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HUMAN RESOURCES & PAYROLL

New online payroll service automatically maintains state and federal payments

Wave has announced the addition of Payroll Tax Service in 10 U.S. states.

Jun. 17, 2013

Wave, the developer of web-based small business accounting and management systems, has announced the addition of Payroll Tax Service in 10 U.S. states. When used as an integrated component of Wave's other small business solutions, the Payroll Tax Service is intended to streamline the tedious tax payment and filing process, keeping a business' payroll taxes up to date.

After small business or their accountant processes a payroll run, the Payroll Tax Service takes care of the rest by filing payroll taxes to federal and state agencies. The service only withdraws funds when taxes are due to maximize control over their cash flow, and notifies customers prior to withdrawal and payment.

“According to the IRS, 40% of small businesses pay an average penalty of \$845 per year for late or incorrect filings and payments,” says Craig Hurlbut, Director of Payroll and U.S. payroll tax expert for Wave.

According to [The ABCs of FTDs, IRS](#):

- There are three basic penalties for not making timely federal tax deposits: Failure to Deposit, Failure to File and Failure to Pay.
- In addition to penalties, you must also pay interest.

- Failure-to-Deposit Penalty percentage rates range from 2% for up to five days late, to 15% for more than 10 days after your first IRS bill.
- The Failure-to-File penalty is 4.5% per month of unpaid tax, up to 22.5% of your unpaid taxes.
- The Failure-to-Pay penalty is 0.5% per month of unpaid tax, then 1% per month after your Notice of Intent to Levy, up to 25% of your unpaid taxes.

“There are several reasons to outsource payroll, beyond avoiding hefty penalties. It saves time for staff, cuts down on costs, reduces risk associated with in-house payroll processing and ensures secure payroll operations,” adds Hurlbut.

Already available in Florida, Texas, New York, California, Illinois, Pennsylvania, Ohio, Michigan, Georgia and New Jersey for an additional \$20 per month, Wave plans to roll out Payroll Tax Service across the country later this year.

“Simplifying the accounting process for small business owners is a cornerstone of Wave’s operations. We know how complicated payroll taxes can be. Payroll Tax Service facilitates payments and filing to the appropriate agencies for our customers, keeping them on time and in compliance,” says Wave CEO Kirk Simpson.

Customers can also download [Wave’s payroll app for iOS](#) from the App Store.

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