

City of Columbus, Income Tax Division, 77 N. Front Street, 2<sup>nd</sup> Floor, Columbus, Ohio 43215  
[www.columbus-tax.net](http://www.columbus-tax.net)

## Income Tax Filings Due April 17, 2018

Although April 15, 2018 falls on a Sunday the observation of Emancipation Day in Washington D.C. will be April 16 shifting the Federal filing deadline to April 17, 2018. The annual local filings will be considered timely filed if they are filed on or before April 17, 2018.

## Recent Changes to Municipal Taxes Per House Bill 5

Beginning in tax year 2016 there were many changes to municipal taxation that were implemented per the passage of House Bill 5 by the Ohio General Assembly. The major changes to municipal taxes include:

- The first year that net operating loss carryforwards may be calculated for the City of Columbus is with regard to the taxpayer's 2017 tax return impacting net profits filed in 2018. The first return on which a net operating loss carryforward may be utilized is the taxpayer's 2018 tax return filed in 2019. Net operating loss carryforwards prior to tax year 2017 may not be utilized against any other sources of income of the taxpayer.
- Per Ohio Revised Code Section 718.05(G)(2) any taxpayer that has duly requested an automatic six-month extension for filing the taxpayer's federal income tax return shall automatically receive an extension for the filing of a municipal income tax return.
- The income or losses from the net profits of a resident taxpayer shall be aggregated together regardless of the taxing jurisdiction in which the activity was conducted. The taxable income figures to be utilized by taxpayers on the filing of their individual returns should be taken from Federal Schedules C, E, and F. Columbus City Code Section 362.081(A) limits the allowable credit to be taken on the taxpayer's return to 2.5% of the amount of income subject to the tax. The limiting of the credit to the amount of income subject to tax prevents the crediting or refunding of taxes remitted to any other municipal taxing jurisdiction.
- In accordance with Ohio Revised Code Section 718.01(B)(2) the definition of taxable income shall not include the individual nonresident's distributive share of the net profit or loss of pass-through entities owned directly or indirectly by the nonresident. Accordingly, no credits or refunds will be granted related to the offsetting of gains and losses from pass-through partnership or limited liability companies incurred within the City of Columbus commencing with tax year 2016.
- The amount of an individual's employee business expenses reported on form 2106 and deducted for federal income tax purposes for the taxable year is subject to the limitation imposed by section 67 of the Internal Revenue Code. For the municipal corporation in which the taxpayer is a resident, the taxpayer may deduct all such expenses allowed for federal income tax purposes. For a municipal corporation in which the taxpayer is not a resident, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in that nonresident municipal corporation.
- An employer is not required to withhold municipal income tax on qualifying wages paid to an employee for the performance of personal services in a municipal corporation that imposes such a tax if the employee performed such services in the municipal corporation on twenty or fewer days in a calendar year, unless one of the following conditions applies:
  - (a) The employee's principal place of work is located in the municipal corporation. (cont.)

(cont.)

- (b) The employee performed services at one or more presumed worksite locations in the municipal corporation.
- (c) The employee has requested that local tax be withheld due to residency.
- (d) The employee is a professional athlete, professional entertainer, or a public figure earning qualifying wages.

## Determining the Correct Taxing Jurisdiction

The residential or business mailing address does not always reflect the taxing jurisdiction in which you reside or operate your business. In central Ohio, over 60,000 addresses, actually located within the City of Columbus, have been assigned to suburban post offices (e.g. Dublin, Galloway, Worthington). It is important to know the actual jurisdiction in which you live and/or work to ensure that local taxes are properly filed and paid. If you are uncertain of your tax jurisdiction, or wish to verify the address of an employee or work location, contact the Division (614-645-7370).

## Hotel Excise Tax Remit Address

Excise tax returns for the preceding month are due on or before the twentieth day of each month. A penalty of ten (10) percent is assessed for late payment of excise tax.

Mail to: ATTN: Excise Tax  
Columbus Income Tax Division  
PO Box 183190  
Columbus, OH 43218-3190

## Resident Individuals with Income from Trusts

Commencing with tax year 2016 resident individuals with trust income as shown on Federal Schedule E are subject to tax on that income due to residency per Columbus City Code.

## Did you know that you can electronically file and pay city income taxes?

The Columbus Division of Income Tax invites any individual taxpayer with an established account to file their annual City Tax Return (Form IR-25) as well as make any related payment electronically. Easy File, a new application to facilitate electronic filing and payment is available from the home page of our website at [www.columbustax.net](http://www.columbustax.net).

This application allows you to file your annual City tax return, whether requesting a refund or credit, or whether you owe or don't owe city tax. A convenient electronic payment option is provided, allowing you to pay any taxes due with your annual return. Payments may be made by either electronic check (using your personal or business checking account) or by credit/debit card (Master Card, Visa or Discover Card branded). Note: your card company charges a convenience fee if you remit payment by credit/debit card, but there is no charge for the electronic check option.

At this time, the Columbus online return program only accepts city tax returns (IR-25) for the City of Columbus and the municipalities administered by Columbus. Currently, only tax years 2013 and later may be electronically filed via this application. To electronically file your return you must use the Form IR-25 provided in our application. You must also be able to attach a digital copy (PDF, JPG or TIF) of any and all required return attachments such as; form(s), W2, 1099, Federal 1040 and Schedules C, E or F as well as any other document that may be required for the processing of a refund request (e.g. employer-certification, days-in/days-out documentation, birth certificate/ driver's license).

To gain access to the Easy File application you must have a city tax account I.D. and a PIN number previously issued by the Division. For those without a PIN, a request may be submitted to the Division, which will in turn issue a PIN and send it by regular mail to you or a PIN will be provided over the phone if you correctly answer security questions based on you prior year's city return. This is to ensure the safeguarding of your account information. If you have any questions regarding Easy File, please call our office at: (614)645-7370.

## Submitting Checks

If you do not have a tax form when submitting a check, please provide your name, address and last four digits of your SSN with your payment so the Division may properly post it to the correct city account. Make check payable to the "City Treasurer" while completing the written (legal) line and your signature.

Certified mail is to be mailed to our office and not to our Post Office Boxes. The Division's office address is:

City of Columbus – Income Tax Division  
77 N. Front Street 2FL  
Columbus, OH 43215

## Penalty and Interest Rates

Any local tax liability incurred on or after January 1, 2016 for Individuals, Corporations, S-Corporations, Partnerships, Limited Liability Companies, and Trusts shall be subject to a penalty rate of 15% state-wide. Additionally, the local tax liability incurred for Employers shall be subject to a penalty rate of 50% state-wide should payment not be timely received. The interest rate for 2018 will be 6% state-wide.

## Collection Group

The Columbus Income Tax Division administers municipal income tax for Brice, Canal Winchester, Groveport, Harrisburg, Marble Cliff, Obetz, Northern Pickaway County JEDD, Prairie Obetz JEDZ and the Prairie Township JEDD as well as its own.

## Tax Year 2018 Due Dates

Due dates for filing city tax returns and remitting payments in 2018 are as follows:

### 2017 INCOME TAX RETURNS

	FORM	DUE WITH PAYMENT
Calendar Year Taxpayers (Individuals and Businesses)	IR-25/BR-25	April 17, 2018
Fiscal Year Taxpayers (Individuals and Businesses)	IR-25/BR-25	15th day of 4th month following end of Fiscal year

### 2018 ESTIMATED TAX-Individuals and Businesses

	FORM	DUE WITH PAYMENT
Declaration of Estimated Tax	IR-21/BR-21	April 17, 2018
2nd Quarter	IR-18/BR-18	June 15, 2018
3rd Quarter	IR-18/BR-18	September 15, 2018
4th Quarter	IR-18/BR-18	December 15, 2018

### 2018 EMPLOYER'S WITHHOLDING RETURNS

QUARTER PERIOD	FORM	DUE DATE
1st Quarter January, February and March	IT-11	April 30, 2018
2nd Quarter April, May and June	IT-11	July 31, 2018
3rd Quarter July, August and September	IT-11	October 31, 2018
4th Quarter October, November and December	IT-11	January 31, 2019
YEAR END Reconciliation of W-2s	IT-13	February 28, 2019

### 2018 EMPLOYER'S DEPOSITS OF TAX WITHHELD

#### If your monthly tax liability is:

\$1.00 - \$200.00 (quarterly payments required)	IT-11	last day of month following the end of each quarter
\$201.00 - \$1,000.00 (monthly payments required)	IT-15	within 15 days after close of each calendar month
\$1,001.00 or greater (semimonthly payments required)	IT-15	within 3 banking days after the 15th and the last day of each month

#### Daily Deposit

Each employer who is required under Internal Revenue Code Section 6302 to make next day deposit of tax withheld from employee wages shall then electronically deposit municipal taxes withheld with the City of Columbus, Income Tax Division at the same time.

**INCOME TAX DIVISION**  
PO Box 183190  
Columbus, Ohio 43218-3190

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2018 Tax Year Newsletter