City of Massillon
Income Tax Department
P.O. BOX 910
Massillon, Ohio 44648-0910

# 2016 RETURN OF EMPLOYEES' INCOME TAX WITHHELD AND ANNUAL RECONCILIATION

Pursuant to the passage of Amended Substitute House Bill 5 in December 2014, new State mandated municipal income tax guidelines have been established, effective with tax returns due for tax years beginning January 1, 2016 and after.

**Changes in filing due date for employee withholding**; Withholding remittance and payment must be received no later than the 15th of the month following the reporting period.

**Changes in monthly and quarterly withholding thresholds**; Employers must remit monthly if withholding in the previous calendar year exceeded $2,399 or if the amount required to be withheld during any month of the previous calendar quarter exceeded $200.00.

Employers can remit quarterly if their withholdings are under the thresholds described for monthly filers.

Withholding guidelines for employers with transient workers and for those employers qualified as a "small employer".

**Changes in penalty and interest rates**; Late payment penalty is a one-time 50% penalty of the unpaid balance at the time payment is due.

Interest will be calculated at the July federal short-term interest rate **plus** 5.00% for 2016 returns, paid in 2016. The monthly interest rate is 0.42%.

## IMPORTANT INFORMATION

## UNIFORM WITHHOLDING REQUIREMENTS for EMPLOYERS

The State legislature has amended Ohio Revised Code 718.03 (municipal income tax) to require that all employers withhold on the same wage base (known as "qualifying wages") for municipal income tax purposes. This amendment was contained in House Bill 95 (2003) and is effective January 1, 2005. Beginning that date, all employers will withhold municipal income tax as follows:

### Medicare Wages

An employer is required to withhold municipal income tax on "qualifying wages", which are wages as defined in Internal Revenue Code Section 3121(a). This should equate to Box 5 (Medicare) of federal Form W-2.

**Medicare Exempt Employees** – These employees are subject to the requirements for "qualifying wages" withholding, even though Box 5 of federal Form W-2 will remain blank.

**Cafeteria Plans** – Internal Revenue Code Section 125 wages are not included in the definition of Medicare wages. Municipal income tax should not be withheld on these wages effective January 1, 2005.

**401(k), 457 and Supplemental Unemployment Compensation Benefits** - These items should always be included in the Box 5 and are subject to withholding requirements.

**Nonqualified Deferred Compensation Plan** – Income from nonqualified plans is included in the definition of "qualifying wages" at the time the income is deferred, and is now subject to withholding for municipal income tax.

**Stock Options** – Income from the exercise of stock options is included in the definition of "qualifying wages" and is subject to withholding requirements.

**Disqualifying Disposition of an Incentive Stock Option** – An employer is not required to withhold municipal income tax only if, at the time of the disqualifying disposition, the individual is not an employee of the corporation issuing the stock option. The individual remains responsible for payment of the tax.

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*Massillon's tax rate is 1.8%. If the amount of tax withheld and remitted is not 1.8% of the "Subject to Massillon Tax" amount from block 1, please include an explanation/reconciliation for the discrepancy and attach a supplementary statement or other documentation as needed.*

Keep a copy of the completed form for your records, and mail the original to:

City of Massillon
Income Tax Department
PO Box 910
Massillon, OH 44648-0910

*Other Important Information*

Please mark your calendar to ensure that the forms are prepared and filed and the remittances are paid timely. You will not receive Returns of Income Tax Withheld in the mail at the end of each withholding period. This booklet contains all of required remittance coupons.

Essential city services are funded by the City of Massillon Income Tax. Prompt collection of the income tax enables the City to operate in a cost effective manner. Efforts to collect delinquent remittances require the City of Massillon to impose substantial interest penalties. Please file and pay on time, using the forms provided. Make payments payable to "City of Massillon."

Taxes collected by the City of Massillon are audited carefully on an ongoing basis. To ensure that the proper taxes have been collected, please keep your account information up to date. Please notify the Income Tax Department of any change in employer name, address, Federal identification number, or other necessary information IN WRITING. If a return or filing reflects an adjustment, is a final return for the employer, or reflects no employees for the reporting period, please state so in writing on the return, attach documentation, and filing the form in a timely manner for the affected period.

If you need assistance, please visit us on the web: *www.massillonohio.com* or call our office at 330-830-1709.

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*About The Return of Income Tax Withheld*

The City of Massillon is providing payroll withholding remittance coupons in the same manner as the IRS and the State. For the tax year 2016, twelve (12) Return of Income Tax Withheld forms are provided in this booklet for taxpayers who remit taxes on a monthly basis. For taxpayers who remit taxes on a quarterly basis four (4) Return of Income Tax Withheld forms are included in this booklet. ***The City of Massillon does not send separate remittance coupons at the end of each withholding period.*** Please use the forms in this booklet to remit the income tax withheld from your employees. Be sure to use proper dated form which corresponds with the period in which you are remitting the tax.

*Employer Withholding and Remittance Obligations*

All employees within, or doing business within Massillon, who employ one or more persons on a salary, wage, commission or other compensation basis in the business transaction must withhold City of Massillon Income Taxes from the employees' pay. The taxes withheld must be deposited on a monthly basis if the withholdings equal or exceed on hundred dollars ($100) during any one calendar month, If tax due is less that $100.00 per month, you may file quarterly.

Monthly remitters must pay taxes withheld for the previous month on or before the 15th day of each month. Employers who are required to remit on a quarterly basis must pay the taxes withheld for the previous quarter on or before the 15th day of the month following the end of the quarter.

**Monthly Remittances**

| Month | Due Date | Month | Due Date |
|---|---|---|---|
| January | February 15 | July | August 15 |
| February | March 15 | August | September 15 |
| March | April 15 | September | October 15 |
| April | May 15 | October | November 15 |
| May | June 15 | November | December 15 |
| June | July 15 | December | January15 |

**Quarterly Remittances**

| Quarter | Ending | Due Date |
|---|---|---|
| Jan-Feb-Mar | March 15 | April 15 |
| Apr-May-Jun | June 15 | July 15 |
| Jul-Aug-Sep | September 15 | October 15 |
| Oct-Nov-Dec | December 15 | January 15 |

*Preparing the Return*

**Please provide the Federal ID number** *(SSN if the employer is a sole proprietorship),* **and employer name and address if that information is not preprinted on the form.** Please also specify the correct withholding period by indicating the exact dates of withholding in the "for period from" and "to" blocks if that information is not preprinted on the form. The Return of Income Tax Withheld must be signed and dated by the employer's authorized officer. A contact phone number is needed as well.

City of Massillon

# Income Tax Department

P.O. Box 910 Massillon, Ohio 44648

## Return of Income Tax Withheld

**For Period:** JAN, FEB, MAR 2016

**Tax Rate: (If other than 1.8%):**

**Federal ID:**

If you do not have employees this period please state so and return this form.

| Total Salaries and Wages | |
|---|---|
| 1. Subject to Massillon Tax | |
| 2. Total Tax Withheld This Period | |
| 3. Late Penalty $50.00 | |
| 4. Amount paid Herewith | |

Avoid penalty – File and pay promptly

Signature

Date

Title

( )

Phone

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City of Massillon

# Income Tax Department

P.O. Box 910 Massillon, Ohio 44648

## Return of Income Tax Withheld

**For Period:** APR, MAY, JUN 2016

**Tax Rate: (If other than 1.8%):**

**Federal ID:**

If you do not have employees this period please state so and return this form.

| Total Salaries and Wages | |
|---|---|
| 1. Subject to Massillon Tax | |
| 2. Total Tax Withheld This Period | |
| 3. Late Penalty $50.00 | |
| 4. Amount paid Herewith | |

Avoid penalty – File and pay promptly

Signature

Date

Title

( )

Phone

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City of Massillon

# Income Tax Department

P.O. Box 910 Massillon, Ohio 44648

## Return of Income Tax Withheld

**For Period:** JUL, AUG, SEP 2016

**Tax Rate: (If other than 1.8%):**

**Federal ID:**

If you do not have employees this period please state so and return this form.

| Total Salaries and Wages | |
|---|---|
| 1. Subject to Massillon Tax | |
| 2. Total Tax Withheld This Period | |
| 3. Late Penalty $50.00 | |
| 4. Amount paid Herewith | |

Avoid penalty – File and pay promptly

Signature

Date

Title

( )

Phone

City of Massillon

# Income Tax Department

P.O. Box 910 Massillon, Ohio 44648

## Return of Income Tax Withheld

**For Period:** OCT, NOV, DEC 2016

**Tax Rate: (If other than 1.8%):**

**Federal ID:**

If you do not have employees this period please state so and return this form.

| Total Salaries and Wages | |
|---|---|
| 1. Subject to Massillon Tax | |
| 2. Total Tax Withheld This Period | |
| 3. Late Penalty $50.00 | |
| 4. Amount paid Herewith | |

Avoid penalty – File and pay promptly

Signature _____ Date _____

Title _____ Phone ( ) _____

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### ABOUT THE 2016 RECONCILIATION OF CITY INCOME TAX WITHHELD

The 2016 Reconciliation of Income Taxes Withheld form on the next page must be filed with in the City of Massillon Income Tax Department no later than January 31, 2017.

**Please provide the employer's Federal Employer ID Number, employer name and address if the form does not provide that information preprinted.** If you remit withheld taxes on a monthly basis, please mark the withholding payments made on the lines provided for the appropriate months. If you remit withheld taxes on a quarterly basis, please mark the withholding payments made on the lines provided for the appropriate quarters.

You have two (2) options to report wages. You can attach W-2's for each employee from whose wages you withheld Income Tax for Massillon or you can supply magnetic media which lists this information. It is suggested that if your company employs more than twenty five (25) employees, you use the magnetic media option. Magnetic Media may be a CD or floppy and must be in **EFW2 Format (formerly MMREF**). For more information regarding the magnetic option, please see our web site at **www.massillon.com/incometax/forms.html** If reporting by magnetic media, you must also provide a completed copy of the reconciliation form in this booklet.

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Record the number of W-2's on line 1. From the W-2's, calculate the total of taxable wages and record the total on line 2. Multiply the amount on line 2 by 1.8% (0.018) and record the amount on line 4. Add all the monthly or quarterly payments of withheld taxes on line 5. PLEASE NOTE that lines 4 and 5 must be equal. If they are not equal, attach documentation establishing the reason for the discrepancy. If line 5 reports a deficiency, also remit a payment equal to the entire amount of the deficiency.

The Reconciliation form must be signed by an authorized official of the employer and must be dated. Please provide a phone number (including area code).

Make a copy of the completed form for your records and mail the completed form with W-2's attached to:

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P.O. Box 910
Massillon OH 44648-0910

**2016**

CITY OF MASSILLON
Income Tax Department
P.O. Box 910
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**MONTHLY PAYMENTS**

| | | | |
|---|---|---|---|
| JAN. | _____ | JULY | _____ |
| FEB. | _____ | AUG. | _____ |
| MAR. | _____ | SEPT. | _____ |
| APRIL | _____ | OCT. | _____ |
| MAY | _____ | NOV. | _____ |
| JUNE | _____ | DEC. | _____ |

Federal Employer
Identification No.

Phone: (  ) _____

Reconciliation of City Income Tax Withheld and Transmittal of W-2 Forms

**QUARTERLY PAYMENTS**

1st Qtr. _____ 2nd Qtr. _____

3rd Qtr. _____ 4th Qtr. _____

1) Number of W-2 Forms attached _____
2) Total Taxable Wages as reported on W-2 Forms attached $_____
3) Massillon Tax Rate X 0.018
4) Tax Liability $_____
5) Total City Tax withheld as remitted on Return of Income Tax Withheld forms for 2016 $_____
6) Difference between line 4 and 5, other than rounding. $_____

**I CERTIFY THAT THE INFORMATION ON THIS RETURN IS TRUE, CORRECT, AND COMPLETE.**

_____

Signature Title Date

Withholding Tax Worksheet
(Keep for your records – Do not file)

| Month Ending | Due Date | Check# | Date | Amount |
|---|---|---|---|---|
| 1/31 | 2/15 | _____ | _____ | _____ |
| 2/28 | 3/15 | _____ | _____ | _____ |
| 3/31 | 4/15 | _____ | _____ | _____ |
| or 1st qtr | 4/15 | _____ | _____ | _____ |
| 4/30 | 5/15 | _____ | _____ | _____ |
| 5/31 | 6/15 | _____ | _____ | _____ |
| 6/30 | 7/15 | _____ | _____ | _____ |
| or 2nd qtr | 7/15 | _____ | _____ | _____ |

Withholding Tax Worksheet
(Keep for your records – Do not file)

| Month Ending | Due Date | Check# | Date | Amount |
|---|---|---|---|---|
| 7/31 | 8/15 | _____ | _____ | _____ |
| 8/31 | 9/15 | _____ | _____ | _____ |
| 9/30 | 10/15 | _____ | _____ | _____ |
| or 3rd qtr | 10/15 | _____ | _____ | _____ |
| 10/31 | 11/15 | _____ | _____ | _____ |
| 11/30 | 12/15 | _____ | _____ | _____ |
| 12/31 | 1/15 | _____ | _____ | _____ |
| or 4th qtr | 1/15 | _____ | _____ | _____ |