

Income Tax Newsletter

January 2021

A Message from the Division

Like many organizations, the COVID-19 pandemic has drastically altered the Columbus Income Tax Division's operations. We are writing ahead of the upcoming filing season to get taxpayers and practitioners up to speed on changes that will impact your Columbus returns.

In the event that you need more information, please do not hesitate to visit our website at www.columbus.gov/IncomeTaxDivision. Here, you can find all forms, instructions, FAQs, and updates to our customer service offerings. Many things are changing at the Columbus Income Tax Division, but our commitment to serving those who live, work, and conduct business in the city remains the same.

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New for the Filing Season

Working from home during the COVID-19 pandemic

Ohio House Bill 197 instituted temporary language stating that during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work. As such, the Columbus Division of Income Tax will not grant refund requests for withholding paid to Columbus in accordance with C.C.C. 362.011 and Ohio H.B. 197, section 29.

Employers – the employer certification (page 3 of the IR-25) has been updated to reflect that employees should only be granted certification of days worked out of the city if there was no requirement for tax to be withheld as specified in Ohio H.B. 197, section 29.

Supplemental Executive Retirement Plans (SERPs) no longer taxable

Beginning tax year 2020 via Ohio House Bill 166, SERPs are no longer taxable at the municipal level. Although this change went into place in 2020, this is the first year this change will impact taxpayer returns. For more information on what is taxable at the municipal level, please see the instructions for Form IR-25 or C.C.C. 362.

2021 Interest Rate

Effective January 1, 2021 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 2021 will be 5% state-wide. This is a decrease from the 2020 rate of 7%.

Additional Tax Topics

Taxability of Unemployment Income

The federal CARES Act and subsequent relief bills authorized additional unemployment funding and programs to support individuals who are out of work during the COVID pandemic, leading to questions of whether this income is taxable at the municipal level.

Supplemental unemployment income is only taxable at the municipal level when paid by the employer. If a taxpayer has received unemployment income from a program paid by the employer, Columbus considers this amount taxable at the municipal level.

State unemployment benefits are not taxable at the municipal level. As the supplemental employment

amounts authorized in the CARES Act and other relief bills were established by the federal government and administered by the state, Columbus does not consider these amounts taxable at the municipal level.

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.

Updates to Nonresident Days Worked Out section of Form IR-25

Columbus Form IR-25 allows nonresident employees to reduce taxable wages when their employer withheld tax to Columbus on wages that were paid while they worked outside of Columbus. We have made updates to this portion of the IR-25.

Specifically, we have added a new line 20, which asks the taxpayer to enter their total days worked outside of Columbus.

Please note: the Columbus Division of Income Tax will not grant refund requests for withholding paid to

Columbus in accordance with C.C.C. 362.011 and Ohio H.B. 197, section 29.

Refund processing

Refund requests are processed in the order in which they are received. In some situations, a filed return requesting a refund may be incomplete. If that happens, the auditor to whom the refund is assigned will send a letter to the taxpayer requesting any additional information needed to complete the return.

Because each return is unique and must be audited before a refund can be issued, we are not able to tell you exactly when your refund will be received. Under state law, municipalities do not have to pay interest on any overpayment so long as it is refunded within ninety days after the final filing date of the annual return or ninety days after the completed return is filed, whichever is later. However, the Division strives to process returns more quickly than that.

Customer service updates

Service updates posted to website

The Division is constantly monitoring the COVID-19 pandemic and making necessary adjustments to our customer service offerings. The information contained in this newsletter is accurate as of today; as our offerings change, all updates will be posted to [our website](#).

Drop off return preparation service

Due to our efforts to keep our team safe during the COVID-19 pandemic, the Division of Income Tax will not see walk-in taxpayers until further notice.

However, taxpayers who have a filing requirement and have not had their returns professionally prepared may drop off their information 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.

Taxpayers who need to drop off information to have their returns prepared can use the secure drop box in the lobby of our office at 77 N. Front Street.

Contacting the Division

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.

By phone

For other taxpayer assistance or questions please use the following phone list. We are currently limiting phone hours due to staffing levels during the COVID-19 pandemic. As we expand our phone hours in response to demand and staff resources, we will post our most current hours on our website.

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

By email

Taxpayers may also reach us by email at tax@columbus.gov. Please note that our response time may be delayed, and do not email confidential tax documents to our office.

Filing Columbus Returns

Forms and Instructions

All City of Columbus tax forms and instructions are available for download on [our website](#).

Mailing Addresses

When filing your Columbus return, please use the following 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

File and Pay Form IR-25 Electronically

Columbus offers online filing and payment for IR-25 returns via our Easy File application. Please note that paper returns are required for first-time filers.

To access Easy File,

1. Visit [our website](#) 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.

Payment options

The Columbus Division of Income Tax offers a variety of ways to pay your tax liability. Please note that the Division does **not** accept cash payments.

Pay Online

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 [our website](#) and click "Payment Portal".

Drop off payment

Taxpayers may use the secure drop off window in the lobby of our 77 N. Front Street building to make payments via check, cashier's check, or money order. Checks must be made out to the City Treasurer. Please note that the Division does **not** accept cash payments.

Mail payment

Taxpayers may mail returns with check, cashier's check, or money order payments to the following address:

Columbus Income Tax Division
PO Box 182158
Columbus, Ohio 43218-2158

Checks must be made out to the City Treasurer. Please note that the Division does **not** accept cash payments.

2021 Due Dates

2020 Tax Returns	Form	Due With Payment
Individual Taxpayers	IR-25	April 15
Calendar Year Corporate Taxpayers	BR-25	April 15
Fiscal Year Corporate Taxpayers	BR-25	15 th day of 4 th month following end of fiscal year

2021 Estimated Tax	Form	Payment Due – Calendar Year	Payment Due – Fiscal Year
Declaration of Estimated Tax	BR-21, IR-21	April 15	15 th day of 4 th month of fiscal year
2 nd Quarter Payment	BR-18, IR-18	June 15	15 th day of 6 th month of fiscal year
3 rd Quarter Payment	BR-18, IR-18	September 15	15 th day of 9 th month of fiscal year
4 th Quarter Payment (Corporate)	BR-18	December 15	15 th day of 12 th month of fiscal year
4 th Quarter Payment (Individual)	IR-18	January 15, 2022	

2021 Employer’s Withholding Returns	Form	Due Date
Quarterly Returns of City Tax Withheld	IT-11	April 30, July 31, October 31, and January 31 (2022)
Year End Reconciliation of W-2s	IT-13	February 28, 2022

2021 Employer’s Deposits of Tax Withheld	Form	Due Date
Semi-monthly payments	IT-15	Within 3 banking days after the 15 th 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

*The taxes withheld for the third month of each quarter need not be remitted to the City until the last day of the month following the close of the quarter using Form IT-11.

Withholding Requirements

It is the employer’s responsibility to ensure that our office receives your withholding tax forms and payments on time. The use of a tax preparer or payroll service to prepare your city tax returns and payments does not relieve employers of these responsibilities.

Daily Deposit

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

Semi-monthly Deposit

If the total taxes deducted and withheld or required to be deducted and withheld on behalf of the City exceeded 1) \$11,999 in the preceding calendar year or 2) \$1,000 in any month of the preceding calendar year, the employer must remit semi-monthly using Form IT-15 on the due dates listed above.

Monthly Deposit

If the total taxes deducted and withheld or required to be deducted and withheld on behalf of the City were 1) more than \$2,399 but less than \$12,000 in the preceding calendar year or 2) more than \$200 in any month of the preceding calendar quarter, the employer must remit monthly using Form IT-15 on the due dates listed above.

Quarterly Deposit

City of Columbus Income Tax Division
 77 N. Front Street, 2nd Floor
 Columbus, Ohio 43215
www.columbus.gov/IncomeTaxDivision