

Key Tax Dates June 2022

Review housing allowance designations, make quarterly payments, and meet monthly or semiweekly requirements.

By Richard R. Hammar

Monthly requirements

If your church or organization reported withheld taxes of *\$50,000 or less* during the most recent lookback period (for 2022 the lookback period is July 1, 2020, through June 30, 2021), then withheld payroll taxes are deposited monthly.

Monthly deposits are due by the 15th day of the following month. Note, however, that if withheld taxes are *less than \$2,500* at the end of any calendar quarter (March 31, June 30, September 30, or December 31), the church or organization need not deposit the taxes.

Instead, it can pay the total withheld taxes directly to the IRS with its quarterly [Form 941](#). Withheld taxes include federal income taxes withheld from employee wages, the employee's share of Social Security and Medicare taxes (7.65 percent of wages), and the employer's share of Social Security and Medicare taxes (an additional 7.65 percent of employee wages).

Semiweekly requirements

If your church or organization reported withheld taxes of *more than \$50,000* during the most recent lookback period (for 2022 the lookback period is July 1, 2020, through June 30, 2021), then the withheld payroll taxes are deposited semiweekly.

This means that for paydays falling on Wednesday, Thursday, or Friday, the payroll taxes must be deposited on or by the following

Wednesday. For all other paydays, the payroll taxes must be deposited on the Friday following the payday.

Note further that large employers having withheld taxes of *\$100,000 or more* at the end of any day must deposit the taxes by the next banking day. The deposit days are based on the timing of the employer's payroll. Withheld taxes include federal income taxes withheld from employee wages, the employee's share of Social Security and Medicare taxes (7.65 percent of wages), and the employer's share of Social Security and Medicare taxes (an additional 7.65 percent of employee wages).

June 15, 2022: Quarterly estimated tax payments for certain employees and churches

Filing for certain ministers and self-employed workers

Ministers (who have not elected voluntary withholding) and self-employed workers must file their second quarterly estimated federal tax payment for 2022 by this date. A similar rule applies in many states to payments of estimated state taxes.

Nonminister employees of churches that filed a timely Form 8274 (waiving the church's obligation to withhold and pay FICA taxes) are

treated as self-employed for Social Security, and accordingly are subject to the estimated tax deadlines with respect to their self-employment (Social Security) taxes unless they ask their employing church to withhold an additional amount of income taxes from each paycheck that will be sufficient to cover self-employment taxes (use a new Form W-4, Step 4(c), to make this request).

Payments for unrelated business income tax liability

A church must make quarterly estimated tax payments if it expects an unrelated business income tax liability for the year to be *\$500 or more*. Use IRS Form 990-W to figure your estimated taxes. Quarterly estimated tax payments of one-fourth of the total tax liability are due by April 15, June 15, September 15, and December 15, 2022, for churches on a calendar year basis. Deposit quarterly tax payments electronically using the [Electronic Federal Tax Payment System \(EFTPS\)](#).

June 30, 2022: Review housing or parsonage allowance designations

Now is a good time to review the 2022 housing or parsonage allowances designated for all ministers on staff. If an allowance designated for 2022 is clearly [below actual housing expenses](#), then the church board should consider declaring a larger portion of the minister's remaining compensation as a housing or parsonage allowance.

A church is free to designate any portion of a minister's compensation as a housing allowance, but remember that clergy who own their home cannot claim a housing allowance exclusion greater than the fair rental value of the home (furnished, including utilities). Therefore, the allowance ordinarily should not be significantly more than this amount.

For complete information, consult the [2022 Church & Clergy Tax Guide](#) by [Richard R. Hammar, JD, CPA](#). Visit [ChurchLawAndTax.com](#) for the expert insights you need to manage tax issues with confidence.

Legal Disclaimer:

This content is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. "From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations." Due to the nature of the U.S. legal system, laws and regulations constantly change. The editors encourage readers to carefully search the site for all content related to the topic of interest and consult qualified local counsel to verify the status of specific statutes, laws, regulations, and precedential court holdings.