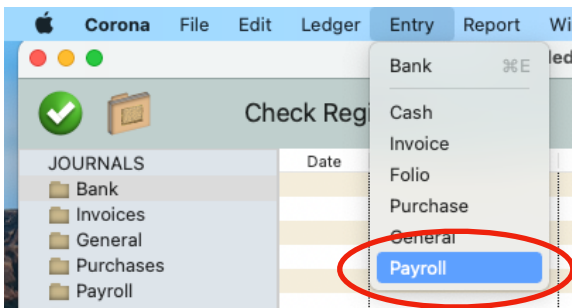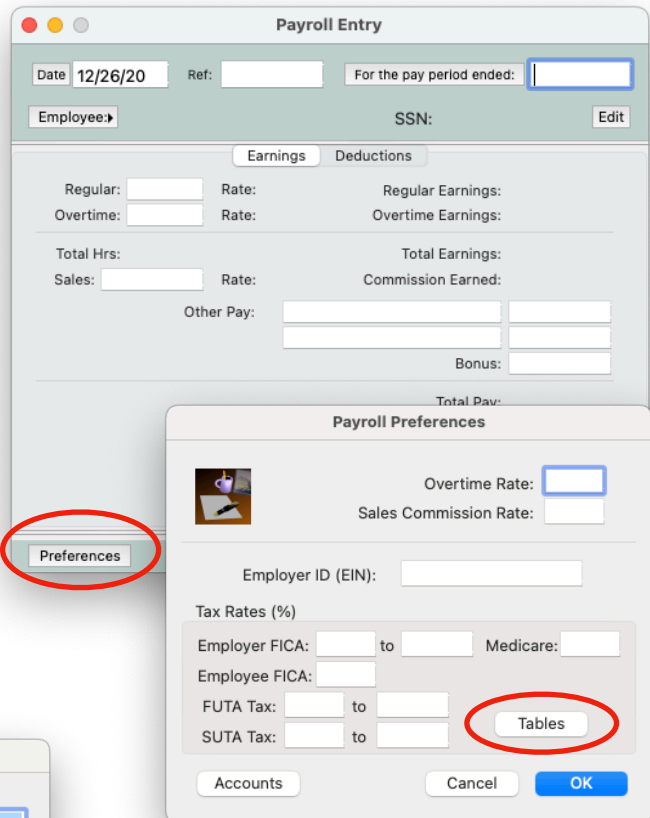## Updating the Tax Tables

Near year end, IRS publishes look-up tables for income tax withholding amounts from employee earnings. The tax tables provided in the accompanying .txt file were compiled from IRS Publication 15-T published December 9, 2020. This tax table file is for import into the Corona transactions file you will use for payroll record keeping during 2021. It is important to use the current tax tables with the current year of your payroll. Updating the tables prior to your first payroll in 2021 is important and necessary.

To import the tables, select Payroll from the Entry menu to display a Payroll Entry window.
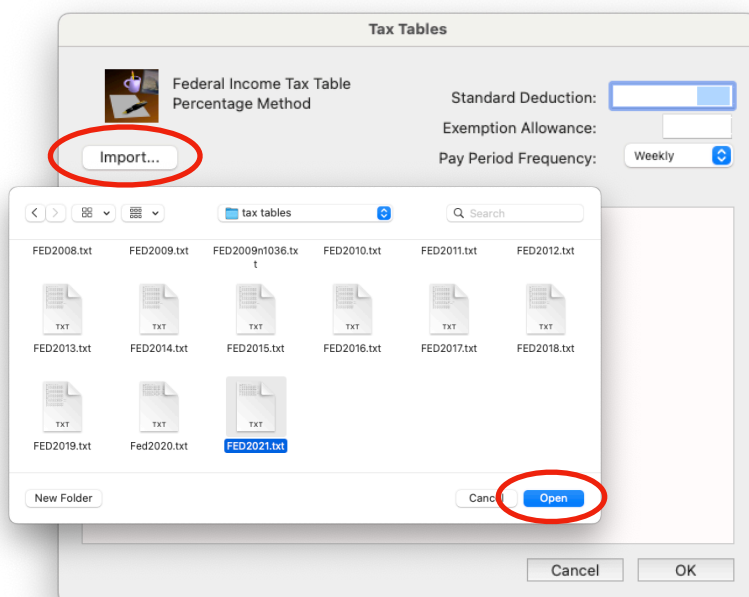

Next, click the Preferences button to display the Preferences panel for Corona's payroll. This is the panel that allows you to set Social Security, Medicare and FUTA rates and bases for the federal government, and SUTA rates and bases for your home state.

Importing the tax tables file will update the rates and bases on the Payroll Preferences panel.

Click the Tables button on the Payroll Preferences panel to view the Import… button on the Tax Tables panel.

Upon clicking the Import button, you will be presented with a standard panel for opening files. Choose the 2021.txt file and click Open.

Corona will import the tax tables rather quickly, in a split second. They will be visible in the panel.

Before clicking OK to close the Tax Tables panel, set the Pay Period Frequency popup menu to how often you pay payroll.

When you click OK to close the Tax Tables panel, the tables are updated in the transactions file you are using. These are saved when you next save your transactions file.

Tax Tables

Federal Income Tax Table
Percentage Method

Standard Deduction: 8600   12900
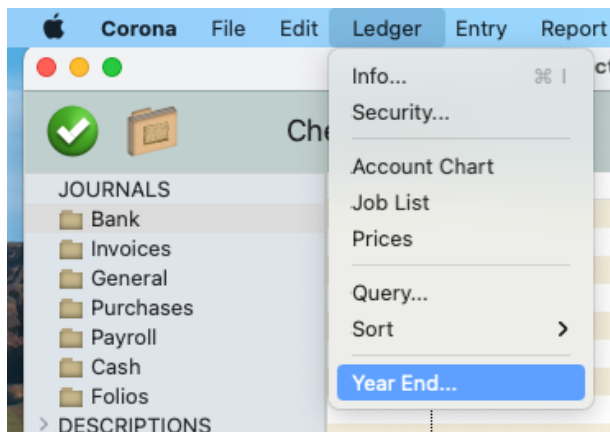Exemption Allowance: 4300
Pay Period Frequency: Weekly

Import...

STANDAR...							
3950	13900	44475	90325	168875	213375	527550	527550
0	995	4664	14751	33603	47843	157804.25	157804.25
10	12	22	24	32	35	37	37
12200	32100	93250	184950	342050	431050	640500	640500
0	1990	9328	29502	67206	95686	168993.5	168993.5
10	12	22	24	32	35	37	37
10200	24400	64400	96550	175100	219600	533800	533800
0	1420	6220	13293	32145	46385	156355	156355
10	12	22	24	32	35	37	37
CHECKBOX							
6275	11250	26538	49463	88738	110988	268075	268075
0	497.5	2332	7375.5	16801.5	23921.5	78902.13	78902.13
10	12	22	24	32	35	37	37
12550	22500	53075	98925	177475	221975	326700	326700
0	995	4664	14751	33603	47483	84496.75	84496.75
10	12	22	24	32	35	37	37
9400	16500	36500	52575	91850	114100	271200	271200
0	710	3110	6646.5	16072.5	23192.5	78177.5	78177.5
10	12	22	24	32	35	37	37

Cancel   OK

Before saving your transactions file, close the Payroll Preferences panel. If you are initially setting up Payroll in your transactions file, click the Accounts button on the Payroll Preferences panel to designate the payroll accounts Corona will use for payroll. Corona is able to create them for you, or you can align their titles with accounts you have in your account chart.

When you close the Payroll Preferences panel, the Save command under the File menu will be available to you for saving your transactions file.

Year-End Tips

Corona provides a Year End… command under the Ledger menu to use annually for "closing the books". The Year End… command creates two new transactions files from your transactions file.

One file contains transactions prior to the date entered into the Year End… command's panel. The second file contains transactions after that date. Thus, entering January 1 will separate the transactions file at the beginning/end of the calendar year., regardless when you actually use it.

It's suggested to Quit the Corona application after using the Year End… command. This will empty and open a new RAM space for Corona when reopening it. The command leaves your transactions file intact, so you are able to open both of the new transactions files before committing to archiving/using them. This is useful if you are using Corona for payroll purposes as well as for year end closing the ledger.

For the purposes of accurate payroll reporting for calendar fourth quarter, use the Year End… command near January 1 to save a 2020 copy of your transactions file. This may not be your final transactions file for 2020, but it won't be updated with the 2021 tax tables.

You will notice upon opening the new year file for 2021 that there are no descriptions available for data entry that you were using during the year. These have all been saved with the 2020 transactions. As there are as yet no transactions recorded for 2021, no descriptions except from outstanding items brought to the new year's file. For this reason, you will want to trash bin this "empty" new file and continue using your transactions file.

You will want to use your transactions file going into the new year, at least until you've completely reconciled the transactions file to the bank. Because you will use "January 1" in the Year End… command, you will have a reconciled file for 2020, and a new file for 2021. If you run the Year End… command on Jan 31, you will have a month's worth of descriptions in your new transactions file.

Note that a "Payroll 2020" transactions file you save at the turn January 1 for payroll reporting purposes will still have the 2020 tax tables in it. Even though you have a reconciled transactions file for 2020 from the Year End… command run from January 31, it contains 2021 tax tables. To maintain consistency, the 2020 tax tables should be imported into the reconciled 2020 transactions file, especially when deleting the first Payroll 2020 transactions file for more disk space.

The best case for annually closing the books, at least with Corona, but probably many accounting systems, is that reporting under the Report menu may be adversely affected by a transactions file with greater than twelve calendar months.

You may be asking, is it possible to save monthly, or quarterly, transactions files? Certainly.

Tax Tables ReadMe
December 26, 2020