

**Release 1887**

**Service Request 82779**

**State Tax Table - Six Digit Percent of Excess**

**Detail Design**

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## Introduction

### Service Request 82779

Service Request 82779 asks for the revision of the California State Tax Table structure in PPS to accommodate the new personal income tax rates and update of the state supplemental wage rates on the System Parameter Table. The new withholding schedules and supplemental tax rates are effective for wages paid November 1, 2009 through December 31, 2009. The changes in the withholding schedules require that data spaces for the tax rates expand from four to six in order to accommodate the current tax table update and allow room for future expansion. In addition, all affected forms, reports and processes are changed accordingly.

Service Request 82779 provides the following background information:

The state of California issues revised state personal income tax tables on an annual basis or more often, if necessary. Due to recent legislative actions, revised 2009 state tax tables were issued effective November 1, 2009 to reflect increased personal withholding income tax rates as well as rates on supplemental wages.

The increase of state tax rates triggers the following changes to PPS:

- Tax Rate % excess entry space of single, married, and head of household on the UPAY 548 form (California Tax Tables - Exact Calculation Method, Table E) must be increased by 2.
- The state tax rate control table PPPSTR must be dropped and recreated after increasing the length of the tax percent column by 2.
- The control table update and reporting process must be modified to receive the new UPAY 548 input, update the changed state tax rate table PPPSTR, and report the new state tax rates.
- The compute process that uses the % excess state tax rate should be modified so that it uses the latest value in state tax computations.

## Overview of PPS Modifications

Because of the increase of state tax rates, the batch input state tax rates transaction entry update (UPAY 548), state tax rate reporting, the state tax rate DB2 tables, and the compute process of the PPS system will be modified. The overview of the changes needed to PPS is outlined below:

### California Tax Tables - Exact Calculation Method transaction (UPAY FORM 548)

UPAY form 548 is used to input the batch transactions to update the State Tax Rate tables (Control Table 12).

The length of the “% of excess” entries for the single, married, and head of household in Table E (the “Tax Rate Table”) on the UPAY form 548 will be increased by two (from position 21 to 26).

### PPPSTR - State Tax Rate (CTL) Table changes

The Single, Married, and Head of household Tax Rates (table E) are stored in the State Tax Rate table PPPSTR.

The following changes will be done to implement state tax rate table PPPSTR with the tax percent length increased:

1. The State Tax Rate table PPPSTR (associated view PPPVZSTR\_STR and index PPPXSTR) will be dropped.
2. The column STR\_TAX\_PERCENT will be increased to 6 digits in the PPPSTR table DDL TBSTR00C.
3. PPPSTR table using the changed DDL member TBSTR00C, index PPPXSTR using the DDL member IXSTR00C, and view PPPVZSTR\_STR using the DDL member PPPVZSTR will be recreated.
4. The revised State Tax Rate transactions will be provided per SR 82779.
5. The INCLUDE member PPPVZSTR will be changed to increase the state tax percent to 6 digits.

### Control table Update process and Reporting changes

The control table update process will be modified to receive the new UPAY 548 input and update the changed state tax rate table PPPSTR. In addition, the state tax table reporting will be changed to report the tax percent using its new format.

The following changes will be done in PPS for the control table update process and Reporting:

1. In the copy book CPCTSTRI, the length of the field STRI-TAX-PERCENT-N will be increased to SV9(6).
2. In the programs PPCTT12R and PPCTR12, the length of the working storage fields that are used to store percent excess of state tax will be changed to 6 digits.

In addition, the following two parameters on the System Parameter Table will be updated to the new values:

<u>Parameter</u>	<u>Value</u>	<u>Description</u>
009	06.60	Flat State Tax %
108	10.23	Flat SWT Bonus Tax %

### Compute Process changes

The compute process will be modified to use the changed % excess state tax rate in the state tax calculations.

The following changes will be done in the compute process of PPS:

1. The percent excess of state tax fields from the copy book CPWSXSTT that are used in the state taxes computation module PPSTETAX will be changed to 6 digits.
2. The programs that call the state tax computation module PPSTETAX and use the copy book CPWSXSTT as external will be recompiled and tested for using the changed state tax rates.

## **Programs**

### **New and Modified Programs**

#### **PPCTR12**

PPCTR12 is the report module for the state tax tables, including the changed table PPPSTR.

In the report module PPCTR12, the length of the field RPT12-D2-TX-PCT that displays the percent excess state tax for the Single, Married, and Head of Household Tax Rates will be changed to .999999. In addition, the filler space will be adjusted so that the total report length is 133.

#### **PPCTT12R**

PPCTT12R is the transaction handler for the PPPSTR control table.

In the transactions assembly module PPCTT12R, the length of the following working storage fields will be changed to 6 digits as below:

- WA-TAX-PERCENT-N to V9(06) and
- STRT-TAX-PERCENT to X(06).

## **Copy Members**

#### **CPCTSTRI**

Copy book CPCTSTRI is used in the programs that edit State Tax Rate input transactions and update them into the PPPSTR DB2 control table.

To accommodate the increased length of the State Tax Excess Percent column in the PPPSTR table, the length of the field STRI-TAX-PERCENT-N in the copybook CPCTSTRI will be increased to SV9(6).

## CPWSXSTT

Copy book CPWSXSTT is used to store the State Tax table data between the calling programs and the state taxes computation module PPSTETAX. The percent excess of state tax fields for the Single, Married, and Head of Household from the copy book CPWSXSTT are used in the state taxes computation module PPSTETAX.

In the copy book CPWSXSTT, the length of the following working storage fields will be changed to 6 digits (SV9(6)):

- STX-E-S-TAX-PCT,
- STX-E-M-TAX-PCT,
- STX-E-H-TAX-PCT, and
- STX-E-TAX-PCT.

## Include Members

### PPPVZSTR

This include member contains the layout for the view PPPVZSTR\_STR of the State Tax table PPPSTR.

The INCLUDE member PPPVZSTR will be changed to increase the state tax percent to 6 digits in the column STR\_TAX\_PERCENT of the PPPVZSTR\_STR view definition and STR-TAX-PERCENT field of the COBOL declaration.

## DDL Members

### PPPSTR Table

The DDL member **TBSTR00C** defines the PPPSTR table and will incorporate the changed column length STR\_TAX\_PERCENT from 4 digits to 6 digits. Table PPPSTR has no dependencies with other control table 12 tax rate tables even though it is updated as part of all the other control table 12 tables (Table A thru E).

The percent excess state tax column will be changed as below:

STR\_TAX\_PERCENT    DECIMAL(**6,6**) NOT NULL WITH DEFAULT

## Forms

### UPAY548 California Tax Tables - Exact Calculation Method transaction

UPAY form 548 is used to input the batch transactions to update the following PPS State Tax Rate tables (Control Table 12) for the Monthly, Semi-monthly, and Bi-weekly pay periods:

- Low Income Exemption (table A),
- Itemized Deduction Allowance (table B),
- Standard Deduction (table C),
- Tax Credit (table D), and
- Single, Married, and Head of Household Tax Rates (table E).

The “% of Excess” tax percent is entered as the last entry (from position 21 to 24) for the single, married, and head of household state tax rates.

The length of the “% of excess” entries for the single, married, and head of household in Table E of the “Tax Rate Table” on the UPAY form 548 will be increased by two (from position 21 to 26).

## Control Table Updates

### State Tax Rate Tables

SR82779 has provided the control table 12 (state tax rate tables A, B, C, D, and E) transactions, revised 11/2009 with the new State Tax Rates. Locations will use these transactions to update the state tax tables.

### System Parameters Table

The following two parameters on the System Parameter Table will be updated to the new values:

<u>Parameter</u>	<u>Value</u>	<u>Description</u>
009	06.60	Flat State Tax %
108	10.23	Flat SWT Bonus Tax %