2026 · Guide

Tax Payment Recording Map 2026

Where every tax payment goes in your books: draw, liability or expense

What this guide solves

Every tax payment that leaves a business account lands somewhere in the books. Many land in the wrong place: an owner's personal 1040-ES coded to Taxes & Licenses, a 941 deposit booked as a second payroll expense, or sales tax paid with Write Checks straight to an expense account. The P&L looks worse than it is, liabilities never clear, and year-end takes longer.

This guide and the workbook answer one question for every payment: **is it an owner draw, a liability payment, or a business expense, and where do I enter it?**

1
Pick and type
Choose your business type, then list each tax payment in the Payment Log.

2
Read the answer
Each row shows the account, the QuickBooks screen, and a CHECK if something is off.

3
Record and tie out
Post each payment, then compare the totals with QuickBooks on the Tie-Out tab.

What you get

- Excel workbook: Payment Log, Refunds, Year-End Tie-Out, 3 tested Scenarios, 12 Cases, Deadlines, Rule Map (64 rules).
- This PDF guide: decision flow, QuickBooks Online and Desktop steps, fixing past entries, checklists.
- Works with QuickBooks Desktop and QuickBooks Online, and with any books exported to Excel.

> **Not tax advice.** The workbook decides where a payment is *recorded*. Whether it is deductible, and how it is reported on a return, is a question for your tax preparer.

Built by a US tax and bookkeeping practice with 20+ years of bookkeeping experience. Privacy: never type SSNs, EINs, account numbers or passwords here.

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The 4 questions behind every tax payment

1. Whose tax is it: the owner's personal tax, or the business's tax?

Owner's 1040, 1040-ES, personal state income tax and their penalties are personal. Paying them from the business account does not make them business expenses.

2. Was the money already collected or withheld from someone else?

Sales tax (collected from customers) and payroll withholding (taken from employees) are liabilities. Paying them clears a liability; it is not a new expense.

3. What type of business is it?

Sole prop: owner's draw. Partnership: that partner's distribution. S corp: shareholder distribution. C corp: the company should not pay the owner's personal tax; record a loan to the shareholder and talk to your preparer.

4. Whose money paid it?

Business tax paid with the owner's personal money: record the expense or liability, and credit owner contribution (or loan from owner) instead of the bank. Personal tax paid with personal money: leave it out of the books.

The three destinations

Destination	Typical payments	On the P&L?
Equity (draw / distribution)	Owner's 1040-ES, 1040 balance due, personal state tax	No
Liability (clears a balance)	941/944, 940, state payroll taxes, sales tax	No (the expense was booked earlier)
Expense	Property tax, licenses, state entity tax, PTET, penalties (nondeductible), C corp income tax	Yes (some not deductible)

> **Quick test:** if the same dollar was already counted once (as payroll tax expense, or as sales you never kept), paying it is not a second expense.

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Master map: tax type x business type

The same rules the workbook uses. Red cells are combinations the workbook marks CHECK.

Tax type	Sole prop / single-member LLC	Partnership / multi-member LLC	S corporation	C corporation
T01 Owner federal estimated tax (1040-ES)	Owner's Draw	Partner Distributions	Shareholder Distributions	Loan to Shareholder
T02 Owner state income tax (personal)	Owner's Draw	Partner Distributions	Shareholder Distributions	Loan to Shareholder
T03 Owner 1040 balance due or extension	Owner's Draw	Partner Distributions	Shareholder Distributions	Loan to Shareholder
T04 Penalty/interest on owner's own tax	Owner's Draw	Partner Distributions	Shareholder Distributions	Loan to Shareholder
T05 Federal payroll tax deposit (941/944)	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities
T06 Federal unemployment tax (940)	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities
T07 State payroll tax (withholding, SUI)	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities	Payroll Liabilities
T08 Sales tax payment	Sales Tax Payable	Sales Tax Payable	Sales Tax Payable	Sales Tax Payable
T09 Federal corporate income tax (1120)	Review: 1120 tax for a pass-through?	Review: 1120 tax for a pass-through?	Review: 1120 tax for a pass-through?	Income Tax Expense: Federal
T10 State entity income/franchise tax	Taxes & Licenses: State tax	Taxes & Licenses: State tax	Taxes & Licenses: State tax	Income Tax Expense: State
T11 Elective pass-through entity tax (PTET)	Review: PTET for this business type?	PTET Tax Expense	PTET Tax Expense	Review: PTET for this business type?
T12 Business property tax	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses
T13 Licenses, permits, annual report fees	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses
T14 Penalty on a business tax	Penalties (nondeductible)	Penalties (nondeductible)	Penalties (nondeductible)	Penalties (nondeductible)
T15 Interest on a business tax	Interest Expense: Tax	Interest Expense: Tax	Interest Expense: Tax	Interest Expense: Tax
T16 Other business tax (excise, gross receipts)	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses	Taxes & Licenses

Payroll and sales tax rows assume the expense or the collected tax was already recorded (by payroll or by invoices). Penalties are kept in their own account so your preparer can see them.

QuickBooks Online: where to enter each payment

Menu names follow Intuit's help pages (checked 2026-11-16). Newer QuickBooks Online menus start from **All apps**; older ones show the same items in the left menu.

A. Owner's personal tax paid from the business account

1. First time only: open **Chart of accounts** and add an **Equity** account (Owner's Draw, Partner Distributions or Shareholder Distributions).
2. Select **+ New > Expense**. Payee: IRS (or the state). Payment account: your business bank.
3. Category: the equity account. Memo: tax year and quarter, for example "2026 Q4 1040-ES".

B. Payroll tax deposit (QuickBooks Online Payroll)

1. Go to **Payroll > Payroll taxes > Payments**.
2. If the payment is listed: open the dropdown next to it and choose **Mark as paid**.
3. If it is not listed: choose **Record tax payments (prior tax history)** > **Add Payment**, pick the tax type, period, payment date and amount, then **Submit payment**.

Payroll done outside QuickBooks? Record the deposit as an Expense with category **Payroll Liabilities** (the matching sub-account).

C. Sales tax payment (sales tax center)

1. Go to **Sales Tax > Overview**. Find the return and select **Review sales tax**.
2. Select **Record payment**, enter the tax amount, payment date and bank account, then **Record payment** again.

D. Business tax paid with the owner's personal money

+ New > Journal entry: debit the expense (for example Taxes & Licenses), credit Owner Contribution (or Loan from Owner for a corporation).

E. Refund received

+ New > Bank deposit. Line 1: the same account the payment used. Line 2 (if any): Interest Income.

> **Bank feed tip:** one agency name on the bank line can cover several different taxes. Avoid an automatic bank rule for tax payments; match or categorize each one by hand using the map.

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QuickBooks Desktop: where to enter each payment

A. Owner's personal tax paid from the business account

Banking > Write Checks. Pay to: IRS (or the state). On the Expenses tab use the equity account (Owner's Draw or Shareholder Distributions). Memo: year and quarter.

B. Payroll tax deposit (Desktop Payroll)

Employees > Payroll Taxes and Liabilities > Pay Scheduled Liabilities. Paying through this screen clears the payroll items. A plain Write Checks to Payroll Liabilities does not update the payroll item balances, so the Payroll Liability Balances report stays wrong.

C. Sales tax payment

Vendors > Sales Tax > Pay Sales Tax. Select the agency lines to pay and the bank account. Do not use Write Checks to an expense account.

D. Business tax paid with the owner's personal money

Company > Make General Journal Entries: debit the expense, credit Owner Contribution (or Loan from Shareholder).

E. Refunds

- Payroll tax refund from an agency: **Employees > Payroll Taxes and Liabilities > Deposit Refund Liabilities**. Enter the refund as a positive amount on the payroll items. If the refund includes interest, deposit the interest separately.
- Other refunds: **Banking > Make Deposits**, using the same account the payment used, plus an Interest Income line if the agency paid interest.

> **Desktop tip:** type the tax year and quarter in the memo of every tax check, so the Tie-Out reports can be filtered by memo.

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Fixing payments that were already recorded wrong

Find them first: run **Transaction Detail by Account** (or a QuickReport) for Taxes & Licenses, Payroll Tax Expense and any "Taxes" account, and look for payee IRS or the state. Copy each payment into the Payment Log. The Year-End Tie-Out tab then shows which account is off and by how much.

Example: owner's 1040-ES coded to Taxes & Licenses (S corporation, EXAMPLE)

Account	Debit	Credit
Shareholder Distributions (equity)	$10,200	
Taxes & Licenses (expense)		$10,200

Example: 941 deposits coded to Payroll Tax Expense (payroll already booked the expense)

Account	Debit	Credit
Payroll Liabilities	$7,720	
Payroll Tax Expense		$7,720

> If the year is closed or the return was filed, do not change it on your own. Ask your preparer whether to adjust the current year instead. In QuickBooks Desktop Payroll, prefer fixing payroll items through the liability screens so payroll reports stay right.

Year-end tie-out checklist

- Every tax payment of the year is in the Payment Log (bank and card statements, IRS and state online accounts).
- Payroll Liabilities and Sales Tax Payable are near zero after the last deposit of the period.
- No owner personal tax sits in an expense account.
- Penalties are in their own account.
- Q4 owner estimates paid in January are dated in January (the year the money left).
- The Tie-Out tab shows OK for every account.

12 real-world cases and edge cases

#	What happened	Record to	Why
1	Owner's 1040-ES paid from the S corp account	**Shareholder Distributions**	Personal tax; not a company expense
2	Same payment, sole prop	**Owner's Draw**	Schedule C never deducts income tax
3	C corp pays the owner's personal tax	**Loan to Shareholder**	Repay it, or payroll treats it as wages
4	941 deposit made on the IRS website	**Payroll Liabilities**	Mark paid so the liability clears
5	941 deposit coded to Payroll Tax Expense	**Payroll Liabilities**	Otherwise expense counts twice
6	Sales tax paid with Write Checks to expense	**Sales Tax Payable**	Liability stays high; P&L overstated
7	State PTET paid by an S corp	**PTET Tax Expense**	Separate account for your preparer
8	IRS late-deposit penalty	**Penalties (nondeductible)**	Keep apart from deductible taxes
9	Owner paid the annual report fee by personal card	**Taxes & Licenses**	Credit owner contribution, not bank
10	State refunds a sales tax overpayment + interest	**Sales Tax Payable + Interest Income**	Split the interest part
11	IRS refunds owner's overpaid 1040 into business	**Shareholder Distributions**	Same account as the payment (reduces it)
12	Q4 1040-ES paid Jan 15 for last year	**Draw/Distribution (this year)**	Record on the date the money left

Common mistakes

- Using one "Taxes" expense account for everything, including owner taxes and penalties.
- Recording a payroll deposit as a new expense when payroll already booked the employer tax.
- Paying sales tax with Write Checks or an Expense instead of the sales tax screen.
- A C corporation paying an owner's personal tax with no loan or wage treatment.
- Dating January's Q4 estimate back to December.

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Key federal dates, late 2026 to 2027

Calendar-year filers. Weekend and holiday shifts applied. Confirm each date at IRS.gov and with your state agency, because dates can move (for example after a disaster declaration).

Due date	Form	Who	What
2026-12-15	1120-W	C corporations	4th 2026 estimated tax (calendar year)
2027-01-15	1040-ES	Individuals	4th 2026 estimated tax payment
2027-02-01	941 / 940	Employers	Q4 2026 941 and 2026 Form 940
2027-02-01	W-2 / 1099-NEC	Payers	Furnish and file 2026 forms
2027-03-15	1065 / 1120-S	Partnerships, S corps	2026 return or extension
2027-04-15	1040 / 1120	Individuals, C corps	2026 return, balance due
2027-04-15	1040-ES / 1120-W	Individuals, C corps	1st 2027 estimated tax
2027-06-15	1040-ES / 1120-W	Individuals, C corps	2nd 2027 estimated tax
2027-09-15	1040-ES / 1120-W	Individuals, C corps	3rd 2027 estimated tax
Varies	State forms	Sales and payroll tax	Check your state agency calendar

Using the dates with the workbook

- Record each payment on the date the money left the account, whatever tax year it is for.
- Put the tax year and period in the memo so the Tie-Out can be filtered.

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Educational tool, not tax or legal advice. Confirm treatment with your tax preparer. The workbook shows where a payment is usually recorded in the books; it does not decide deductibility, entity elections, or how an item is reported on any return. State rules differ. Privacy: never type SSNs, EINs, account numbers or passwords here. Personal-use license: use for your own business; do not resell or share.

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