

**Contents:**

State Unemployment Tax  
 USTAR System  
 Missouri Withholding Tax  
 Payment and Reconciliation  
 Prepare Liability Check Transaction  
 Employer Compensation Deduction

## State Taxes Online Unemployment and Withholding Taxes

The Missouri Department of Revenue and the Missouri Division of Employment Security recently established online tax payment systems for paying State Withholding tax and State Unemployment Tax. For either taxes, Council may elect to continue paying taxes by generating a check and using the regular mail.

### State Unemployment Tax

Missouri's Unemployment State Tax Automated Reporting (USTAR) System allows employers to file the Quarterly Contribution and Wage Report and submit Electronic Funds Transfer (ACH Debit) payments online.

For information on setting up the State unemployment tax in QuickBooks, go to the [State Unemployment Tax](#) procedure.

Council has two options:

- Continue to send a check attached to the quarterly Contribution and Wage Report using regular postal mail.
- Register and Use the USTAR System Online.

### The USTAR System

Register and use the Online USTAR System located at <https://www.ustar.dolir.mo.gov/ustar/login.jsp> to transfer quarterly unemployment tax payment from the Council's bank account to the Missouri Division of Employment Security. This is a free service.

**Council approval** is required for enrollment and should be reflected in the Council's Minutes. **Council approval/signature** is also required when making online tax payments.

To register for the USTAR System, the following information is required. (View the online tour at the USTAR web site to learn how to register.)

The following information is required.

- Employer Account Number
- Administrative Password located on the Quarterly Contribution and Wage Report
- County Extension Office's Email Address
- Bank Routing Number (RTN). This is the 9-digit number that appears along with your account number on your checks. Call your bank to determine if they will participate in the electronic withdrawal and if the bank will charge a fee.
- Bank Account number.

Registration Instructions are located at the main web address or go to [http://www.dolir.mo.gov/es/ui-tax/ustar\\_howdoiregister.html](http://www.dolir.mo.gov/es/ui-tax/ustar_howdoiregister.html)

### User ID and Password

You will create a User Id, and a temporary password will be assigned. Later, you will create a permanent User password. User Id and password should be stored and made available for other authorized staff, when appropriate.

### Tax Payment

- Follow the QuickBooks procedure at the end of this document in the section, ***Preparing Liability Check Transactions for State Withholding or Unemployment Online Payments.***
- Go to <https://www.ustar.dolir.mo.gov/ustar/login.jsp> to login and make bank transfer payments.

- Print a copy of the online page or a confirmation page. Council Officer should sign the document. Attached the confirmation page to the Transaction Journal Report as stated in the **Preparing Liability Check Transactions... Section**.

## Missouri Withholding Tax

The Missouri Department of Revenue established an online system for paying quarterly Missouri Withholding taxes. No Registration is required. <http://www.dor.mo.gov/tax/business/payonline.htm> Currently, there is a **fee** of .80 for processing paid to a third party vendor.

Council has two options:

- Continue to send a check attached to the quarterly form using regular postal mail.
- Pay online

**Council approval** is required for enrollment and should be reflected in the Council's Minutes. **Council approval/signature** is also required when making online tax payments.

The following information is required.

- Missouri Tax ID Number
- Office Name and Address
- Bank Routing number (RTN). This is the 9-digit number that appears along with your account number on your checks. Call your Bank to determine if they will participate in the electronic withdrawal and if the bank will charge a fee.
- Bank Account number.

## Tax Payment

Online Payments may be made using a credit card or an electronic bank draft at the above web address. Payment must be approved by a Council Officer.

- Follow the QuickBooks procedure at the end of this document in the section, **Preparing Liability Check Transactions for Online Payments**.
- Go to the Missouri Department of Revenue online site as noted above to login and make bank transfer payments.
- Print a copy of the online page or a confirmation page. Council Officer should sign the document. Attached the confirmation page to the Transaction Journal Report as stated in the **Preparing Liability Check Transactions for Online Payments** Section.

## Reconciliation

Form MO-941 may be submitted in one of the following ways.

- Online
- Paper sent using regular mail
- Telefile System at 888 948-4653

Form MO-941 should be signed by a Council officer. Online filing can be printed and then signed.

## Preparing Liability Check Transactions for State Withholding or Unemployment Online Payments

- In the Process Payroll Liabilities screen, select the State Withholding or State Unemployment Tax amount and create the payroll liability check transaction.
- Uncheck the "to be printed" field.
- In the Check Number field, enter ETF, or EFT followed by the calendar month the liability tax payment was transferred. i.e. EFT Sept. Keep Transaction open!
- **Print the Transaction in Journal format**. You will not write a check! Do not click the Print button displayed in the Liability Check transaction.
  - Click **Reports** from the menu bar.
  - Select **Transaction Journal** (at bottom of list)
  - Click on **Print button** at the top of the Journal Report.
  - Change to **Landscape** Orientation.
  - Click **Print button** to print the Journal report.
  - Close the Journal report to return to the Liability Check transaction.
- Click the **Save** button.

## Missouri Withholding Tax – Employer Compensation Deduction

As noted in the excerpt below, **Extension Councils** are considered political subdivisions and, therefore, are **not eligible** to deduct and retain up to 2% of the Missouri Withholding Taxes.

### **14. Employer Compensation**

*Employers, **except** the United States, the state of Missouri, and all agencies and **political subdivisions** of the state of Missouri or the United States Government, may deduct and retain as compensation from remittances made to the Director of Revenue on or before the respective due dates for the payment involved, the following percentages of the total amount of tax withheld and paid annually.*

Source: State of Missouri Employer's Tax Guide., page 8

<http://www.dor.mo.gov/tax/business/withhold/forms/2007/4282.pdf>