



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 7 – Payroll 8.0	EFFECTIVE DATE: 08/26/1994
TITLE: Federal and State Income Taxes	REVISION DATE: 05/29/2014
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

Following each bi-weekly payroll period, it is necessary to adjust, reconcile, and facilitate required payments of federal withholding, Social Security, and Medicare taxes in an accurate and timely manner. Quarterly, it is necessary to adjust, reconcile, and facilitate the required payment of Wisconsin state taxes in an accurate and timely manner.

POLICY

The accounting staff in the Expenditure Accounting Section in the Bureau of Fiscal Services (BFS) originates adjustments for federal income tax and state income tax withholding. The Bureau of Human Resources (BHR) records adjustments to employee wages that have an effect on federal and state taxes due. These adjustments are reviewed by the payroll financial specialist in BHR. The BFS payroll accountant is responsible for timely and accurate processing of bi-weekly federal taxes and quarterly Wisconsin state income taxes.

PROCEDURES

Federal Tax Process (Bi-weekly)

1. Adjustments resulting from supplemental payroll checks, overdrawn leave, refunds, etc., are made to the employees account in Pay-adjust by payroll.
2. As part of the PAMS (Payroll Adjustment Monitoring System) process, the details for the current payroll and all adjustments for the period are pulled into the Current Year-To-Date Report. The Current Year-to-Date Report can be found at:
L:\Bperpams\Payroll_Worksheet_CY14.mdb.
3. Each pay period, the Year-to-Date Report is reviewed and supplemental adjustments are identified.
4. The total federal tax payment due is calculated from the Year-to-Date Report.
5. The payroll process creates the manual warrant (MW) to pay the federal tax payment for the bi-weekly payroll. Any adjustments necessary from the Year-to-Date Report are entered directly into WiSMART by adjusting one of the existing MWs.
6. The Electronic Federal Tax Payment Systems (DOA-6598) is completed, and this form and screen prints of all the MW batches are sent to the Department of Administration (DOA) by 4:30 p.m. the Tuesday before each payday.

7. Federal taxes for any supplemental payments are processed within Internal Revenue Service (IRS) guidelines that state if a check date is Wednesday, Thursday, or Friday, payment is due the following Wednesday. If the check date is Saturday, Sunday, Monday or Tuesday, tax payment is due the following Friday.
8. Quarterly 941 is completed by the Expenditure Accounting accountant by the last day of the month following a quarter end. The Quarterly 941 reconciles payments for the quarter to earnings for the quarter.

Wisconsin State Income Tax Process (Quarterly)

1. Adjustments resulting from supplemental payroll checks, overdrawn leave, refunds, etc., are made to the employees account in Pay-adjust by payroll.
2. As part of the PAMS process, the details for the current payroll and all adjustments for the period are pulled into the Current Year-To-Date Report.
3. Each pay period, the Year-to-Date Report is reviewed and supplemental adjustments are identified.
4. The total quarterly tax payment due is calculated from the Year-to-Date Report from the pay periods that are included in the particular quarter. The Wisconsin state income taxes are paid quarterly on or before the 20th of the month following a quarter end.

Quarter	Ending	Due Date
Jan-Feb-Mar	March 31	April 20
Apr-May-Jun	June 30	July 20
Jul-Aug-Sep	September 30	October 20
Oct-Nov-Dec	December 31	January 20

5. The quarterly Wisconsin state tax is calculated and adjusted for any supplemental payments that have not been included on the Year-to-Date Report. Any payment adjustments are entered directly into WiSMART.
6. Manual warrants for Wisconsin state taxes are approved and screen printed.
7. The BFS accountant completes and files WT-6 on the Wisconsin Department of Revenue website.
8. A copy of the WT-6 and screen prints of the MWs are submitted to DOA by the due date of the 20th of the month following the quarter end.

REFERENCES

Detailed procedures for completing the federal tax process, 941 instructions, and the Wisconsin state income tax process are available in the Expenditure Accounting Section.

CONTACTS

[Expenditure Accounting Section Chief](#)

[Payroll Accountant, Expenditure Accounting Section](#)