Instructions for setting up Employee's Company Use of Auto in QuickBooks

How to setup Co Auto Payroll code

> Lists
> Payroll Item List

Click on Payroll Item button on the bottom of the screen
New (or Ctrl N)

Select Setup method = Custom Setup Next…
Type = Company Contribution Next…
Name = "Co Auto" Next…

Agency for Company Paid Liability –
Leave name and number fields blank
Liability Account - Select either a wages account or payroll taxes expense
Expense Account – Select the SAME account as above
Same account type? "Yes"

Tax Tracking Type = Fringe Benefits Next …

Taxes that Apply = All (no change to default) Next…

Based on Quantity = Neither Next… Next…

How to add to paycheck

After you have calculated the taxable use of auto value, either add the entire value to the next paycheck or divide it by the remaining number of paychecks and add a portion to each paycheck until the end of the year.

Enter regular paycheck like normal.
Write down the amount of Federal and State withholdings.
Enter the Co Auto amount. It will increase all the taxes.
You have the option of not deducting Federal and State out of the Auto.
To do this, type over the Federal and State with the original lower figures.
Type them as negative figures.

This will add the Co Auto to the W2 and deduct Medicare & Social Security from the paycheck.