If you have questions, please contact our Nelco Sales Representative, Chris Bredeweg, at 800-266-4669 ext. 4308.

### MasterTax Tips for Online Data Protection

Online security is critical, and having sufficient security policies in place to protect your data should be a priority. Relying solely on one security feature, such as password protection, is not enough to ensure optimal data security. A number of features and settings are available in your operating system and in MasterTax to help save you and your organization time, money, and trouble.

Here are a few suggestions:

- Select a password that is difficult to guess. Use a combination of numbers, uppercase and lowercase letters, and special characters (such as \$ or \_). Adopting these password parameters as an organizational policy will result in more secure data access.
- Do not use auto-complete to save passwords.
- Log off when leaving your computer unattended to prevent unauthorized use, and enable the "on resume password protect" function in your screen saver settings to prevent unauthorized access.
- Make sure your anti-virus software is updated regularly.
- Be wary of downloads and installs of unknown origin, because they are the principal source of malicious programs that access secure information.
- Do not click unknown links or accept unexpected redirections from websites.
- Avoid accessing confidential material when using a laptop in public areas.
- Set up a personal firewall, and make sure it is turned on and updated frequently.

Taking the time to implement these policies and making sure they are maintained will help strengthen both your organization's and your clients' security.

#### Important Dates:

- **December 15, 2009**  
Fourth Quarter Release
- **December 25, 2009**  
Office Closed:  
Christmas Day
- **January 1, 2010**  
Office Closed:  
New Year's Day
- **January 7, 2010**  
Fourth Quarter Update
- **February 15, 2010**  
Office Closed:  
Presidents Day

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#### Editors:

Tracy Hoffman  
Lauren Lasecke  
Raymond Ng  
Judith Patterson

## MasterNews User Spotlight: Deanna Percy

Deanna Percy is the Tax Analyst at Advanced Payroll Systems, Inc. Deanna has been with the company for nine years, and has 17 years of experience in the payroll and payroll tax industry. Advanced Payroll Systems is headquartered in Louisville, Kentucky, and is one of the region's largest independently owned and operated payroll management firms.

**MasterNews: How long have you been using MasterTax?**

*Deanna Percy:* Advanced Payroll Systems, Inc., has been using MasterTax since 1999. Prior to that, we used the tax software that was included with our payroll software.

**MN: How many people in your department work with MasterTax?**

*DP:* There are two full-time employees and one part-time employee in our Tax Department.

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

*DP:* We have used MasterTax for more than 10 years, and recently we have started using the Batch Check option for agencies that do not offer ACH credit. This has drastically reduced the number of checks we print.

We no longer have to print and mail quarterly tax packages to our clients; we now create them as PDF files for electronic distribution.

**MN: What MasterTax utilities do you use most often?**

*DP:* We use the PTS Import, PTS Post, Deposit Payment, and Print Checks utilities on a daily basis, and SUI Rate Exchange on a quarterly basis. We also use the Data Extract, EFT Registration, and Power of Attorney utilities when needed.

**MN: Which MasterTax reports do you find most helpful?**

*DP:* The Pending Deposit and Company Tax Verification reports are very helpful. We also find the Tax Return Checklist report to be useful.

**MN: What tasks do these reports assist you with outside of MasterTax?**

*DP:* The Pending Deposit report helps our Reconciliation Department verify that the tax bank account is in balance with MasterTax.

The Tax Return Checklist report provides a thorough listing of what must be processed and filed at quarter end.

The Company Tax Verification report can be provided to our clients each quarter for review of the previous quarter-end. This has considerably reduced the number of unnecessary pre-printed tax returns clients send to Advanced Payroll Systems.

**MN: What files and/or reports do you generate to communicate with other departments in your company?**

*DP:* The Cash Collection report is given to our Customer Service Department at quarter-end. If a client questions a bank transaction, Customer Service can show the quarter-end cash collection, and refer the client to the quarterly tax package for details.

Our Accounting Department also imports the tax payment files into Verifund.



## MasterNews User Spotlight: Deanna Pearcy (Continued)

### **MN: What has been your experience with MasterTax Support?**

**DP:** Everyone I have dealt with at MasterTax Support has been extremely helpful and friendly. My calls are responded to almost immediately, and the majority of the time, my questions are answered on the first call. E-mails are acknowledged right away, and suggestions are always welcomed. Fixes are handled quickly, and when necessary, hotfixes are created for issues that need to be addressed immediately. Less urgent fixes are included in the next release.

I have enjoyed working with Yasmine (Director of Professional Services) since I started with Advanced Payroll Systems. She has always provided us with suggestions on how to use MasterTax to make our jobs easier, and her knowledge has helped tremendously. More recently, I have been dealing with Meiping (Client/Server Programmer), and she has also been very friendly, knowledgeable, and helpful.

### **MN: Have you found the quarterly webinars helpful?**

**DP:** Yes, I particularly like the Question and Answer session. I have often heard questions I had not thought of, and find the answers to be useful.

### Did You Know?

MasterTax offers a Non-Production Site License (NPSL) that allows customers to have an environment, in addition to their live production database, on which to do such things as test different scenarios and updates, and keep a "hot" backup of their data. Those who obtain an NPSL can have an unlimited number of environments; however, they can have only one production site per MasterTax license, and they must have enough Oracle licenses to cover the total number of users who will access all the environments.

If you have questions or wish to obtain an NPSL, please contact your MasterTax Account Manager or send an e-mail to MasterTax Support at [support@mastertax.net](mailto:support@mastertax.net).

### **Want a Bose Radio?**

*Anyone who refers a prospect that results in a sale will receive a Bose radio as our way of saying thanks!*

*For more information, send an e-mail to [emailus@mastertax.net](mailto:emailus@mastertax.net).*



## New Tax Setup, Inactive Tax Codes, Tax Rule Changes, E-File, Mag Media, and Software Updates

### **New Tax Setup (Effective 10/01/2009):**

*The following list shows the tax codes that will be added to MasterTax as of the fourth quarter 2009 release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- OH9128-001 – Painesville-Concord JEDD - Withholding (minor of CCA)
- IA0000-168 – Iowa Targeted Jobs Credit (minor of IA0000-001)
- PA1052-053 – Greenwood SD (Greenwood Twp) Juniata
- PA1603-051 – Mercersburg (Borough), Franklin - Local Services Tax (LST)
- SD0000-129 – South Dakota - Employer Additional Unemployment Surcharge
- WI0000-002 – Wisconsin - Employee Earned Income Credit Payment (EIC)

## New Tax Setup, Inactive Tax Codes, Tax Rule Changes, E-File, Mag Media, and Software Updates (Continued)

### Inactive Tax Codes (Effective 12/31/2009):

*The following list shows tax codes that will be deactivated as of the fourth quarter 2009 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.*

#### Generic Codes:

- PA0197-053 – Big Spring S D, Cumberland - School
- PA0339-147 – Camp Hill S D, Cumberland - School LST
- PA0750-053 – East Pennsboro Area S D, Cumberland - School
- PA0750-147 – East Pennsboro Area S D, Cumberland - School LST
- PA1055-053 – Greenwood S D, Perry - School
- PA1704-053 – Moon Area S D, Allegheny - School
- PA1983-053 – Parkland S D, Lehigh - School
- PA1983-147 – Parkland S D, Lehigh - School LST
- PA2447-147 – South Middleton S D, Cumberland - School LST
- PA2944-053 – West Perry S D, Perry - School
- PA2955-001 – West Shore S D, Cumberland - Withholding
- PA2955-053 – West Shore S D, Cumberland - School



#### Non-Existent Taxes:

- IA0000-150 – Iowa - Housing Assistance
- PA1992-053N – Central Dauphin SD (Paxtang Boro) Dauphin-Non Resident - School
- PA2905-053 – East Pennsboro SD (West Fairview, Boro) Cumberland - School
- PA2905-147 – East Pennsboro SD (West Fairview, Boro) Cumberland - School LST (inactive 09/30/2009)

**Note:** Use the Transfer Liabilities Between Tax Codes transaction utility to transfer liabilities from the inactive tax codes to the correct tax codes to support year-end reporting [Utilities>Transaction Utilities].

### Tax Rule Changes:

*The following list shows the tax rule changes for the fourth quarter 2009. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- District of Columbia Withholding (DC0000-001) - The new Q-20 frequency has been assigned by the district agency, effective January 1, 2010. Quarterly withholding payments are due by the 20<sup>th</sup> of the month following quarter end. If the due date falls on a weekend or holiday, it is due the next business day.
- Winchester, Clark Occupational License Fee (KY0286-138) - For the new M-15 frequency, if license fees are over \$300 in the first quarter of 2010, you must begin remitting your tax payments on a monthly basis, beginning with your January liability. Payments are due by the 15<sup>th</sup> of the following month. If the due date falls on a weekend or holiday, it is due the next business day.
- Georgia Withholding (GA0000-001) - EFT Debit registration is now performed only online.
- Parma Heights, Cuyahoga (OH1364-001) - The quarterly frequency has been changed from Q-20 to Q. Quarterly payments are due at the end of the month following quarter end.
- Pittsburgh SD (Mt. Oliver Boro), Allegheny (PA1763-053) - This minor tax code has been added to Pittsburgh (City), Allegheny - Withholding (PA2079-001). Amounts will be combined with Pittsburgh SD, Allegheny (PA2080-001), and reported in Column B for the School District on City of Pittsburgh forms.

## New Tax Setup, Inactive Tax Codes, Tax Rule Changes, E-File, Mag Media, and Software Updates (Continued)

### E-File and Mag Media Mandates (Effective 10/01/2009):

*The following list shows the e-file returns that will be added and modified in MasterTax as of the fourth quarter 2009 release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- Iowa Withholding – Iowa has revised its e-file specifications. MasterTax users will need to change the file layout when submitting their e-file at quarter-end. Watch for more details in the fourth quarter Release Notes.
- Louisiana Withholding – The e-File method has been added for the annual reconciliation form L-3.
- Massachusetts Unemployment – The e-File method, using the state's new Quest system, has been added for form WR-1, and will be reported with the DUA.
- Oregon Unemployment – Effective fourth quarter 2009, the agency no longer accepts diskette submissions; only CDs will be accepted. Files can be uploaded via a new secure site at <https://www9.emp.state.or.us/tax/secure-upload/>.
- Utah Withholding – The e-File method has been added for the annual reconciliation form TC-941R.
- Wisconsin SUI Rate Exchange – The agency no longer accepts requests submitted on diskette or cartridge; instead, files can be submitted online. MasterTax has revised the file format to meet the new specifications.
- Wisconsin Withholding – The e-File method has been added for the annual reconciliation form WT-7. All employers are required to e-file, unless granted a waiver.



### Software Updates:

*The following list provides a preview of new software changes to MasterTax for the fourth quarter 2009. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- Amendment Company Package – The ability to produce company packages for amendments has been added to the Amendment Desktop.
- MasterTax Check Printing – The ability to assign a tray number has been added.
- RTS Detail and Employee Statistics Reports – These reports have been combined into a single report.

### QUESTION OF THE QUARTER

Question of the Quarter is designed to provide answers to FAQs received by our Help Desk.

**Q: How do I set up companies with different FEINs, but with the same state EIN?**

**A:** You will need to set up a common pay agent structure.

First, set up the pay agent company with the correct EIN for the tax, and set each child company's EIN type to **Common Pay** for the tax [Master>Company View>Tax>EIN].

Next, set up the parent company as the common pay agent for the tax, and link the child companies to it [Master>Pay Agent].

Then if you have posted liabilities for the year, use the Transfer Paid Deposits to Common Pay Agent transaction utility to transfer the linked companies' liabilities to the pay agent [Utilities>Transaction Utilities].

## Compliance Corner

*This section is intended to provide relevant and topical information to the Payroll Professional. Feedback on this section is welcome. Please send us an e-mail at [newsletter@mastertax.net](mailto:newsletter@mastertax.net).*

*The information below comes from various agency websites and publications. Please contact the agency involved if you require more information.*

**California** - The Department of Child Support Services reminds employers who are required to withhold and pay state taxes electronically that they must also remit all child support payments electronically to the state disbursement unit. For more information, go to [www.childsup.ca.gov/Portals/0/resources/docs/EFT\\_Guide.pdf](http://www.childsup.ca.gov/Portals/0/resources/docs/EFT_Guide.pdf), and review the *California State Disbursement Unit Electronic Funds Transfer Employer Information Guide*.

**Florida** - For 2010, the state's minimum wage remains at \$7.25 per hour, and the state's tip credit remains at \$3.02 per hour. Go to <http://www.floridajobs.org/minimumwage/index.htm> for complete details.

**Indiana** - Effective January 1, 2010, the Indiana Department of Revenue advises withholding agents who register to withhold taxes from employees' wages after December 31, 2009, that they must file reports and remit payments electronically through the agency's online program, INTAX. For more information, review the agency's Tax Dispatch, Vol. 12, No. 1 at <http://www.in.gov/dor/4150.htm>.

**Internal Revenue Service** - Revenue Procedure 2009-51 outlines the opt-in procedure for employers who want to file Form 944, *Employer's Annual Federal Tax Return*. It also outlines the opt-out procedure for employers who have been notified of the requirement to file Form 944, but want to file Form 941, *Employer's Quarterly Federal Tax Return*, instead. More information is available online at <http://www.irs.gov/pub/irs-drop/rp-09-51.pdf>.

**Minnesota** - Effective January 1, 2010, the Minnesota Department of Revenue will terminate income tax reciprocity with Wisconsin. For more information, review the agency's News Release dated September 18, 2009, at [http://www.taxes.state.mn.us/publications/press\\_releases/content/mn\\_terminates\\_reciprocity.shtml](http://www.taxes.state.mn.us/publications/press_releases/content/mn_terminates_reciprocity.shtml).

**Oklahoma** - The Oklahoma Department of Revenue has amended its semi-weekly tax payment requirements. Effective March 1, 2010, employers who are required to remit their Federal withholding payments following the Federal semi-weekly deposit schedule must remit their Oklahoma withholding payments on the same dates as required for Federal withholding taxes. Currently, only employers with an average tax liability of \$10,000 or more per month in the previous fiscal year are required to remit payments on a semi-weekly basis. For more information, go to <http://webserver1.lsb.state.ok.us/CF/2009-10%20SUPPORT%20DOCUMENTS/BILLSUM/House/sb318%20ccs%20billsum.doc>.

**Oregon** - As part of the Department of Revenue's outreach and education efforts, the agency would like to remind employers that they can access its blog at <http://www.oregonemployerinfo.blogspot.com/>. The blog provides information about the agency's enforcement efforts, along with links to tax related issues and resources that can help employers comply with Oregon laws.



## Compliance Corner (Continued)

**Utah** - The State of Utah's Insurance Department has issued rules to establish a licensing process, license application forms, and other requirements for the regulation of professional employer organizations (PEOs) conducting business in the state. To review the requirements, go to <http://www.rules.utah.gov/publicat/code/r590/r590-246.htm>.

**Vermont** - For 2010, the state's minimum wage remains at \$8.06 per hour, and its tip credit remains at \$4.15 per hour. The state requires an annual adjustment to the minimum wage based on inflation as measured by the Consumer Price Index. The press release is at

<http://www.labor.vermont.gov/Portals/0/UI/2010%20Minimum%20Wage%20Press%20Release.pdf>.

**Wisconsin** - Wisconsin Act 28 of 2009, effective September 1, 2009, imposes a new Police and Fire Protection Fee. The Department of Revenue has issued guidelines on the two types of transactions on which the fee will be imposed: retail transactions for prepaid wireless plans, and voice communications connected with an assigned telephone number. For more information, visit the agency's website at <http://www.revenue.wi.gov/taxpro/news/090818.html>.



## Company Updates: New Employees

### **Andrea McNamara - Technical Support Analyst**

Andrea joined the MasterTax Support team in October as a Technical Support Analyst. She brings 25 years of experience in programming, quality assurance, project management, and technical software support. Andrea was born and raised in St. Louis, Missouri, and moved to Arizona with her husband and two children in 2003. She enjoys gardening, and perfecting her "famous" homemade salsa recipe.



### **Amanda Gablenz - Compliance Analyst**

Amanda has joined the MasterTax Compliance team as a Compliance Analyst. She recently relocated to Arizona from Seattle, Washington, where she worked in technical support and customer service. In her free time, Amanda enjoys shopping and listening to music.



### **Chelsea Leshe - Office Assistant**

Chelsea recently returned to MasterTax on a part-time basis as an Office Assistant in the Administrative Services Department. She worked part-time at MasterTax during high school, but left when she went to college out of state. She is now studying kinesiology at Arizona State University with plans to become an exercise psychologist. Chelsea enjoys traveling, reading, swimming, baking, and hiking.

