

# Sy Accountancy Corporation

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## PAYROLL TAX GUIDE FOR 2012 (CHANGES IN GREEN)

By Victor Sy, CPA, MBA

	<u>Withheld From Employee</u>	<u>Paid By Employer</u>
<b>1. FICA (Social Security Tax):</b>		
a. Old Age Rate	4.20% from 01/01/12 to 02/29/12 (A)	6.20%
Maximum Wage	\$110,100.00	\$110,100.00
Maximum Tax	\$4,624.20 from 01/01/12 to 02/29/12 (B)	\$6,826.20
b. Medicare Rate	1.45%	1.45%
No Maximum	ALL WAGES ARE TAXABLE	
<b>2. SDI (State Disability Insurance) for Calif:</b>		
a. Rate	1.00%	NONE
b. Maximum Taxable Wage	\$95,585.00	NONE
c. Maximum SDI Tax	\$955.85	NONE
<b>3. SUI (State Unemployment Insurance) for Calif:</b>		
a. Rate (3.4% for new employers)	NONE	1.5% to 6.2%
b. Maximum Taxable Wage	NONE	\$7,000.00
c. Maximum SUI Tax	NONE	\$105 to \$434
<b>4. ETT (Employment Training Tax) for Calif:</b>		
a. Rate	NONE	0.10%
b. Maximum Taxable Wage	NONE	\$7,000.00
c. Maximum ETT Tax	NONE	\$7.00
<b>5. FUTA (Federal Unemployment Tax):</b>		
a. Federal Rate	NONE	6.00%
b. Less Maximum State Credit	NONE	(5.40%)
c. Net Average Federal Rate	NONE	0.60%
d. Maximum Taxable Wage	NONE	\$7,000.00
e. Average FUTA Tax	NONE	\$42.00
f. Deposit Required if FUTA is over		\$500.00
<b>----- OTHER INFORMATION -----</b>		
<b>6. SELF-EMPLOYMENT TAX:</b>		
a. Old Age Rate	10.40% from 01/01/12 to 02/29/12(C)	
Maximum Earnings	\$110,100.00	
Maximum Tax	\$11,450.40 from 01/01/12 to 02/29/12 (D)	
b. Medicare Rate	2.90%	
No Maximum	ALL WAGES ARE TAXABLE	
<b>7. CHILDREN EMPLOYED BY SOLE PROPRIETORS:</b> FICA not required for children through age 17 (through 20 for FUTA). Both required for corporations and partnerships.		
<b>8. MINIMUM WAGE:</b> Beginning Jan 1, 2008 . . . . . From \$7.50 to \$8.00 per hour (California) Beginning July 24, 2009 . . . . . From \$6.55 to \$7.25 per hour (Federal)		
<b>9. SOCIAL SECURITY TAXES:</b>		
a. Earnings needed to earn SS coverage (\$1,130 x 4 quarters) . . . . .	\$4,520.00 per year	
b. Maximum amount of earnings to receive full SS benefits . . . . .	\$14,640.00 per year	
<b>10. AUTO STANDARD MILEAGE ALLOWANCES:</b>		
a. Business . . . . .	2011	2012
. . . . .	51 cents per mile (E)	55.5 cents per mile
b. Charity . . . . .	14 cents per mile	14 cents per mile
c. Medical, Moving . . . . .	19 cents per mile (F)	23 cents per mile

(A) 6.20% after 02/29/12; (B) \$6,826.20 after 2/29/12; (C) 12.40% after 02/29/12; (D) \$13,652.40 after 2/29/12 unless new law is passed; (E) 55.5 cents from 7/1/11 (F) 23.5 cents from 7/1/11