Problem 33

In September, a company began operations. The state requires new employers of one or more individuals to pay a state unemployment tax of 3.5% of the first $7,000 of wages paid each employee.

An analysis of the company's payroll for the year shows total wages paid of $177,610. The salaries of the president and the vice president of the company were $20,000 and $15,000, respectively, for the four months (Sep-Dec), but there were no other employees who received wages in excess of $7,000 for the four months. Included in the total wages were $900 paid to a director who only attended director meetings during the year and $6,300 paid to the factory superintendent.

In addition to the total wages of $177,610, a payment of $2,430 was made to Anderson Accounting Company for an audit it performed on the company's books in December of that year.

Compute:

Net FUTA tax ________________

SUTA tax ________________