



# TRAVERSE® Accounting Software

## Compliance Release – 2014 Tax Update

**To:** Software Maintenance Plan Subscribers  
**Products:** Accounts Payable, Payroll, and Fixed Assets for TRAVERSE® versions 11.0 (All builds) and 10.5 SP3 (build 9700 or higher)

The 2014 Tax Update contains changes to all state and federal tax withholding formulas and tables based on the requirements known to Open Systems, Inc. as of January 10, 2014. The update is available to all users current on the TRAVERSE Software Maintenance Plan as of January 15, 2014. Contact your software solution provider and backup your programs and data before you install this update.

For TRAVERSE version 11, the update is available via the standard update process. Authorized resellers can download the update for version 10.5 from our website at [www.osas.com](http://www.osas.com). For version 10.5, the update is available in a compiled format for unmodified and fully updated environments (those with all service packs installed) for currently supported versions, or as a source code update module for use at sites with modified software or sites that have not yet applied the latest service packs.

This update has been tested with versions 11.0 (all builds) and 10.5 SP3 (build 9700 or higher) of Accounts Payable, Fixed Assets, Payroll, and Payroll with Direct Deposit. If you do not have one of these versions installed, or if you have any other questions, please contact your software provider, call TRAVERSE Support at 1-800-320-3088, or send an email message to [traverse\\_support@osas.com](mailto:traverse_support@osas.com).

As with all reporting processes, check your procedures carefully and consult your accountant or tax preparer for details on how this update affects your business. Additional information is available from the IRS at [www.irs.gov](http://www.irs.gov). If you have software questions, contact your software solution provider or Open Systems Support.

### Tax Changes

#### State Tax Withholding Table Changes for 2014 (\* indicates changes included in the January update)

California	Connecticut	Delaware	*Illinois	Kansas	Kentucky
Maine	*Massachusetts	*Michigan	Minnesota	*Missouri	North Carolina
*North Dakota	New Mexico	New York	*Oregon	*Oklahoma	Rhode Island
*Vermont					

#### State Tax Withholding Formula Changes for 2014 (\* indicates changes included in the January update)

North Carolina	*North Dakota	*Oregon
----------------	---------------	---------

#### State Unemployment Insurance Table Changes for 2014

Alaska	Colorado	Delaware	Hawaii	Idaho	Iowa
Illinois	Kentucky	Minnesota	Montana	Nevada	New Jersey
New Mexico	New York	North Carolina	North Dakota	Oklahoma	Oregon
Pennsylvania	Rhode Island	South Dakota	Utah	Washington	Wyoming

#### 'Other' Table Changes for 2014

Alaska	California	Hawaii	New Jersey	Rhode Island
--------	------------	--------	------------	--------------

**NOTE:** After you install the update, you should use the PA Formulas function to review any payroll withholding formulas you have set up, deleting any that are no longer valid.

## Fixed Assets

The January 15 update contains changes to MACRS depreciation tables for limit changes on luxury automobiles and vans and trucks. There are no changes to the Tax Form 4562 Summary portion of the Depreciation Tax Report.

### Fixed Assets Table Changes

M03A 1-4	MACRS 3 Year Automobile	M05A 1-4	MACRS 5 Year Automobile
M03G 1-4	MACRS 3 Year Van/Truck	M05G 1-4	MACRS 5 Year Van/Truck
M03J 1-4	MACRS 3 Year Auto Special Allowance	M05J 1-4	MACRS 5 Year Auto Special Allowance
M03K 1-4	MACRS 3 Year Van/Truck Spec	M05K 1-4	MACRS 5 Year Van/Truck Spec

## Installing the Tax Update for Version 10.5

If your programs are modified please contact the developer before you apply the update.

Follow these instructions to install this update before you begin processing payroll for 2014:

1. Backup your programs and data files.
2. Download and unzip the update. Then see the [\\_readme.htm](#) file included in the download file for further installation instructions.

## Installing the Tax Update for Version 11

Please contact your software provider before you apply the update. Install the update using the normal update process for TRAVERSE version 11. If you use Payroll or Fixed Assets, you must follow the instructions below to install additional server updates for those applications.

### Payroll Update:

1. Backup your programs and data files.
2. Follow the normal update process to install the update.
3. After you install the update and run the usual server update, you must run an additional server update unique to compliance. To do so, open TRAVERSE Server Manager, and click **Maintenance Update** in the Database menu.
4. In the **Update File** field, browse to the downloaded **\Server** folder and choose the **TaxRates2014PA\_20140109.tsmx** file.
5. Click the check box for **Include Payroll Tax Updates**.
6. Click **Next** and **OK** to install the compliance server update.

### Fixed Assets Update

1. Backup your programs and data files.
2. Follow the normal update process to install the update.
3. After you install the update and run the usual server update, you must run an additional server update unique to compliance. To do so, open TRAVERSE Server Manager, and click **Maintenance Update** in the Database menu.
4. In the **Update File** field, browse to the downloaded **\Server** folder and choose the **TaxRates2014FA\_20140103.tsmx** file.
5. Click the check box for **Include System Updates**.
6. Click **Next** and **OK** to install the compliance server update.

## Additional Information

### Federal Unemployment Tax Act (FUTA)

Employers with wages subject to unemployment laws in certain states are assessed an additional FUTA percentage for those employees called a “Credit Reduction.” These percentages are added to the usual FUTA rate for employee earnings in these states.

### FUTA States Removed for 2013

---

Arizona                      Florida                      Nevada                      New Jersey                      Vermont

Reference the [instructions for FUTA credit reduction changes](#) that may affect your payroll processing.

### Business Services Online

As an employer, you can use the Social Security Business Services Online (BSO) to submit your W-2 information. To do so, save the W-2 file to your hard drive and upload the file using the Social Security Business Services Online. The Social Security Business Services Online site is [www.socialsecurity.gov/employer/](http://www.socialsecurity.gov/employer/). For more information, review the information at [www.irs.gov](http://www.irs.gov).

### Staying Current

Check the Open Systems website, [www.osas.com](http://www.osas.com), frequently for the latest information on federal and state tax withholding, unemployment, and disability formula and table changes. When the federal government or states make changes, we provide two methods to help you stay current: a Tax Update file which is periodically updated to include new changes, and documents that describe how you can make the required changes yourself.