

INSTRUCTIONS FOR REMITTING CITY OF TROY 2009 MONTHLY WITHHOLDING TAX

GENERAL INFORMATION FOR EMPLOYERS

Every employer located within or doing business within the City of Troy who employs one or more persons is required to withhold the City of Troy municipal income tax at the rate of 1.75% from wages subject to withholding. All monthly withholding remittances are due by the last day of the month following the period subject to the withholding. **ALL WITHHOLDING ACCOUNTS ARE REQUIRED TO WITHHOLD AND REMIT ON A MONTHLY BASIS.** The Troy Municipal Income Tax Ordinance requires monthly remittances. Failure to remit the tax on the dates specified will result in the assessment of late filing fee, plus penalty and interest for late payment. Postmark dates will be used to determine timeliness; postage meter dates are not postmark dates and cannot be used to determine timeliness of payment. If the due date falls on a weekend or a federal holiday, the due date will be the next business day. **Tax due on compensation subject to Troy tax will be required to be paid by the employer, regardless of whether or not the employer actually withheld the tax from the employee.**

COURTESY WITHHOLDING

If you are withholding the Troy tax as a courtesy for a Troy resident who does not work in Troy, and are not required by law to withhold the tax, you may remit the payments on a quarterly basis using the forms for March, June, September and December. Late payments will be subject to penalty and interest charges. For courtesy withholding, please indicate in the name / address block that you are COURTESY withholding when you send this payment to us. An annual Reconciliation of Returns and copies of all W-2's for courtesy withholding will still be required by February 28th of each year. Additional instructions for Reconciliation of Returns can be found in this booklet.

WAGES SUBJECT TO WITHHOLDING

Changes to the Ohio Revised Code Section 718.03 (in affect the wages subject to municipal income tax withholding. An employer is required to withhold on "qualifying wages" which are wages as defined in IRC Section 3121(a), generally the Medicare Wage Box of the W-2 form. Medicare exempt employees are still subject to the requirements for tax withheld on "qualifying wages" even though the Medicare wage box on their form W-2 will remain blank. Items subject to the "qualifying wage" withholding requirement include, but are not limited to, 401(k), 457, supplemental unemployment compensation benefits, nonqualified deferred compensation plans, stock options, etc. For clarification on any item, or for additional information, contact our office or refer to your IRS publication regarding Medicare wages.

RECONCILIATION OF RETURNS

ALL RECONCILIATION OF RETURNS PLUS EMPLOYEE W-2's MUST BE MAILED TO City of Troy, Income Tax Division, 100 S Market St, Troy OH 45373. The instructions for filing the annual Reconciliation of Returns can be found in this packet, attached to the Reconciliation of Returns form. The Reconciliation plus copies of employee W-2's must be remitted by February 28th of each year.

PENALTY AND INTEREST RATES

For failure to file any document by the due date, a late filing fee of \$25 is assessed if filed within the first 30 days, and \$50 if filed 31 or more days beyond the due date. For failure to pay taxes withheld timely, the penalty is 3% per month or \$25, whichever is greater. The interest charged monthly is calculated at 6% per annum, or one-half of one percent per month or any fraction of a month.

WHERE TO MAIL PAYMENTS

ALL PAYMENTS MUST BE MAILED TO City of Troy, Income Tax Division, 100 S Market St, Troy OH 45373. If your monthly remittance is zero, please mail your form to the same address.

FORM INSTRUCTIONS

Be sure that the federal identification number, business name and address appear on the form in the appropriate designated place. Enter the gross compensation subject to withholding for the filing period. If no qualifying wages for this period, enter zero. Enter the total Troy tax withheld. Enter any adjustments; full explanation in writing must accompany this form. The total due must be paid with the timely filing of this return. Be sure to indicate the number of employees subject to the Troy tax during the period. Sign and date where indicated.

QUESTIONS?

Contact our office with any questions. Phone (937) 339-3861; Fax (937) 440-1352; website www.troyohio.gov; E-mail us at income.tax@troyohio.gov.