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Top Three Payroll Tax Mistakes by Suree Martin

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Many a times, entrepreneurs fail to comply with Federal, State and Local payroll tax laws. They are so busy in making payroll accurate that they miss such an important business activity. There are three common payroll tax mistakes that lead an entrepreneur to receive IRS notices and fines.

Let's know about each mistake in detail so as to avoid it to happen with your small business. The mistakes are:

1. Late Submission: The amount is withheld from the salary every month by the employer. But, it is important for an employer to know the correct time to pay the employer contribution to the Federal and State government. If the employer makes the payments late, they should be ready to face penalties and interest rates over the amount to be paid. Therefore, it is essential to know the deadlines in advance so that you do not miss out any submission date.

2. Incorrect Payroll Tax Return Filings: The complexity of payroll taxes can be understood as it involves numerous state and federal returns that need to be filed like unemployment, withholding taxes etc. If you fail to present any relevant paper or fail to follow the right procedure, be ready to receive IRS notices.

3. Non-Payment: If you fail to pay any of the payroll taxes in any given period, it is evident to receive IRS notices and penalties. So, missing any payroll taxes can become an expensive affair for a small business. Therefore, it is mandatory to pay off the taxes as and when it is due.

The reason can be any of the above but one thing is certain in all the cases- hefty IRS penalties. Even if you are doing well in your small business, you of course do not want to waste your hard-earned money by paying extra to the IRS department.

If your core business responsibilities keep you busy all the time, it is better to take payroll tax-filing services from a payroll service provider. They will keep you up-to-date with ever changing payroll tax laws and will never miss to make necessary payroll tax submissions and return filings.

By taking payroll and payroll tax-filing solutions, you are not only making payroll accurate but are also protecting yourself from hefty tax penalties. There are various online payroll companies that provide both the services as one solution to help small businesses in making their payroll process timely and accurate.

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