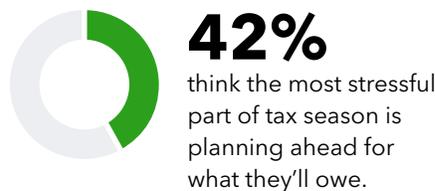
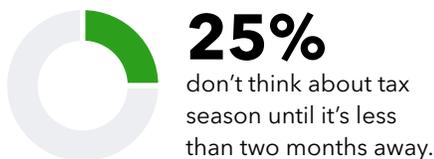


How to avoid payroll tax filing penalties and maximize returns

A recent QuickBooks survey of small business owners and their accountants and bookkeepers revealed that the top three small business challenges are:¹



Additionally, the survey revealed that:¹



Taxes you have to pay

There are five basic employment taxes you have to pay as an employer:²

- Federal income tax withholding
- State income tax withholding (+ local income taxes in some places)
- FICA taxes (social security and Medicare)
- Federal and state unemployment taxes
- State workers' compensation funds (required in all states but Texas)

Some common reasons for penalties (or, things to avoid)

Here's a list of several common reasons why you might be penalized by the IRS:³



Failure to file or filing late

This one is fairly self-explanatory. If you don't file at all (or if you file late), expect to pay some penalties. Get the deadline on your calendar now, and plan ahead so you're not stressed out and pressed for time at the finish line.



Misclassifying workers

There's a chance you could be penalized for unpaid taxes if you misclassify workers as independent contractors rather than employees, because that would mean you failed to withhold income or FICA taxes on those incomes. In this case, you'd be required to pay back taxes plus penalties.



Failure to send tax forms to employees

It's your responsibility to send all necessary W-2 and 1099-MISC forms directly to employees (unless you have a payroll service doing so on your behalf). Failure to send the right forms could result in fines - the extent of which would depend on the size of your company and how late the forms were sent, if they were sent at all.

Steps to avoid penalties and maximize returns



Consult with a tax professional

According to a QuickBooks survey, of the small business owners who receive help from an external accountant or tax expert, 85%¹ agree that it saves them time and money, reduces stress, helps with compliance, and helps them plan ahead.



Use a proven online tool

If you would like peace of mind when it comes to avoiding tax filing penalties while maximizing deductions and returns, consider an online payroll tool that helps you, or consider a full-service offering that does most of this work for you. It could save you time, money and frustration in the long-run.

Sources:

1. "[New Survey Reveals Small Business Reaction to Tax Reform](#)," 2018, QuickBooks Payroll
2. "[Business Taxes](#)," 2019, IRS
3. "[Common Penalties for Individuals](#)," 2019, IRS

© 2019 Intuit Inc.

INTUIT IS NOT A FINANCIAL PLANNER, BROKER OR TAX ADVISOR. NEITHER INTUIT NOR THE CONTENT AVAILABLE FOR DOWNLOAD ARE INTENDED TO PROVIDE LEGAL, TAX OR FINANCIAL ADVICE. The content and materials are intended only to assist you in your general organization and decision-making for your business or practice. Intuit shall have no liability for errors, omissions or inadequacies in the information contained herein or for interpretations thereof.