

2011

City of Troy

Withholding Tax Forms

MONTHLY PAYMENTS REQUIRED

(See instructions to see if you qualify for quarterly reporting)

On this site you will find the forms and information necessary to file your
CITY OF TROY WITHHOLDING TAX PAYMENTS for MONTHLY REMITTANCE.

ALL WITHHOLDING ACCOUNTS are required to remit on a MONTHLY basis.
COURTESY WITHHOLDING ACCOUNTS, please see special instructions.

IMPORTANT—Please read all enclosed information thoroughly. This site contains the forms necessary for you to withhold and remit monthly the Troy municipal income tax. The tax rate is 1.75% (unchanged).

Forms for January through December, plus the Annual Reconciliation of Returns are on this site.

Additional information regarding the filing of these returns is also included on this site.

QUESTIONS?
OFFICE HOURS

8am—5pm Monday through Friday

OFFICE LOCATION:
100 S Market St, Troy OH 45373

PHONE: (937) 339-3861 FAX: (937) 440-1352
WEBSITE: www.troyohio.gov E-MAIL: income.tax@troyohio.gov

INSTRUCTIONS FOR REMITTING CITY OF TROY 2011 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.** (See “Quarterly Reporting: Qualifications” to see if you qualify to remit on a quarterly 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.**

QUARTERLY REPORTING: QUALIFICATIONS:

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 to withhold the tax (but have done so as a courtesy to your employee who resides in Troy but works elsewhere), you may remit the payments on a quarterly basis using the forms for March, June, September and December. **BE SURE TO COMPLETE THE PORTION OF THE FORM INDICATING THAT ALL OF YOUR WITHHOLDING IS COURTESY, AND INDICATE THE QUARTERLY PERIOD YOU ARE REPORTING. ALL OF YOUR REMITTANCE MUST QUALIFY AS COURTESY TO FILE AND PAY YOUR TAX WITHHELD AS QUARTERLY.** If you are remitting a combination of “courtesy” withholding tax, and tax withheld on wages earned in Troy, you do not qualify for quarterly withholding under this exception. Late payments will be subject to penalty and interest charges. 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.

WITHHOLDING TAX FOR ENTIRE PREVIOUS CALENDAR YEAR WAS LESS THAN \$1200.00

If your entire withholding in the previous full calendar year (January through December) was under \$1,200.00, you may file quarterly in the current calendar year. You may not change withholding filing frequency during the current calendar year. If your withholding in the previous full calendar year is \$1,200.00 or greater, you must file monthly in the current calendar year, regardless of the amount being remitted. If you had no Troy withholding in the previous calendar year, or if you did not have withholding for the entire calendar year, you must file monthly for the current calendar year. Be sure to check the box on the withholding form, and indicate the period you are remitting tax for. Should you be required by this criteria to file monthly and you fail to do so, your account will be subject to applicable penalty and interest charges and late filing fees.

WAGES SUBJECT TO WITHHOLDING

The Ohio Revised Code Section 718.03 mandates that an employer withhold city tax on “qualifying wages.” 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, with additions and deductions. 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. Items exempt from withholding include Section 125 plans. For clarification on any item, or for additional information, refer to your IRS publication regarding IRC Section 3121(a), and to the Ohio Revised Code Section 718.03 for a definition of “qualifying 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. The Reconciliation of Returns and employee W-2's for 2010 are due by February 28, 2011.

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 account number, 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