

Glencoe Accounting

Chapter 13: Payroll Liabilities and Tax Records

I-Summary

The cost of salaries can be a substantial portion of overall expenses to a business. Salaries expense must be recorded along with the employer's payroll taxes. In this chapter, you learned how to journalize these amounts.

In addition, employers must pay over the amounts due to taxing authorities and prepare the appropriate tax deposit coupons or reports. You learned how to prepare Forms 8109, W-2, W-3, 940, and 941—important documents in the field of payroll accounting.

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I-Quiz

1. When journalizing the employer's payroll tax liabilities, which account is debited?
 - A. Payroll Tax Expense
 - B. Salaries Expense
 - C. Payroll Tax Payable
2. Which account is used to record total gross earnings?
 - A. Payroll Tax Expense
 - B. Salaries Expense
 - C. Payroll Payable
3. Which form summarizes an employee's gross earnings, federal income tax withheld, FICA taxes withheld, and state and local taxes withheld?
 - A. Form W-2
 - B. Form W-3
 - C. Form 940
4. Which form reports the employer's annual unemployment taxes?
 - A. Form 8109
 - B. Form 941
 - C. Form 940

Answer Key

1. **A**
2. **B**
3. **A**
4. **C**