COATS

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AZ State Tax Code Changes

SITUATION: Effective July 1, 2010, AZ has modified the withholdings to calculation from the Gross Net Wages vs. from the federal income tax withheld. The following has taken place:

AZ08 – 0.8% tax bracket	is now	**AZ05 – 0.5%** tax bracket
AZ13 – 1.3% tax bracket	is now	**AZ10 – 1.0%** tax bracket
AZ18 – 1.8% tax bracket	is now	**AZ15 – 1.5%** tax bracket
AZ27 – 2.7% tax bracket	is now	**AZ20 – 2.0%** tax bracket
AZ36 – 3.6% tax bracket	is now	**AZ25 – 2.5%** tax bracket
AZ42 – 4.2% tax bracket	is now	**AZ30 – 3.0%** tax bracket
AZ51 – 5.1% tax bracket	is now	**AZ35 – 3.5%** tax bracket
AZ99 – Exempt		**Remains the same**.

NOTE: As per Arizona Withholding Booklet: Tax Rate Change Effective July 1, 2010, "Each employee **MUST** fill out a new Form A-4". You can visit AZ's website at http://www.azdor.gov/Business/WithholdingTax.aspx.

1.) Update the State Tax Tables in the SQL database through Query Analyzer or Management Studios.

> ***Ensure ALL users are out of the system BEFORE performing the following updates***

1.) From the SQL server, open **Query Analyzer or Management Studios.**
2.) Log into *each* server.
3.) Change the default database showing at the top of the screen from *master* to *coats2000*.
4.) Click **File**.
5.) Click **Open**.
6.) Navigate to **c:\COATS_sql_tax_2023** folder.
7.) Click **STATE_Tax_Table.sql** the click open.
8.) Click **Query**.
9.) Click **Execute**.
10.) You should see *'(X row(s) affected)'* show up in the message box several times.
11.) Click **File**.
12.) Click **Open**.
13.) Navigate to **c:\COATS_sql_tax_2023** folder.
14.) Click **STATE_Tax_Formula.sql** the click open.
15.) Click **Query**.
16.) Click **Execute**.
17.) You should see *'(X row(s) affected)'* show up in the message box several times.
18.) Leave **Query Analyzer or Management Studios** open for the next step.

2.) COATS will reassign the new AZ codes to each employee in the SQL database through Query Analyzer or Management Studios.

1.) Click **File**.
2.) Click **Open**.

3.) Navigate to **c:\COATS_sql_tax_2023**.

4.) Click **AZ_CODE_UPDATE.sql** then click open.

5.) Click **Query**.

6.) Click **Execute**.

7.) This will provide a list of all changes made.

8.) For those of you with <u>multiple</u> instances of CoatsSQL, log into each instance and perform the steps above.

9.) If you do <u>**not**</u> have multiple instances, proceed to step 10.

10.) Close out of **Query Analyzer or Management Studios**.

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NOTE: As per the State of Arizona, you are <u>**REQUIRED**</u> to have all employees complete a <u>**NEW A-4**</u> form to ensure you will be withholding at the correct percentage. This update only reassigns the employees tax screens with new AZ codes as the old codes no longer exist in the system.

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3.) **To ensure the tax update was done appropriately:**

1.) Log back into Coats.

2.) Click on **Maintenance / Coats Set Up / Tax Tables / State Tax Information**.

3.) Click on **AZ** to display AZ codes.

4.) It should display as follows:
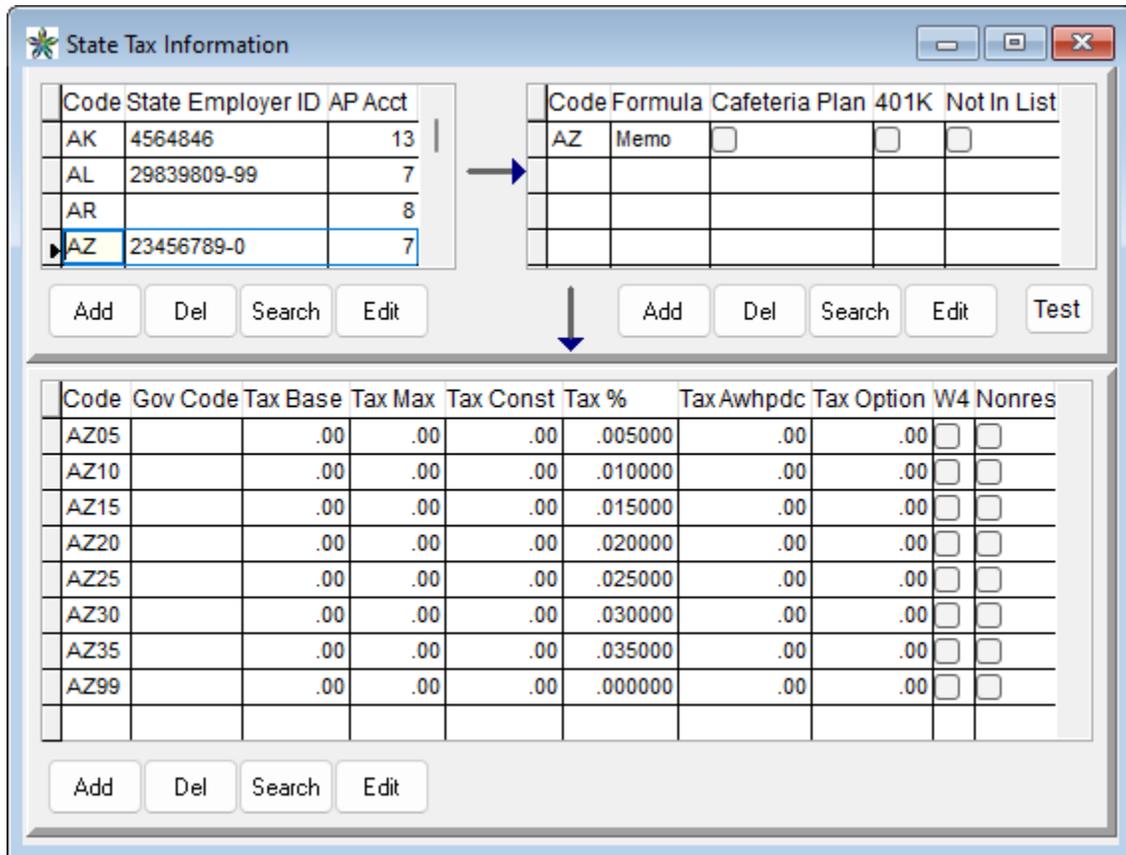
5.) If your AZ codes at the bottom of this window does not display as shown, please contact technical support at 757-499-7652.