

## **Unemployment**

Unemployment Compensation (also called unemployment insurance) provides temporary wage replacement benefits to qualified individuals who are out of work through no fault of their own.

## **Workers' Compensation**

Workers' compensation (known as workers' comp) is a form of insurance that provides compensation medical care for employees who are injured in the course of employment, in exchange for mandatory relinquishment of the employee's right to sue his employer.

## **FICA/**

The federal law which requires employers to withhold a portion of employee wages and pay them to the government trust fund which provides retirement benefits. An acronym for Federal Insurance Contributions Act. More commonly known as social security.

Read more:

<http://www.investorwords.com/1930/FICA.html#ixzz1NwdqVYhp>

## **Medicare**

A federal system of health insurance for people over 65 years of age and for certain younger people with disabilities.

## **FUTA**

The Federal Unemployment Tax Act (or FUTA, ) is a United States federal law that

imposes a federal employer tax used to fund state workforce agencies. Employers report this tax by filing an annual Form 940 with the Internal Revenue Service.

## **Income Tax**

A tax levied directly on personal income. This is a federal tax. Currently Texas does not have an individual income tax. However, there is a Corporate income tax.

## **Sales Tax**

There is no sales tax on salon services. There is however, a sales tax on retail products sold. Each sale, admission charge, storage, or rental is taxable unless the transaction is exempt. Sales tax is added to the price of the taxable goods or service and collected from the purchaser at the time of sale. Texas' general sales tax rate is 6.25 percent. Most Texas counties have a discretionary sales surtax (county tax) that applies to most transactions subject to the sales or use tax.

## **Use Tax**

Use tax is due on the use or consumption of taxable goods or services when sales tax was not paid at the time of purchase. For example:

1. If you buy a taxable item in Texas and didn't pay sales tax, you owe use tax.
2. If you buy an item tax-exempt intending to resell it and then use the item in your business or for personal use, you owe use tax.
3. If you buy a taxable item outside Texas and bring or have it delivered into this state and you didn't pay sales tax on the item, you owe use tax.

