

# Income Tax Newsletter

January 2020

## A Message from the Division

We're writing to get you up to speed on changes that will impact City returns for the upcoming filing season. We hope that this newsletter answers any questions you may have regarding the upcoming filing season and tax year.

In the event that you need more information, please do not hesitate to visit our website at [www.columbustax.net](http://www.columbustax.net) or give our team a call. We've provided a list of numbers to direct you in getting the assistance you need. Many things are changing at the Columbus Income Tax Division, but our commitment to providing excellent customer service to taxpayers remains the same.

## New for the 2020 Filing Season

### Tax Credit for Campaign Contributions available

Beginning in tax year 2019, a nonrefundable credit is allowed for contributions of money made to the campaign committee of candidates for Columbus mayor, city attorney, city auditor, or member of city council. The credit is limited to the lesser of the total donated or \$50 for an individual return or \$100 for a joint return. To claim the credit, individuals must include their credit amount on Form IR-25, Part B, Column F and attach documentation of contribution made.

### Reporting Income from Non-Wage Sources

Individuals who earn income from a source other than a W-2 or W-2G will now report amounts directly from their federal return on IR-25 page 2, Part C as follows:

- Schedule C income (or loss) in Column H
- Schedule E rental income (or loss) in Column I, and
- Other income from Schedules E or F in Column J (residents only).

Filers **must** attach complete Federal Schedules C, E, and F to the back of the return if they are

completing Part C. This revised Part C replaces Parts E and F previously included in Form IR-25.

### Net Operating Loss Carry-Forward Worksheet

Individuals who are carrying forward a Net Operating Loss from a prior year are now required to complete the new Net Operating Loss Carry-forward Worksheet on page 2 of Form IR-25.

### Madison Township JEDD added to JEDD filing forms

Effective 8/20/2019, Columbus now administers the income tax for the Madison Township JEDD.

### 2020 Penalty and Interest Rates

Effective January 1, 2020 the penalty rate for late payment of taxes for Individuals, Corporations, S-Corporations, Partnerships, Limited Liability Companies and Trusts will be 15% state wide. Additionally, employer withholding payments not received timely will be subject to a penalty rate of 50%.

The interest rate for tax year 2020 will be 7% state-wide.

### Changes to Municipal Tax in H.B. 166

H.B. 166 of the 133<sup>rd</sup> General Assembly made amendments to R.C. 718 regarding the definition of "pension" and "retirement benefit plan". As a result of these amendments, non-qualified deferred compensation plans (e.g. SERPs, etc.) are no longer taxable at the municipal level effective January 1, 2020. Since this change is effective for tax year 2020 moving forward, these plans are still taxable on the 2019 returns individuals will file this upcoming season.

H.B. 166 also updated the process by which businesses can opt out of state administration of municipal income taxes through the Ohio Business Gateway (OBG). Businesses can now opt out at any time within their first two years of filing through the OBG by providing a 60-day notice to the Ohio Department of Taxation. Businesses who opt out of

filing through the OBG will resume filing directly to their city/cities of business.

Columbus City Code chapter 362 has been updated to reflect both of these changes (see Ordinance No. 3234-2019 in the [Columbus Municode library](#)).

## Guide to Filing Columbus Returns

### Reporting Credits

Taxpayers often have questions about where to report credits. Credits for city tax withheld, amounts paid by partnerships, and estimated tax payments are reported in two different places in Form IR-25 Part B.

**Column F:** the following amounts should be reported in Part B, Column F:

- Tax withheld to Columbus on the W-2
- Tax paid to another city on income earned in that city
- Tax paid to Columbus on your behalf by a partnership
- Contributions made to the campaign committee of candidates for Columbus mayor, city attorney, city auditor, or member of city council.

**Line 2:** the following amounts should be reported in Part B, Line 2:

- Declaration and estimated payments made during the tax year of the return
- Overpayment from a prior year return.

Reporting credits properly helps our team process your tax return in a timely fashion and makes it less likely that we will have to make an adjustment to your return.

### Forms and Instructions

All City of Columbus tax forms and instructions are available for download at [www.columbustax.net](http://www.columbustax.net).

### File and Pay Form IR-25 Electronically

Columbus offers online filing and payment for IR-25 returns via our Easy File application. The 2019 Form IR-25E will be available on January 15, 2020.

Please note that paper returns are required for first-time filers.

To access Easy File,

1. Visit [www.columbustax.net](http://www.columbustax.net) and click “IR-25” under EASY FILE for Individuals
2. Use the City Tax Account ID and PIN provided to you by the Division. If you have filed with us before and cannot locate your ID and PIN, please call our office at 614-645-7370
3. Be sure to have electronic copies of all required attachments available, including
  - a. W-2s and 1099s from your employers;
  - b. Applicable federal schedules (e.g. Schedules C, E, F, etc.);
  - c. Documents that may be required to process a refund (e.g. employer certification, days-in/days-out documentation, birth certificate, etc.);
  - d. Payment information if filing a return with a liability. Payments can be made by electronic check or by credit/debit card.

### Electronic Payment Options

In addition to online filing of IR-25s, the City of Columbus offers online payment options for the following forms:

- Declarations of Estimated Income Tax (BR-21 and IR-21),
- Quarterly Statements of Estimated Income Tax Due (IR-18 and BR-18),
- Applications for Filing Extensions (BR-42 and IR-42),
- Employer Monthly or Semi-Monthly Deposits of Income Tax Withheld (IT-15),
- Employer’s Quarterly Return of Income Tax Withheld (IT-11), and
- Payment of Liabilities.

To make payments associated with these forms online, please visit [www.columbustax.net](http://www.columbustax.net) and click “Payment Portal”.

## Mailing Addresses

### *Individual and Business returns with payments:*

City Treasurer  
PO Box 182158  
Columbus, Ohio 43218-2158

### *Individual or Business refund requests or filings without payment:*

City Treasurer  
PO Box 182437  
Columbus, Ohio 43218-2437

### *Withholding returns and payments:*

City Treasurer  
PO Box 182489  
Columbus, Ohio 43218-2489

### *General and Certified Mail correspondence:*

Columbus Income Tax Division  
PO BOX 183190  
Columbus, Ohio 43218-3190

### *Electronic filing follow-up documentation:*

Columbus Income Tax Division  
PO BOX 183213  
Columbus, Ohio 43218-3213

## Taxpayer Assistance and Questions

For answers to frequently asked questions, please visit the "Tax Facts" section of our website. Here, you can find more information about whether you need to file, what income is taxable at the city level, and other common questions to get you started.

Taxpayers who have a filing requirement and have not had their returns professionally prepared may come to the Division of Income Tax and have an audit staff member prepare their city return without charge. Local forms, W-2s, Federal forms and schedules are required to complete a return. For other taxpayer assistance or questions please use the following phone list:

Contact	Phone	Fax
Forms Request – Businesses	(614) 645-2829	
Forms Request – Individual	(614) 724-8297	
Business Accounts	(614) 645-8328	(614) 724-2610
Business Withholding	(614) 645-8368	(614) 724-0232
Delinquent Collections	(614) 645-8152	(614) 724-2607
Hotel/Motel Tax	(614) 645-7865	(614) 645-7193
Individual Section	(614) 645-7646	(614) 724-2608
New Accounts	(614) 645-7370	(614) 724-2608
Local Address Searches	(614) 645-7405	(614) 724-7193

2020 Due Dates

2019 Tax Returns – Individuals and Businesses		
	Form	Due With Payment
Calendar Year Taxpayers	IR-25/BR-25	April 15
Fiscal Year Taxpayers	IR-25/BR-25	15 <sup>th</sup> day of 4 <sup>th</sup> month following end of fiscal year
2020 Estimated Tax – Individuals and Businesses		
	Form	Due With Payment
Declaration of Estimated Tax	IR-21/BR-21	April 15
2 <sup>nd</sup> Quarter Payment	IR-18/BR-18	June 15
3 <sup>rd</sup> Quarter Payment	IR-18/BR-18	September 15
4 <sup>th</sup> Quarter Payment	BR-18	December 15
	IR-18	January 15, 2021
2020 Employer’s Withholding Returns		
	Form	Due Date
1 <sup>st</sup> Quarter	IT-11	April 30
2 <sup>nd</sup> Quarter	IT-11	July 31
3 <sup>rd</sup> Quarter	IT-11	October 31
4 <sup>th</sup> Quarter	IT-11	January 31, 2021
Year End Reconciliation of W-2s	IT-13	February 28, 2021
2020 Employer’s Deposits of Tax Withheld		
	Form	Due Date
Semi-monthly payments	IT-15	Within 3 banking days after the 15 <sup>th</sup> and the last day of each month
Monthly payments	IT-15	Within 15 days of the close of each calendar month
Quarterly payments	IT-11	Last day of month following the end of each quarter

**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.