

# Hettick accounting

## Monthly and Quarterly Taxes

*A Small Business Cheat Sheet to Understanding Your Taxes*

### State Taxes:

- **Department of Revenue Tax (DOR):** this is your monthly, quarterly, or annual (depending on what type of filer you are) tax that you owe to WA DOR from sales tax collected and B & O Tax due on your gross receipts.
  - Businesses making retail sales in WA collect sales tax from their customer which is due to the state.
  - The Business and Occupation Tax (B&O) is a gross receipts tax: it is measured on the value of products, gross proceeds of sale, or gross income of the business; rates vary by classification.
  - Visit [www.dor.wa.gov](http://www.dor.wa.gov) for additional information and location rates.
- **WA State Unemployment Insurance Tax (ESD):** this is your quarterly unemployment payroll tax that you owe to the state for Insurance.
  - This is an employer paid tax and is calculated on gross earnings from each employee's pay.
  - Unemployment taxes in WA are based on your business' amount of unemployment benefits paid to former employees over the past 4 years and the social cost which covers unemployment costs that cannot be recovered.
  - Visit [www.esd.wa.gov](http://www.esd.wa.gov) for more information.
- **Washington Industrial Insurance Tax (Workers' Comp/L&I):** this is your quarterly tax that protects workers and employers from the financial impact of a work-related injury or occupational disease.
  - This is an employer and employee paid tax and is calculated on the number of hours worked.
  - Visit [www.lni.wa.gov](http://www.lni.wa.gov) for more information.

### Federal Taxes:

- **Federal Withholding & FICA Tax (941):** this is your monthly or quarterly tax that pays in Social Security, Medicare, and Federal Withholding.
  - The FICA Tax = Social Security Tax and Medicare Tax, are deducted from employee's gross pay (7.65%) and an employer paid tax (7.65%).
  - The Federal Withholding is the income tax withheld from employee's pay based on their W-4.
  - Visit [www.irs.gov](http://www.irs.gov) for more information.
- **Federal Unemployment Tax (FUTA):** this is an annual tax that pays unemployment compensation to workers who lose their jobs.
  - This is an employer paid tax on the first \$7000 of employee pay.
  - Visit [www.irs.gov](http://www.irs.gov) for more information.