



# MasterNews

## Volume 3, Issue 3

### Progressive Chooses MasterTax

SCOTTSDALE, Ariz. – On July 26, 2006 MasterTax, LLC, announced its newest payroll tax software licensee: The Progressive Group of Insurance Companies.

Progressive began looking for an alternate payroll tax provider when it began encountering issues with its prior software vendor. Conditions and quality of support began to decline due to the vendor's change in company structure; a need for improvement was obvious. Technical support was also becoming close to a full-time job for Progressive's internal IT resources as patches and updates were coming in monthly, if not more frequently. Finally, in-house support of the prior provider was growing costly.

Through its research for a new payroll tax provider, Progressive found the benefits of moving to MasterTax too great to ignore. Conversations with current MasterTax customers indicated smooth transition experiences from the same prior provider along with exceptional customer service from MasterTax. The technical support requirements were also less, with releases and updates being delivered only about once a quarter and requiring minimal technical assistance. Another important factor in changing to MasterTax was the great reduction in financial costs. Progressive's annual costs will decrease by about two-thirds from what they were paying their prior provider.

"We are extremely pleased that Progressive has chosen us to be its payroll tax software vendor," said Richard Warneka, President of MasterTax. "We believe that our products and services are the best in the industry, and Progressive's decision to license our software only validates that belief. We look forward to serving Progressive for many years to come."

### Online Filing Requirements

Various jurisdictions now have online filing capabilities available through their websites. MasterTax is able to create those files for many of the agencies. The files are already formatted according to jurisdiction specifications and ready for upload. To access a list of locations requiring, or available for, online filing capabilities, see Tax Return > E-File > Filing Instructions. A similar list is available for online tax payment coupons in the Tax Coupon window of MasterTax. Click the link to individual forms, select the type of business under which the company operates and click 'View Details' for further information on registering as an online filer. You can then locate fields within MasterTax to update information provided by the agency after registration. See below for the third quarter's newly added online capabilities in MasterTax:

- MasterTax is now generating an online file for the state of Wyoming.

#### Important Dates:

- September 19th, 2006  
**3rd Quarter Release Available**
- October 3rd, 2006  
**Quarter-End Web Seminar**
- November 23rd and 24th, 2006  
**Office Closed: Thanksgiving**
- December 25th, 2006  
**Office Closed: Christmas Day**

#### Inside this issue:

Progressive's Choice	1
Online Filing Requirements	1
User Spotlight: Daniel Mahoney	2
Updates In... Software	2
Frequently Asked Questions	3

Suite 160  
7150 E. Camelback Rd.  
Scottsdale, AZ 85251  
Phone: 480-778-8734  
Fax: 480-778-8709  
[newsletter@mastertax.net](mailto:newsletter@mastertax.net)

Editors: [Stacy L. Juris](#)  
[Sarah R. Bonn](#)

## MasterNews User Spotlight: Daniel Mahoney, Project Manager

Dan Mahoney has been with Fidelity Employer Services almost three years as a Project Manager. He and 30 of his associates have been using MasterTax for the past two years.

**We are looking for people to be featured on a future User Spotlight! If you are interested please send us an email at: [newsletter@mastertax.net](mailto:newsletter@mastertax.net)**

**MasterNews:** Since you implemented MasterTax, how have your daily and quarterly tasks changed?

**Daniel Mahoney:** MasterTax has helped us a great deal with our compliance and filing requirements. The e-filing, magnetic media, and company package options work much smoother than our previous method.

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

**DM:** We are big fans of the SUI Rate Exchange menu, as well as the Data Extract feature.

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

**DM:** We find the Deposit History and Liability Analysis reports very helpful for research. We also use QTD and YTD Analysis reports extensively.

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

**DM:** The QTD and YTD Analysis reports are great tools for locating problems with implementation data before quarter end. They allow us to interim balance every client each month to keep an eye on the overall status of our client data.

**MN:** What files and/or reports do you generate to communicate with other departments in your company? For EFT and Check payments? For G/L reporting?

**DM:** We use a variety of reports for internal communications, including Data Extracts and Liability Analysis reports for our G/L team, and the Unknown Transactions report for our payroll department. We also use Data Extracts to pull together statistical reporting for internal purposes.

**MN:** Has the MasterTax support team assisted or helped you in your MasterTax processing?

**DM:** The support team has been an enormous help in our conversion to MasterTax. Every day we learn more new information from them, allowing us to make more efficient use of the application. Above that, the MasterTax support team is always professional and a pleasure to speak with!

## Updates In... Software:

*The following is a preview of new software changes for the 3rd Quarter 2006 release. Please refer to the Release Notes for further clarification and other changes not mentioned here.*

- According to the state of Louisiana, if the Employee count data is provided on the Magnetic Media, no return is required.
- Wyoming Unemployment is no longer accepting substitute forms. Users electing to file wage detail on Magnetic Media will need to submit the Tax Return portion on the original state form. MasterTax is providing the Online Filing option for users not wishing to submit the state form; the online file will include both tax and wage reports; one file per return will be created since no batch filing is allowed.
- Kentucky is now accepting customized EFT Debit Requests.
- Texas now requires Service Providers to register with the TWC; the state is mandating one bulk payment, MasterTax will support the bulk payment by EFT.
- MasterTax is now supporting the Berks EIT tax collectors mandate that any employer with 500 employees or more must remit wage detail online via email.

## Frequently Asked Questions...

***The MasterTax Support team would like to share with our customers some of the most frequently asked questions we receive from day to day.***

**Q:** What do I do if I receive an error message that RC094-Variations have been posted for Company tax?

**A:** Use the Restart icon or go to Restart under Utilities> Reconciliation Utilities> Restart. Then, depending upon what you are changing, choose one tax code or all tax codes. Once you have made these changes, you will be able to post your corrections.

**Q:** What do I do if I receive an error message that WG118, WG119, WG124, or WG125 that either the sum of Taxable Wages, Gross Wages, Income Taxable, or Income tax is not equal to the QTD wages or tax?

**A:** You first need to determine whether the wage detail amount OR the RTS amount is correct. If the RTS amount is correct, you will need to do an RTS Correction. Open up the RTS Correction window, highlight the tax code and click on the Wages button to correct the wages. If the wage detail amount is correct, you still need to make an RTS correction. Highlight the tax code and correct the RTS amount.

**Q:** Why is California SIT not posting?

**A:** CA requires SIT wages and tax withheld to be listed on a per employee basis. In order to have your CA SIT post, you need to activate the CA SUI with an exempt EIN number and enter wage detail data for those employees reporting to CA SIT.

**Q:** Why is FED and/or state SIT not posting?

**A:** The most common reason for this problem is due to the fact that employee statistics are missing. To correct this problem you need to do an RTS correction, highlight the tax code and click on Employee Statistics. You may then enter the applicable information.

**Q:** How do I enter Third Party Sick Pay?

**A:** To enter it correctly, you need to include the Third Party Sick Pay **wages** in the employee and employer portion of the **social security** tax codes. Then, when using the Third Party Sick Pay code, enter the **tax** as a negative amount to back out the employee portion.

**Q:** If variances have been posted for a previous quarter, but the quarter has not been closed, can an RTS be imported for the current quarter and be interim posted without affecting the previous quarter's balance?

**A:** The prior quarter balances will not be affected if you interim post. The Variance Post process secures the balances for the quarter and they will only be affected if you Restart reconciliation.

**Q:** How can I get MasterTax to split out lines 2 and 3 on Federal form 940?

**A:** First you will need to Restart the FUTA tax code by going to Utilities> Reconciliation Utilities> Restart; then enter an RTS correction for the FUTA tax. Finally, click the Year End button and enter the line 2 exempt wages. MasterTax will then calculate the line 3 wages.

**Q:** How do I remove a balance due entry on a return if I made the payment before submitting the return?

**A:** Select Reports> Deposit History from the menu bar, and produce a Deposit History report to locate the Deposit ID of the balance due entry. Then change the due date of the Deposit to a date in the liability quarter. This can be done by selecting Utilities> Deposit Maintenance from the menu bar. Once in the Deposit Maintenance screen, under the pending deposits tab, you will be immediately placed in query mode. Enter the deposit ID from the Deposit History report. When the deposit is displayed, click Change Deposit Due Date in the deposit due field and enter the check date of the payment—it should fall in the liability quarter. Restart reconciliation for the company tax by going to Utilities> Reconciliation Utilities> Restart. Then run the Variance Post process, and finally, print the tax return.

**MasterTax Tip:** Be sure to look at the Variance Post Validation Report to check for errors and warnings that will prevent your returns from processing and printing incorrectly.

*Want to win a  
Bose radio?*

*Anyone referring a  
prospect resulting in a  
sale will receive one as  
our way of saying  
thanks.*

*For more information,  
please contact us at*



***[emailus@mastertax.net](mailto:emailus@mastertax.net)***

**Q.** How do I know that my current MasterTax business practices are the most efficient way of processing taxes?

**Q.** Where can I get a custom file interface to optimize my G/L and A/P reporting?

**Q.** How can I get a MasterTax feature customized for my company's specific tax reporting purposes?

**A. The MasterTax Professional Services Group .**

For more information regarding these and other services provided by the MasterTax Professional Services Group, please contact us at 480-778-8734, or by email at [emailus@mastertax.net](mailto:emailus@mastertax.net).