

How to Do Payroll in Idaho

Use this downloadable checklist to help you stay on track!

✓	TASK
	<p>Step 1: Set up your business as an employer.</p> <p>To register your business for withholding and unemployment taxes in Idaho, you must have a Federal Employee Identification Number (EIN). Although it's not required, we also encourage you to enroll in the Electronic Federal Tax Payment System (EFTPS), making it easy to pay your federal taxes online or over the phone.</p> <ul style="list-style-type: none"><input type="checkbox"/> Applied for a Federal Employer Identification Number (EIN)<input type="checkbox"/> Enrolled in the Electronic Federal Tax Payment System (EFTPS)
	<p>Step 2: Register your business with Idaho.</p> <p>In Idaho, you will need to register with the Idaho State Tax Commission. This registration gives you a withholding account number to deposit taxes. You'll also need to register with the Idaho Department of Labor to pay unemployment tax.</p> <ul style="list-style-type: none"><input type="checkbox"/> Register with the Idaho State Tax Commission<input type="checkbox"/> Register with the Idaho Department of Labor
	<p>Step 3: Set up your payroll process.</p> <p>You'll need to decide how often you're planning to pay employees, if you need to track work hours, which payroll forms you need to collect and when, how you'll perform payroll calculations, and so forth. To do this, you have three options (check off which option you're electing to use for tracking purposes):</p> <ul style="list-style-type: none"><input type="checkbox"/> Do payroll yourself<input type="checkbox"/> Use Excel payroll templates<input type="checkbox"/> Sign up for a payroll service
	<p>Step 4: Collect employee payroll forms.</p> <p>The best time to collect payroll forms is during your new hire orientation. Required payroll forms for Idaho employees will include:</p> <ul style="list-style-type: none"><input type="checkbox"/> Federal Form W-4<input type="checkbox"/> Idaho Form ID W-4<input type="checkbox"/> I-9<input type="checkbox"/> Direct Deposit Authorization Form

	<p>Step 5: Collect, review, and approve time sheets.</p> <p>You'll need to collect timesheets for all hourly employees and non-exempt salaried workers. To do this, you have three options to use (check off which option you're electing to use for tracking purposes):</p> <ul style="list-style-type: none"> <input type="checkbox"/> A paper timesheet <input type="checkbox"/> Free or low-cost time and attendance software <input type="checkbox"/> A payroll service that has a time and attendance system
	<p>Step 6: Calculate payroll and pay employees.</p> <p>You can choose to pay employees in a variety of different ways (i.e., cash, check, direct deposit, pay cards).</p> <ul style="list-style-type: none"> <input type="checkbox"/> Calculate Gross Pay <input type="checkbox"/> Calculate FICA, FUTA & Income Taxes to withhold/pay <input type="checkbox"/> Perform any other payroll calculations, i.e., for expense reimbursement
	<p>Step 7: File payroll taxes with the federal government.</p> <p>The IRS has forms and instructions on filing federal taxes, including unemployment. You can also order official tax forms from the IRS.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pay federal taxes - can be online using the EFTPS
	<p>Step 8: File payroll taxes with the state of Idaho.</p> <p>Idaho employers need to file and pay taxes withheld from employee wages. It's important to know that filing and payment due dates are different. Return filings are quarterly and due on the 15th of the following month. Payments are due on either a semiweekly, monthly, or quarterly basis depending on how much withholding tax liability an employer has for the prior year.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pay state taxes - can be online with the Idaho State Tax Commission
	<p>Step 9: Document and store your payroll records.</p> <p>As with any business record, you want to make sure you have a copy for at least three to four years. Idaho law requires companies to keep the following information for at least three years:</p> <ul style="list-style-type: none"> • Each employee's name and job title • Each employee's rate of pay, pay frequency, and time records • Employee payroll records

Step 10: Complete year-end payroll tax reports.

Every employer, regardless of which state your business is in, will need to complete [W-2s](#) for all employees and [1099s](#) for independent contractors. By law, you must provide all employees and contractors with their annual tax form no later than January 31 of the following year.

- Generated W-2s for all employees
 - Distributed to employees
 - Filed with appropriate government agencies
- Generated 1099s for all contractors
 - Distributed to employees
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