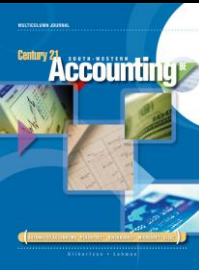


LESSON 13-2

Recording Employer Payroll Taxes



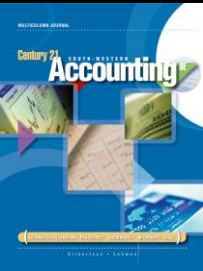
UNEMPLOYMENT TAXABLE EARNINGS

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HOBBY SHACK Taxable Earnings for December 15, 20--, Pay Period

	Accumulated Earnings as of Nov. 30, 20--	Total Earnings for Dec. 15, 20-- Pay Period	Unemployment Taxable Earnings
Aranda, Susan A.	\$21,115.00	\$ 968.00	—
Drew, Paul S.	5,595.25	550.00	\$550.00
Kellogg, Janice P.	39,840.00	1,910.00	—
Mendel, Ann M.	2,030.00	240.00	240.00
Selby, Rick E.	22,746.00	1,137.00	—
Young, Justin L.	19,816.00	906.40	—
			<u>—</u>
			<u>\$790.00</u>

1. Enter accumulated earnings and total earnings for each employee.
2. Enter unemployment taxable earnings.
3. Total the Unemployment Taxable Earnings column.



UNEMPLOYMENT TAXES

Unemployment Taxable Earnings	×	Federal Unemployment Tax Rate	=	Federal Unemployment Tax
\$790.00	×	0.8%	=	\$6.32

Unemployment Taxable Earnings	×	State Unemployment Tax Rate	=	State Unemployment Tax
\$790.00	×	5.4%	=	\$42.66

JOURNALIZING EMPLOYER PAYROLL TAXES

(continued on next slide)

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December 15. Recorded employer payroll taxes expense, \$485.92, for the semimonthly pay period ended December 15. Taxes owed are: social security tax, \$354.11; Medicare tax, \$82.83; federal unemployment tax, \$6.32; state employment tax, \$42.66. Memorandum No. 63.

Payroll Taxes Expense	
485.92	
Social Security Tax Payable	
	354.11
Medicare Tax Payable	
	82.83
Unemployment Tax Payable—Federal	
	6.32
Unemployment Tax Payable—State	
	42.66

JOURNALIZING EMPLOYER PAYROLL TAXES

(continued from previous slide)

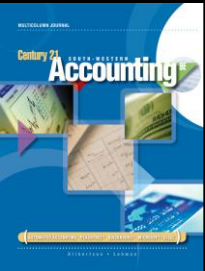
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GENERAL JOURNAL

PAGE 13

DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
15	<i>Payroll Taxes Expense</i>	M63		48592	
	<i>Social Security Tax Payable</i>				35411
	<i>Medicare Tax Payable</i>				8283
	<i>Unemployment Tax Payable—Federal</i>				632
	<i>Unemployment Tax Payable—State</i>				4266

- Write the date.
- Write the title of the expense account debited.
- Write the memorandum number.
- Write the debit amount.
- Write the titles of the liability accounts credited.
- Write the credit amounts.



TERMS REVIEW

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- federal unemployment tax
- state unemployment tax